

“Fifty Years of Cooperation”



**International Association
of Machinists
&
Lockheed Corporation**

Lockheed and the IAM&AW Celebrate 50 Years of Collective Bargaining

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The relationship that started in Jeffries' Barn has spanned 50 years of aeronautical history

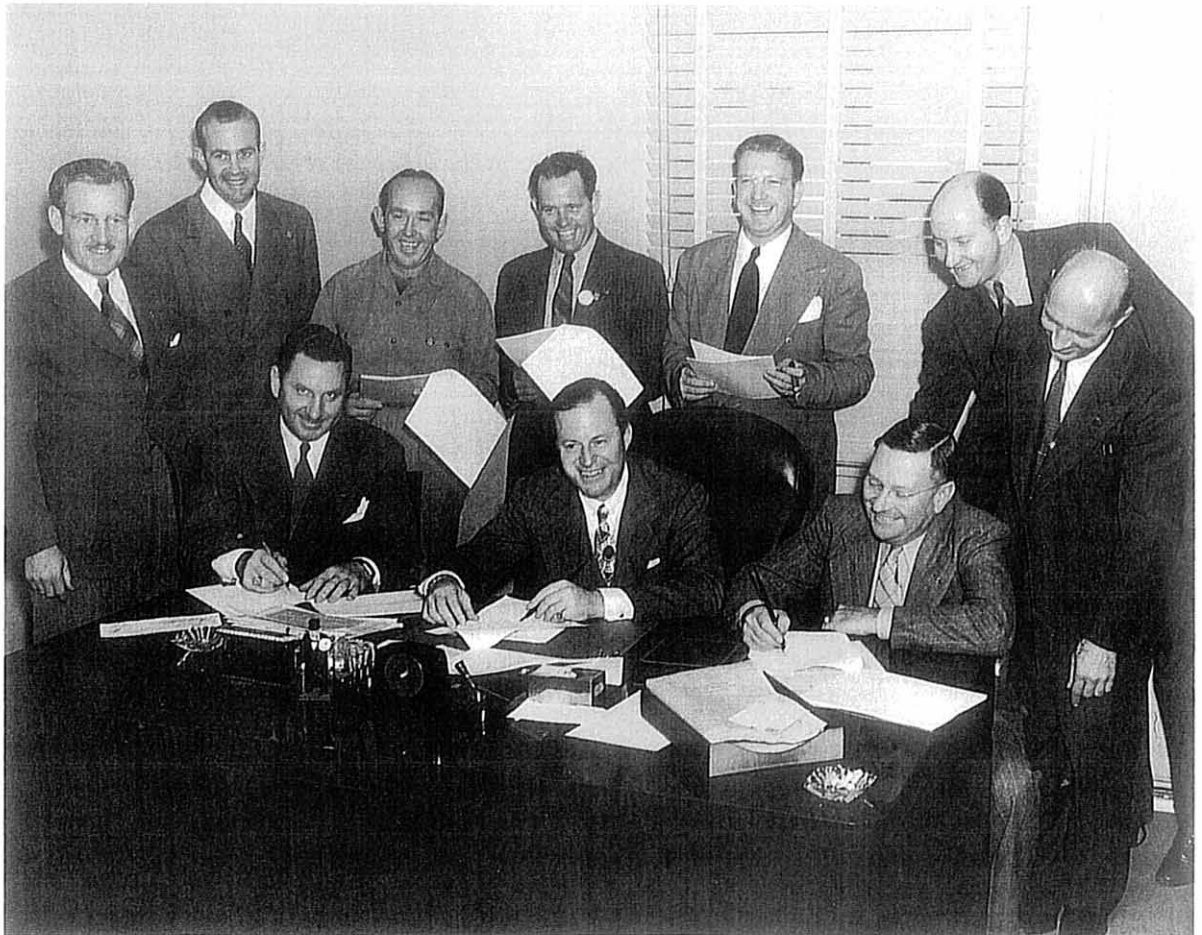
and today stands as a symbol of how successful collective bargaining can be.

Today, the modern building that headquarters IAM&AW District 727 is on the same spot as the old Jefferies' Barn which served as the first meeting place for union members. Lockheed, now headquartered in Calabasas, has grown from a company of 1650 employees and one division into a major corporation with 98,000 employees and 15 divisions.

This book celebrates the 50th anniversary of the cooperative liaison between Lockheed and the IAM&AW, and commemorates the men and women who have contributed so much to our country through their company and their union.

In many ways, the first IAM&AW contract cemented the positive relationship that Lockheed had maintained with its employees since 1932 when the company was pulled from bankruptcy by an optimistic group of aviation enthusiasts headed by Robert E. Gross.

The new Lockheed management brought to



In this picture, Lockheed and IAM&AW negotiating committee members sign the 1941 contract. Standing, from left to right: Lyle Dewey, Chuck Jones, Leo Baugh, Cecil Manning, Charles Tigar, Tom McNett and Ted Soreson. Sitting, from left: Dale Reed, Robert E. Gross and George Castleman.

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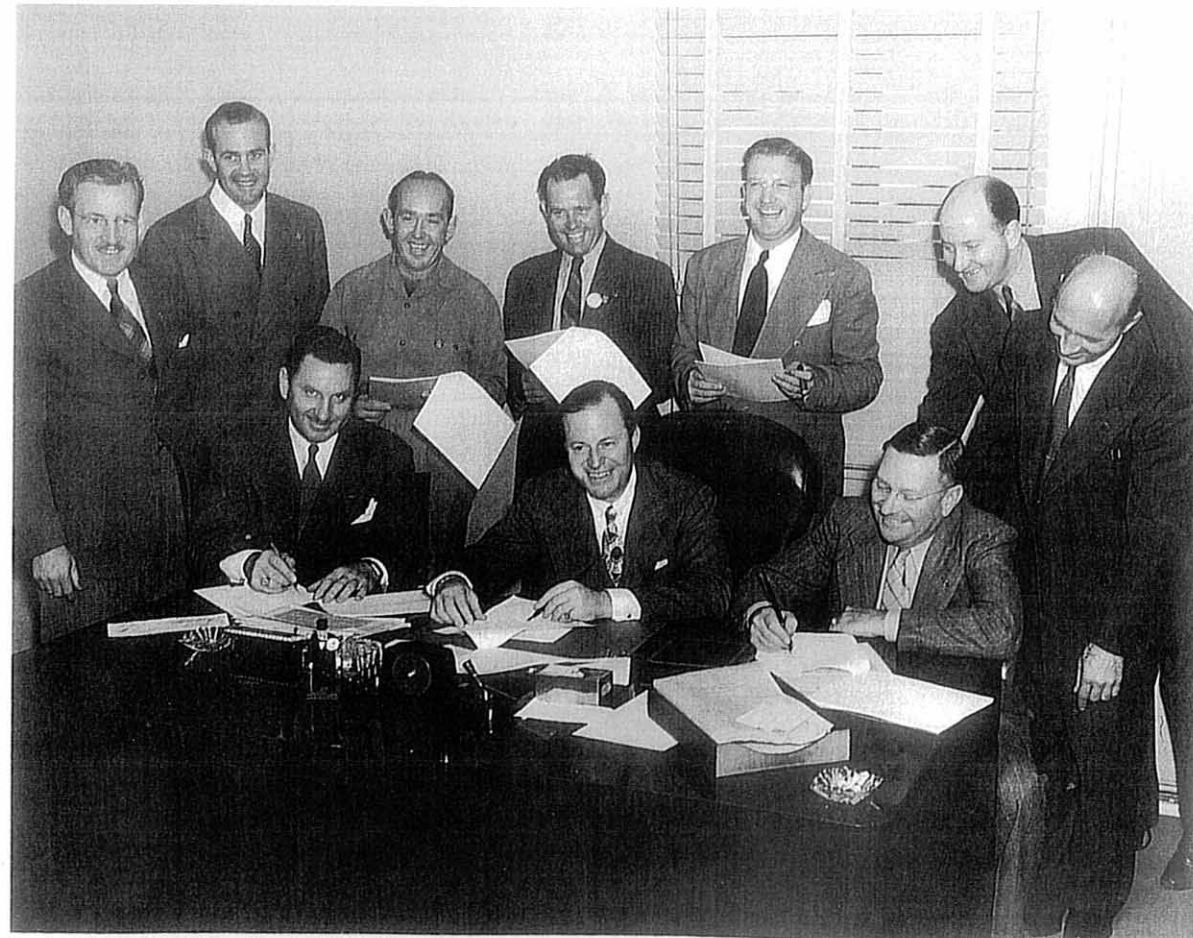
the company a strong sense of team play and a commitment to fairness to and concern about its employees that remains an intrinsic part of Lockheed's culture.

