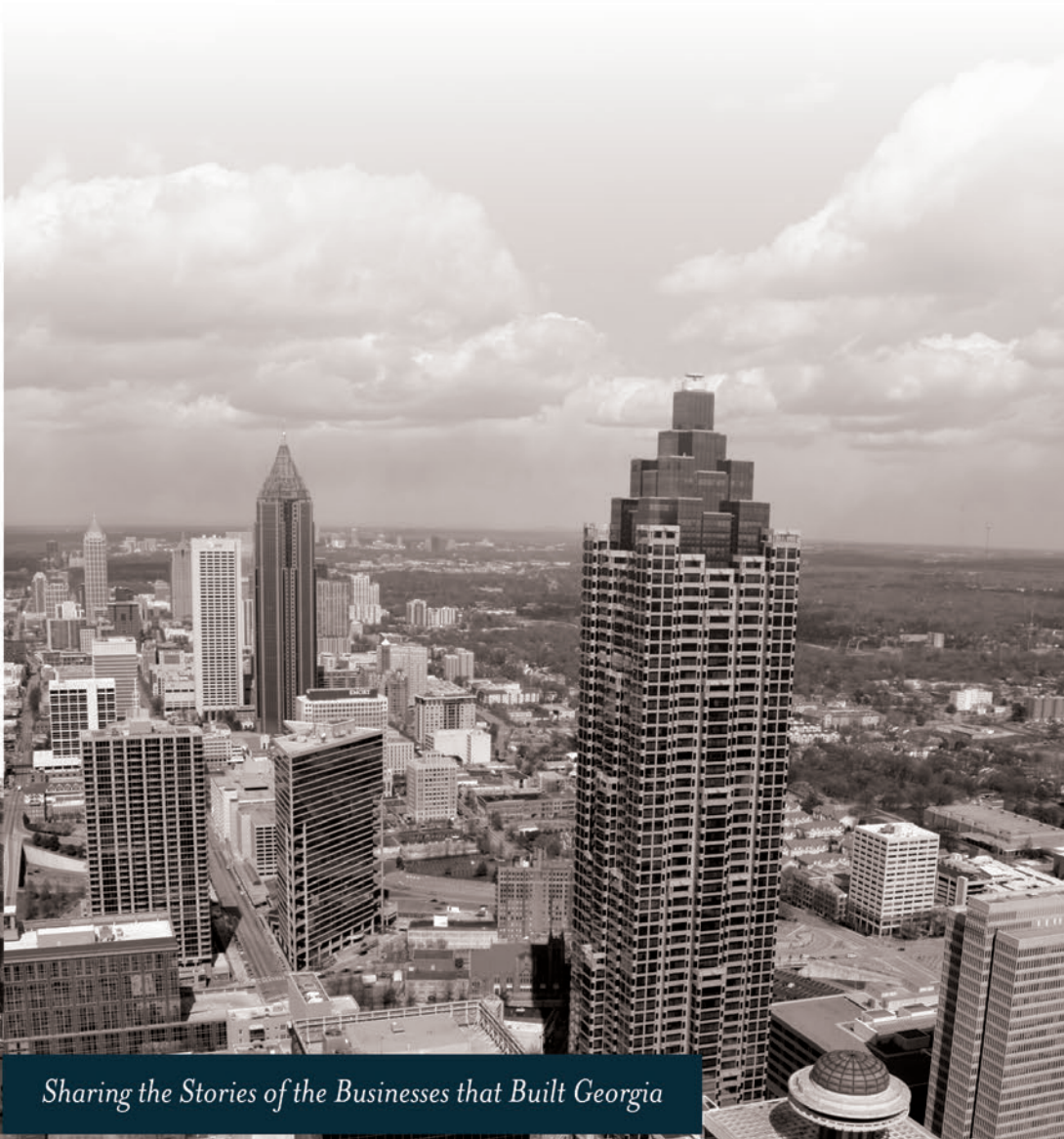




GEORGIA BUSINESS HISTORY INITIATIVE

Each year the Georgia Historical Society selects iconic companies in our state to be honored through the Georgia Business History Initiative. By showcasing these companies, GHS seeks to teach Georgia students, citizens and tourists alike about the pivotal role of Georgia's leading businesses in the economic, cultural and social development of Georgia and the United States.