Before signing the labor agreement in 1937, Lockheed already had in place several innovative employee programs which included one-week paid vacations for employees with three years of service, a retirement plan, group health and disability insurance (paid for by employees), an employee newsletter, and free legal advice from the company attorney for any employee who wanted it.

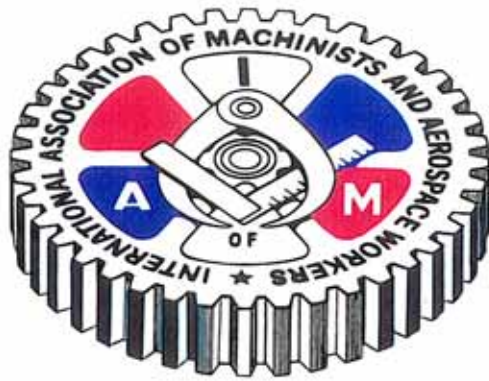
The first contract provided a blanket 6-cents per-hour raise, bringing the average per-hour wage to 51 cents for Lockheed employees, and set a 40-hour work week with time and a half for overtime. In August 1937 average hourly rates at Lockheed were increased to 65 cents with a top of 84 cents and a low of 45 cents per hour.

During the past five decades, Lockheed and the IAM&AW have worked together to implement important employee programs like the Bucks of the Month Club, the safety program, the apprenticeship program, continuing education and training, and the Employee Assistance Program.

This is not to imply that the Lockheed/IAM&AW relationship has been fully harmonious or that it has been without distress or crises—far from it. There have been conflicts. Disputes have arisen. And there have been strikes. But each situation has been resolved with mutual cooperation and respect—without lasting bitterness. Each negotiation has resulted in a fair deal for both sides.



In this picture, Lockheed and IAM&AW negotiating committee members sign the 1941 contract. Standing, from left to right: Lyle Dewey, Chuck Jones, Leo Baugh, Cecil Manning, Charles Tigar, Tom McNett and Ted Soreson. Sitting, from left: Dale Reed, Robert E. Gross and George Castleman.



The 50-year relationship between Lockheed and the IAM&AW is a model for what labor-management relations in the United States should be.

The hallmark of our relationship is responsibility. While the half-century has brought us together to crisis situations, these crises have been resolved with responsibility and fairness by both parties.

We have worked through the collective bargaining processes when we have differed.

Together the IAM&AW and Lockheed have seen great strides in the aerospace industry. We believe the company could not have made these giant steps without the cooperation, the brains and the skills of the employees represented by our union.

IAM&AW members at Lockheed know they would not have prospered as they have without the progressive and aggressive leadership of the corporation.

As we commemorate our first 50 years, let us resolve to continue the spirit of cooperation so that 50 years from now the IAM&AW and Lockheed will celebrate a centennial of responsible labor management and cooperation.



William W. Winpisinger

International President
International Association of Machinists
and Aerospace Workers



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It is with great pride that I join you in observing the 50th Anniversary of collective bargaining between Lockheed and the International Association of Machinists and Aerospace Workers.

Ours is a relationship of mutual respect and cooperation. We have shared the pride of achievement by Lockheed's most valuable asset—its people. As a team, Lockheed's people have built a company that ranks among the giants of our industry.

Together we have developed programs like the Lockheed Employees' Recreation Club, the safety program, the Bucks of the Month Club, the Apprentices Program, the Employee Credit Union, the Employee Assistance Program, and the Mutual Relations Improvement Program.

Lockheed is proud of the mutual projects we have shared such as our support of the IAM&AW's International Guiding Eyes Program.

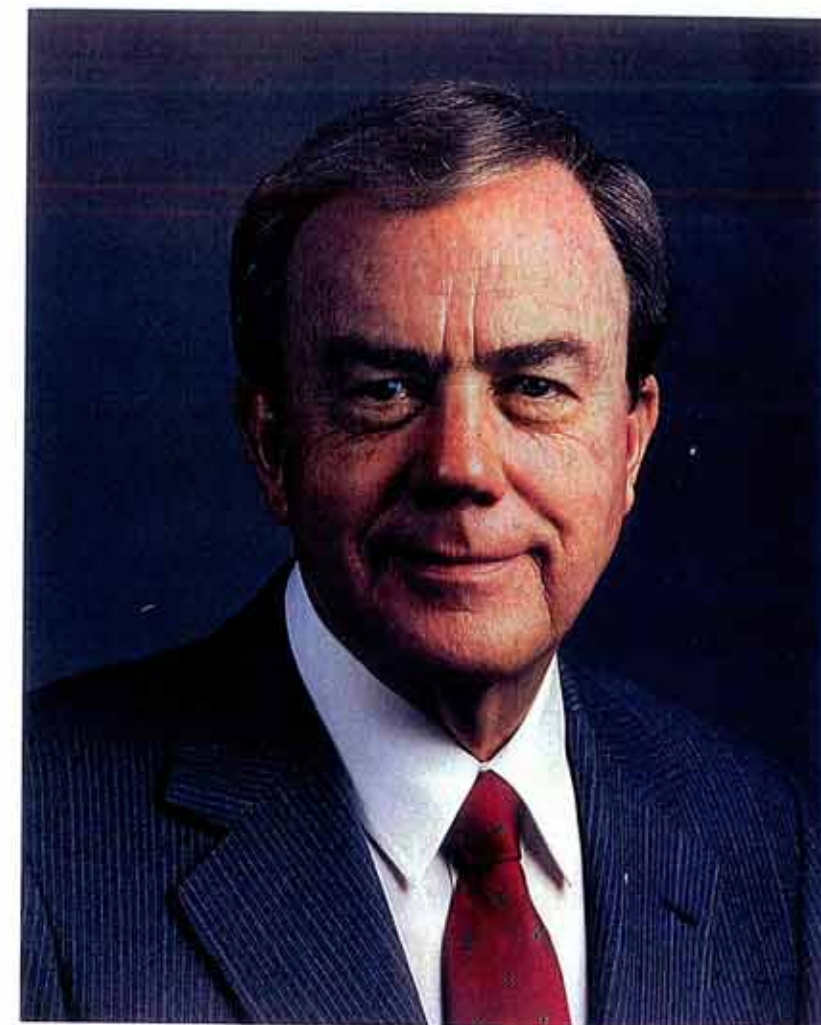
But like most good relationships, ours has not always been perfect. We have had disputes. But we have resolved our differences through cooperation and respect.

As long as we continue in this spirit, we build toward a greater unity and a successful Lockheed/IAM&AW centennial.

Happy Anniversary.

Lawrence O. Kitchen

Chairman of the Board
and Chief Executive Officer
Lockheed Corporation





Lockheed Aeronautical Systems Company (LASC)

**Burbank
(Headquarters Operations)**

What is now Lockheed Aeronautical Systems Company's Burbank facility comprised Lockheed's original factory and was the site of the first union agreement in the company's history. From 1937 to 1941, the Lockheed plant experienced the most phenomenal growth ever recorded in American industrial history, burgeoning from 1655 employees in June 1937 to 53,000 employees in June 1941.

Workers at LASC plants in Burbank, Palmdale, and the Watts-Willowbrook area of Los Angeles are world premier producers of antisubmarine patrol aircraft and high altitude reconnaissance aircraft for military forces. These facilities have manufactured some of the most famous aircraft in the world. In 1941 alone, Burbank turned out 19,000 military airplanes, including the P-38 Lightning fighters, Hudson bombers, the Lodestar and Constellation transport. Machinists contributed to those remarkable feats and to the production of aircraft like the P-3C Orion, the CP-140, the S-3 Viking, the L-1011 TriStar, the U-2, the TR-1 and the SR-71 Blackbird.

Employees at LASC's Burbank facilities have worked nearly 2 billion hours (about 230,000 years at 24 hours every day for a year) under 54 IAM&AW contracts since 1937 with only three-tenths of one percent of the hours worked lost because of strikes. Today, the IAM&AW represents 8,784 of Burbank's 16,600 employees.





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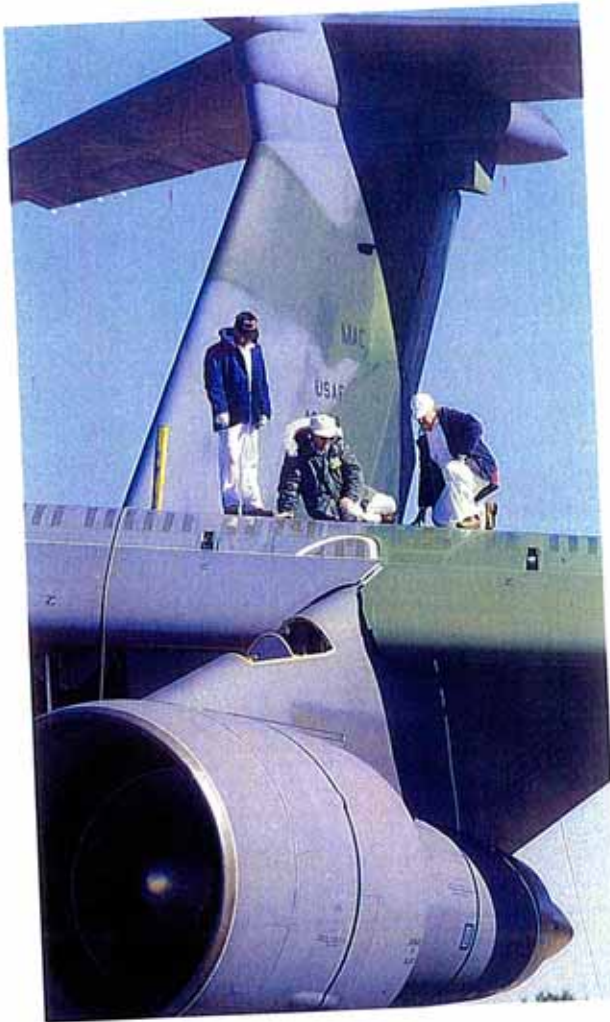
Lockheed Aeronautical Systems Company (LASC)

Ontario

Established as a Lockheed division in 1947, LASC's Ontario facility is the world's most experienced aircraft modification and maintenance company. Machinists here have worked on major aircraft modification projects like the C-130 hospital aircraft, the in-flight refueling capability of the C-130, and electronic projects like the first FAA-approved flight data recorder. Succeeding models of the recorder are used in more than half of the commercial aircraft flown in the free world today.

Since 1947 Machinists at Ontario have worked 210.6 million hours under 59 IAM&AW contracts, with one-tenth of one percent of the contract hours worked lost to strikes. Today, 1650 of Ontario's 3,300 employees are represented by the IAM&AW.

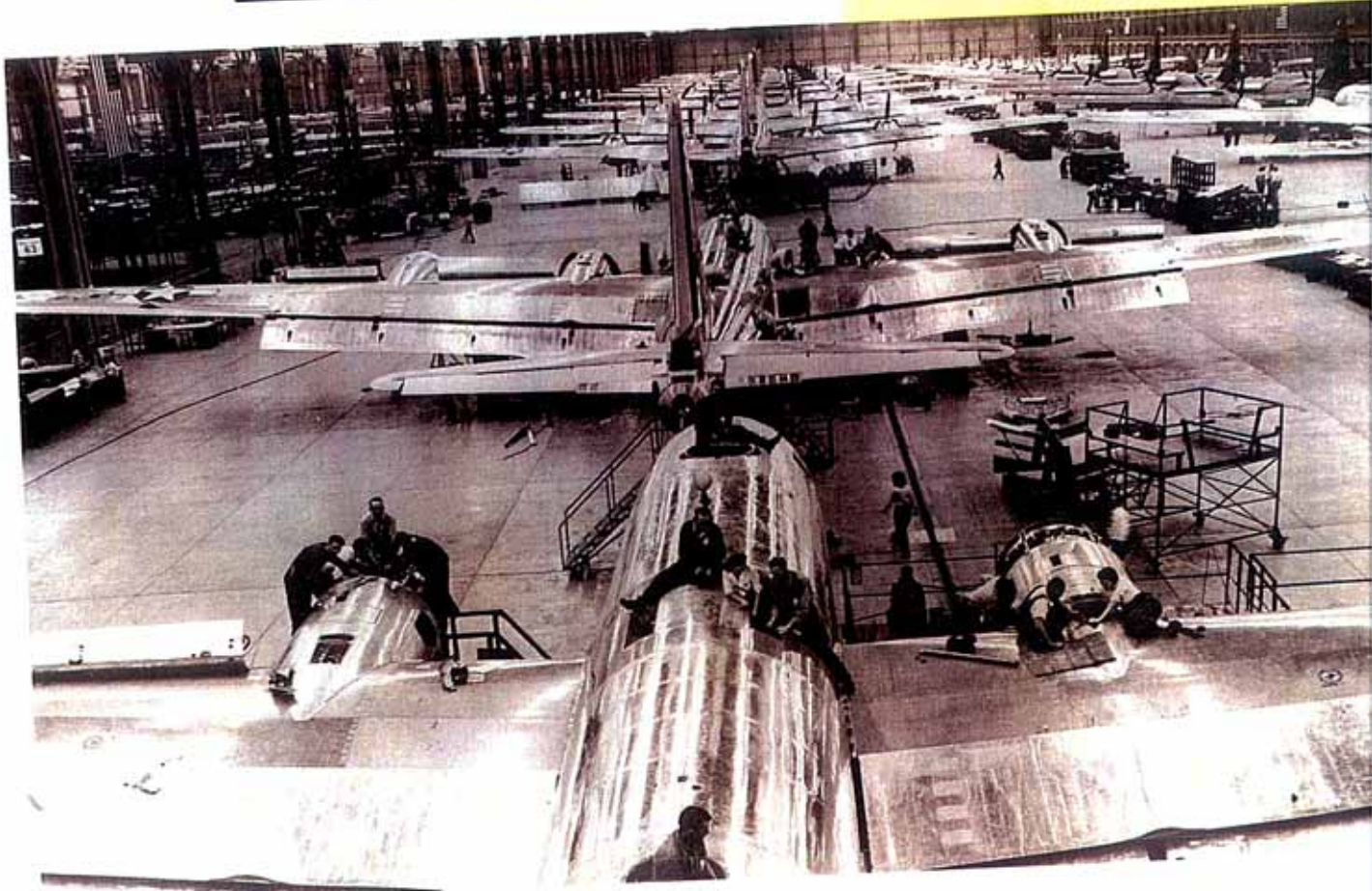




Lockheed Aeronautical Systems Company (LASC)

Georgia

Machinists at the Lockheed Aeronautical Systems Company's Georgia Division in Marietta have contributed to the production lines success of the largest and most versatile military airlift and transport aircraft in the world, including 1,800 C-130 Hercules; the C-141 Starlifter, the first pure jet aircraft designed specifically for cargo airlift, and the C-5, the free world's largest aircraft. In 36 years of collective bargaining with the IAM&AW, Georgia has successfully negotiated 67 agreements with only three-hundredths of one percent of the 802.5 million hours worked under IAM&AW contracts lost because of strikes. The IAM&AW represents 13,268 employees at the Marietta plant and feeder plants in Charleston, South Carolina, Clarksburg, West Virginia, and Meridian, Mississippi.



Lockheed Missiles & Space Company, Inc. (LMSC)

Founded in 1954 with just 65 employees, Lockheed Missiles & Space Company is the home of Lockheed's Polaris, Poseidon and Trident ballistic missiles, and spacecraft like the Agena satellites, Hubble telescope and other space vehicles. One of Lockheed's three largest companies, LMSC is headquartered in Sunnyvale, California, with operations in Palo Alto, Vandenberg Air Force Base, San Diego, Cape Canaveral, Florida, and the Lockheed Austin Division (LAD) in Texas where Machinists contribute to projects like the Aquila remotely piloted vehicle.

The IAM&AW represents 6,594 workers at LMSC and its support facilities and 232 at LAD. Hourly employees at Sunnyvale have worked 481.5 million hours under IAM&AW contracts since the first agreement was signed in 1956 with less than 1 percent of the contract hours worked lost because of strikes. LAD ratified its first IAM&AW contract in 1982. To date, Machinists at LAD's Austin facilities have worked more than 1.7 million labor hours without a strike.



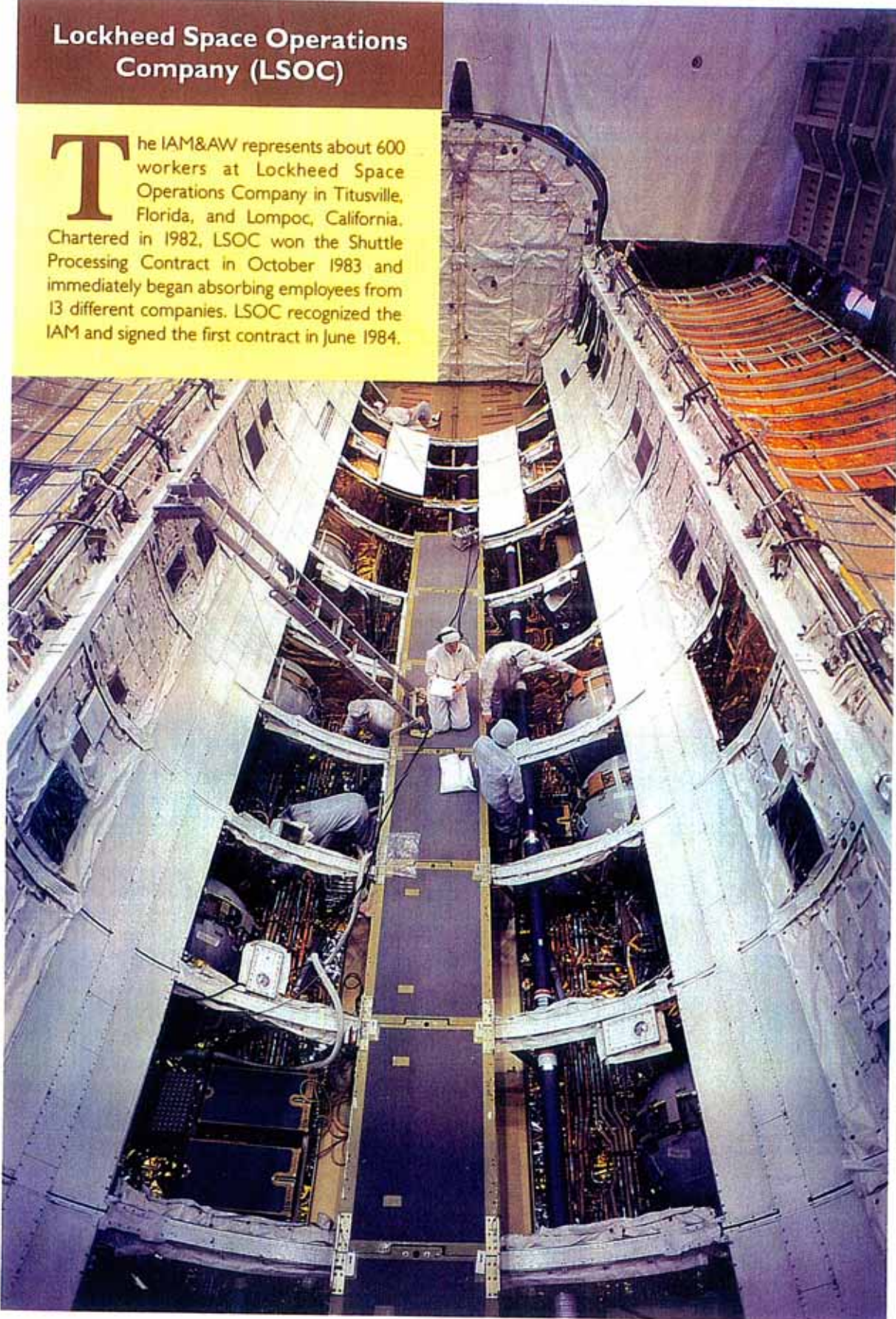
Lockheed Air Terminal, Inc. (LAT)

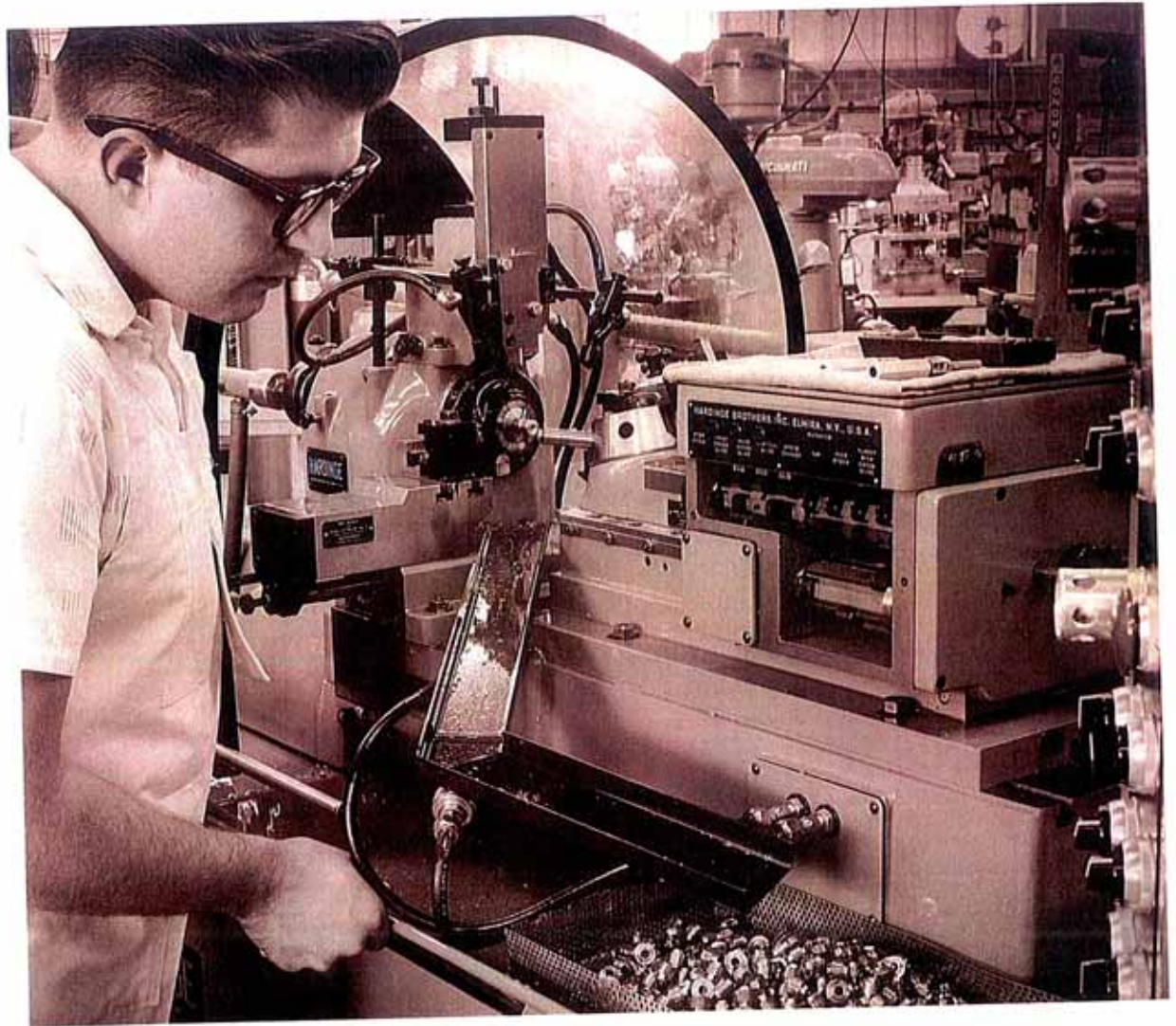
Two hundred-seventeen Machinists work at Lockheed Air Terminal, Inc. airport facilities across the United States. Headquartered in Burbank, California, LAT has negotiated 54 labor agreements since organizing in 1960. Machinists provide fueling and ground handling services to commercial and charter airlines, like the British Airways Concorde which stayed overnight at LAT's cargo facility at Georgia's Hartsfield International Airport in Atlanta.



Lockheed Space Operations Company (LSOC)

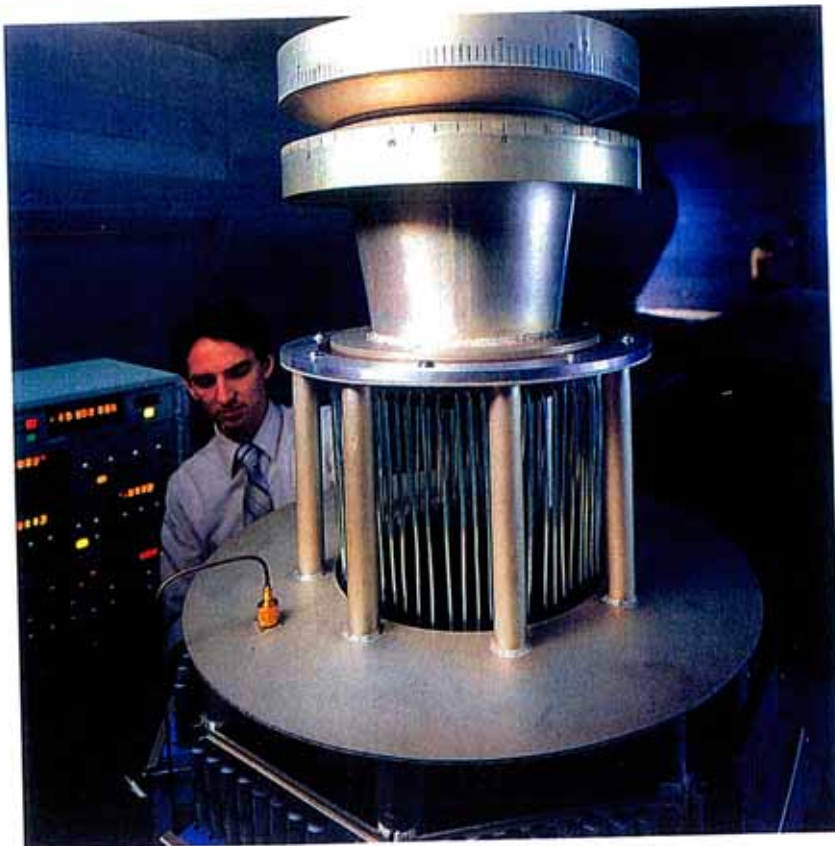
The IAM&AW represents about 600 workers at Lockheed Space Operations Company in Titusville, Florida, and Lompoc, California. Chartered in 1982, LSOC won the Shuttle Processing Contract in October 1983 and immediately began absorbing employees from 13 different companies. LSOC recognized the IAM and signed the first contract in June 1984.





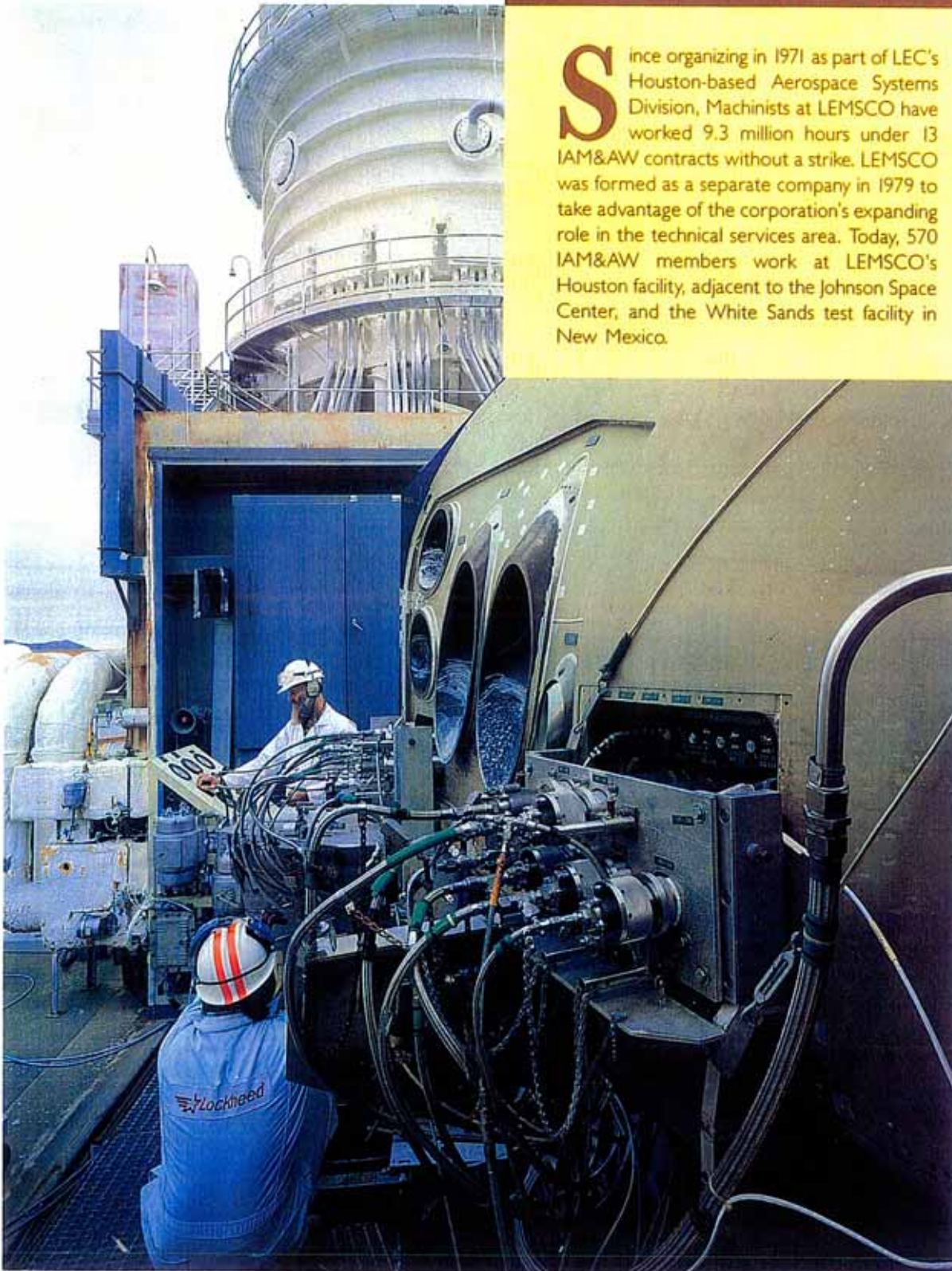
Lockheed Electronics Company, Inc. (LEC)

Five hundred-fifty Machinists work at Lockheed Electronics Company, Inc., a leading designer and manufacturer of electronic systems for defense, and government and commercial entities. At LEC Machinists contribute to the production of radars, weapon control systems, and a variety of electronic components. Headquartered in Plainfield, New Jersey with operations in Denville, LEC was organized in 1963 and has negotiated 10 IAM&AW contracts.



Lockheed Engineering and Management Services Company, Inc. (LEMSCO)

Since organizing in 1971 as part of LEC's Houston-based Aerospace Systems Division, Machinists at LEMSCO have worked 9.3 million hours under 13 IAM&AW contracts without a strike. LEMSCO was formed as a separate company in 1979 to take advantage of the corporation's expanding role in the technical services area. Today, 570 IAM&AW members work at LEMSCO's Houston facility, adjacent to the Johnson Space Center, and the White Sands test facility in New Mexico.



Murdock Engineering Company

Located in Irving, Texas, Murdock Engineering Company manufactures aerospace machine parts and assemblies, and is the sole supplier of Lockseal, a flexible connector used primarily in submarines and offshore drilling platforms. Lockheed acquired Murdock in 1973 and continued the relationship already in place by signing a contract with the IAM&AW in October 1974. Five labor agreements have been negotiated for the company's 298 represented employees. Machinists at Murdock have worked 11.1 million hours under IAM&AW contracts.



To Lockheed and the IAM&AW:

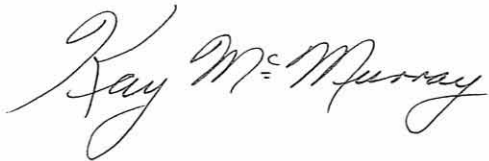
The Lockheed Aircraft Company and the International Association of Machinists and Aerospace Workers contributed to the Arsenal of Democracy, collaborated on a variety of projects and created the foundation of a long-term working relationship years before the Federal Mediation and Conciliation Service was created as an independent agency in 1947.

You initiated one of our nation's fundamental collective bargaining relationships in 1937, ten years before this Service opened its doors. And when we opened our doors, you walked in and asked for our help. That's typical of the Lockheed/IAM&AW relationship. Both of you understand the value of finding new ways to solve old problems. Both of you try to understand one another. Both of you work toward and nurture mutual respect.

This Service is proud of our association with Lockheed and the IAM&AW. Together you are creating a more productive and secure future for this nation.

Congratulations on fifty years of successful collective bargaining relations.

Sincerely,



Kay McMurray
Director
Federal Mediation and Conciliation Service
United States Government
Washington, DC



Lockheed and the IAM&AW: Industrial Democracy at Its Best

by Bill Usery

W.J. (Bill) Usery, Jr. has observed and participated in the Lockheed/IAM&AW bargaining relations for more than 30 years, first as a union official, then Assistant U.S. Secretary of Labor, Director of the Federal Mediation and Conciliation Service, U.S. Secretary of Labor and most recently as a private labor-management consultant. In the following essay, Mr. Usery shares his view of the Lockheed/IAM&AW relationship.

Any relationship which lasts half a century deserves more than praise; it calls for a celebration.

So I am delighted to learn that the Lockheed Corporation and the International Association of Machinists and Aerospace Workers (AFL-CIO) are celebrating the golden anniversary of their collective bargaining relationship.

It occurs to me that I have been involved in that relationship, in one way or another, for 32 years. Thoughts like that tend to lift one's spirits or precipitate existential panic, depending on one's ability to age gracefully and the nature of the relationship being celebrated.

In this case, I felt uplifted. The collective bargaining relationship between Lockheed and the IAM&AW represents industrial democracy at its best.

A True Success Story

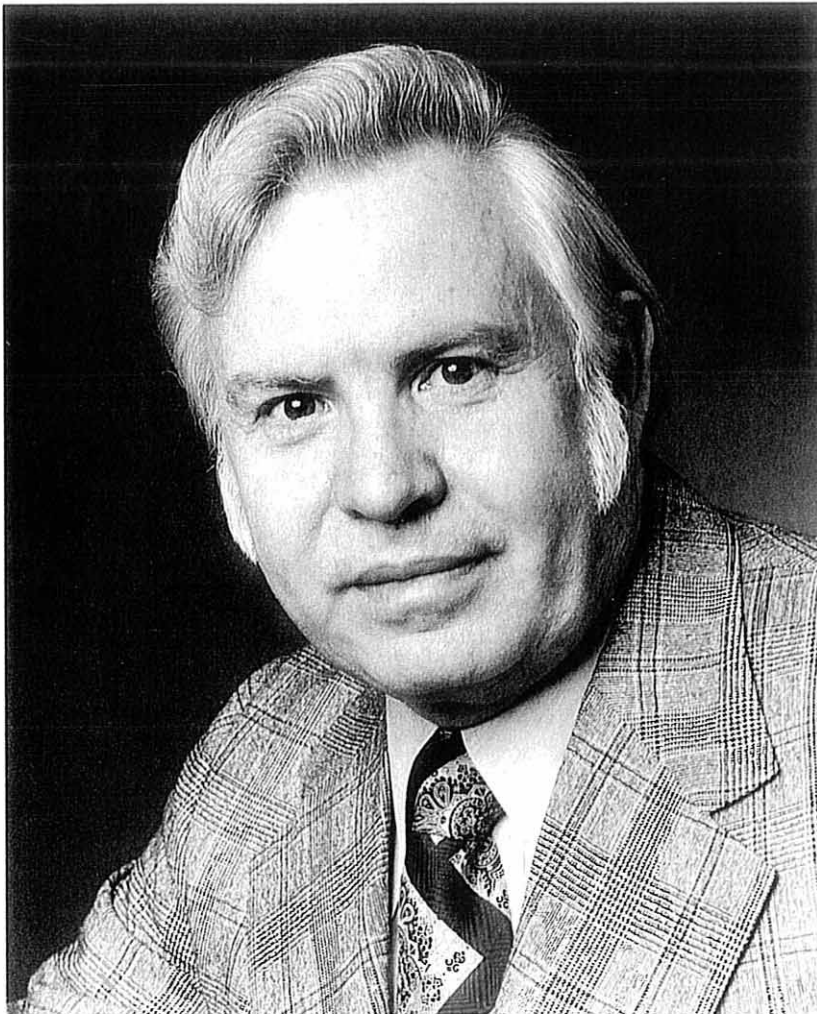
During the past 32 years, I have participated in and observed Lockheed/IAM&AW bargaining relations from both sides and the middle.

While wearing all those hats, what I have continued to find consistently striking is the mature, fair, and responsible manner in which collective bargaining is conducted between Lockheed and the IAM&AW.

As a result, several hundred thousand men and women of all races and creeds have enjoyed greater job security, increased standards of living, and a safer working environment. More broadly, all Americans have benefited from the quality workmanship Lockheed and the IAM&AW have brought to the aerospace industry.

A Backward Glance

As a young international representative for the IAM in 1955, the first aerospace (then called "airframe and missile") agreement I negotiated was with Lockheed at the Cape Canaveral Test Facility, now the Kennedy Space Center. Both parties recognized the special application and consequences of the agreement for the burgeoning aerospace industry.



We fought hard, but we fought fair, and we agreed to always bargain in good faith. I came away feeling that Lockheed respected me and the IAM, and the institution of organized labor, as well.

I negotiated many IAM agreements with Lockheed, at locations all over the United States. Without exception, each party kept its commitment of good faith to the other while respecting the particular responsibilities each had to its constituents.

Two Labor Secretaries

During the late 1960's and early 1970's, I served as Assistant U.S. Secretary of Labor. I am pleased to note that Jim Hodgson, who had sat across the negotiating table from me as vice president of industrial relations at Lockheed, recommended me to Labor Secretary George Schultz for that position. Jim served as U.S. Secretary of Labor from 1970 to 1973.

That two secretaries of labor emerged from the collective bargaining relationship between Lockheed and the IAM&AW says a great deal about the professionalism of that relationship.

As assistant labor secretary, I observed Lockheed and the IAM&AW through the difficult period when the company faced possible bankruptcy. What I saw served to strengthen my faith in industrial democracy and the collective bargaining process. I also recognized that the commitments between Lockheed and the IAM&AW were not just between individuals, but between the organizations.

Federal Mediator

As Director of the Federal Mediation and Conciliation Service (1972-75), I again watched those organizational commitments in action. Without exception, the mediators I assigned to Lockheed/IAM&AW negotiations across the nation gave high praise to the professional manner in which the parties bargained.

As U.S. Secretary of Labor (1976-77), I had plenty to do. I was particularly grateful that Lockheed and the IAM&AW did not add to my workload. I witnessed many unfortunate results of poor labor-management relations elsewhere; often the parties could have learned from Lockheed and the IAM&AW.

Finally, as a private labor-management consultant, I have from time to time enjoyed the privilege of consulting with and assisting in various aspects of Lockheed's labor relations. Without question, I believe the relationship between Lockheed and the IAM&AW has produced more outstanding talent in the labor relations field than has any other such relationship of which I know.

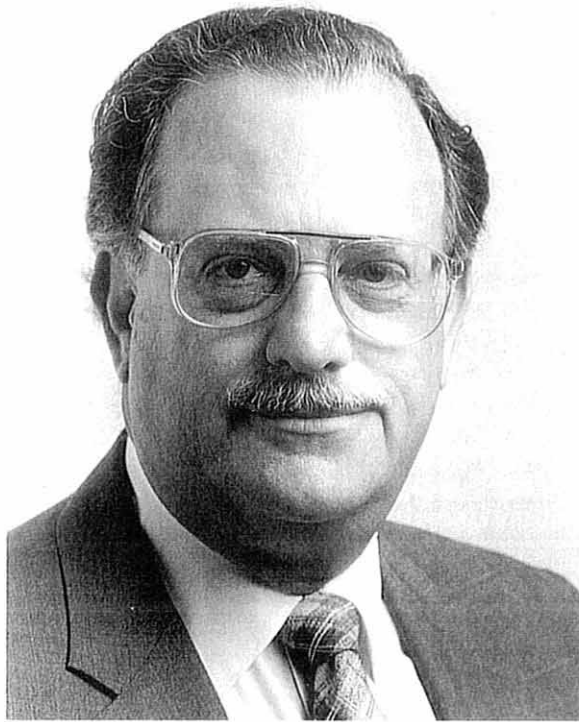
A Rewarding Experience

The experience has served to increase my respect for Lockheed and the IAM&AW. The association has enriched me personally and professionally.

I am happy to congratulate Lockheed and the IAM&AW on this very special anniversary. Both organizations have remained faithful to their constituents and commitments, though the going has not always been easy.

During half a century, the company and the union have weathered the stormy seas of wars between nations, have held course during peacetime. They have navigated the reefs of recession, have sailed over the shifting sands of government spending. And they have steered through the shoals of changing aerospace technology.

Sitting in one crow's nest or another for most of that time, I have watched Lockheed and the IAM&AW with the pleasure a sailor must feel when he makes a landfall—the occasion truly calls for a celebration.



Louis J. Barnard



Kelley H. Hantz

In a case study conducted by the National Planning Association (NPA) in 1949, entitled "Causes of Industrial Peace Under Collective Bargaining", the NPA held up Lockheed and the IAM&AW as a model of constructive labor-management relationships in the United States.

We believe the NPA's assessment is as much on target today as it was 38 years ago.

The evolutions in our industry and in our society over the past decades have given rise to new and challenging issues for labor and management. In the face of change, disagreements and disputes, Lockheed and the IAM&AW have maintained a mutual respect and have approached each challenge with the common goal of achieving a fair deal for both sides.

During the past 50 years, Lockheed employees at 10 companies have worked more than four billion hours under 287 IAM&AW contracts with less than two-fifths of 1 percent of the labor hours worked lost because of strikes.

Our achievements reflect a professional relationship, an appreciation for the significance and complexities of the issues that each side must consider, and the ability to compromise and to stand firm.

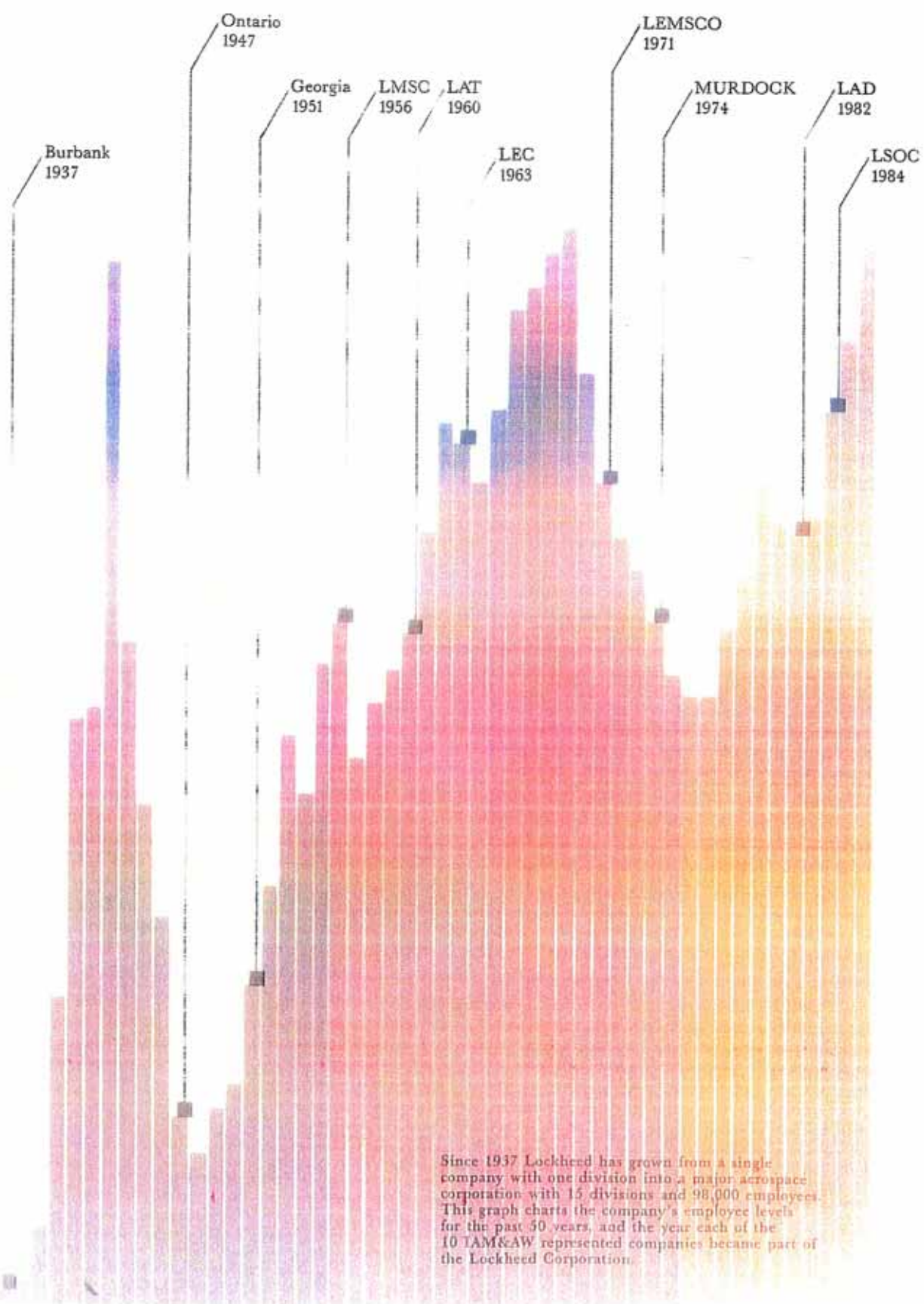
As a result, we have a collective bargaining record of which we are very proud. We take pride in the success of our 50-year relationship with the IAM&AW and we look forward to the continuation of this spirit of cooperation.

A handwritten signature in cursive script that reads "L. J. Barnard".

Louis J. Barnard
Vice President - Human Resources

A handwritten signature in cursive script that reads "Kelley H. Hantz".

Kelley H. Hantz
Staff Vice President - Labor Relations
and Corporate Personnel



Since 1937 Lockheed has grown from a single company with one division into a major aerospace corporation with 15 divisions and 98,000 employees. This graph charts the company's employee levels for the past 50 years, and the year each of the 10 TAM&AW represented companies became part of the Lockheed Corporation.