Sharing the Stories of the Businesses that Built Georgia





Delta Flight Attendants, 1965. Courtesy of the Delta Flight Museum.



DELTA

BUSINESS HISTORY PROFILE



Huff Daland Crop Duster. Courtesy of the Delta Flight Museum.

Today, Delta is a global corporation with nearly 80,000 employees, but it began as the first-ever commercial aerial agricultural company. In 1924, Huff Daland Dusters crop-dusting operation was created to help solve a very serious problem affecting America's farmers - the boll weevil.

Delta was born in 1928 when C.E. Woolman led a group of investors in Monroe, Louisiana to buy the company's crop-dusting division. The new company was named Delta Air Service after the Mississippi Delta region where the company was based. Although Delta began to offer passenger service in 1929, it wasn't until the company won an airmail contract in 1934 that it was able to cost-effectively offer passenger service.

Delta successfully managed its first airmail route and continued to receive route expansions and new routes. In 1941, Delta officially moved its headquarters to Atlanta. The company thrived in its new home and became a competitive regional airline. In 1945, Delta was awarded the Chicago, Illinois to Miami, Florida route. This route increased the system total by 1,036 miles and made Delta a major air carrier for the nation, not just the region.

In the coming decades, Delta would grow even larger to become a global carrier. In 1959, Delta successfully transitioned into the jet age by putting its first DC-8 jet into service. In the 1970s and 1980s, Delta



The Delta Dusting Division had about 20 crop dusting aircraft in 1935. Courtesy of the Delta Flight Museum.

Important Dates

- 1924** The Huff Daland Dusters crop-dusting operation founded in Macon, Georgia.
- 1925** Huff Daland Duster's headquarters moves to Monroe, Louisiana
- 1928** C. E. Woolman leads movement to buy Huff Daland Dusters. Renamed Delta Air Service.
- 1929** Delta operates first passenger flights
- 1930** Service begins to Atlanta. Lack of mail contract forces suspension of passenger service. Company renamed Delta Air Corporation.
- 1934** Delta receives Air Mail Route 24 from Post Office; resumes passenger service. Begins operating as Delta Air Lines.



BUSINESS HISTORY PROFILE

continued to expand its service while adjusting to the changes brought on by the passage of the 1978 Airline Deregulation Act. In the 1990s, Delta truly became a global carrier after purchasing nearly all of Pan Am's transatlantic routes.

Today, Delta offers service to 326 destinations in fifty-nine countries on six continents and employs almost 80,000 people around the world. Delta has more than 30,000 employees in Atlanta alone. In 2014, Delta's pre-tax income was \$4.5 billion.



Courtesy of the Delta Flight Museum.

Delta's Entrepreneurial Leader: C.E. Woolman

In 1925, C.E. Woolman joined the Huff Daland Dusters team at their headquarters in Macon, Georgia. C.E. Woolman is arguably the most important leader in Delta's history. Woolman had studied agriculture engineering at the University of Illinois and was a farmer before working for the agricultural extension service in Louisiana. Crop-dusting combined two of Woolman's interests - agriculture and aviation.



C.E. Woolman

In 1928 Woolman led a movement to buy Huff Daland Dusters and renamed it Delta Air Service. He successfully convinced local businessmen in Monroe, Louisiana to contribute funds needed to buy Huff Daland Dusters. It was a risky decision. Woolman could have decided to give up on the business he had helped build and find new employment, and Delta would have never existed.

Woolman continued to show courage and vision as a leader. He helped the young company survive the loss of the air mail contract and the economic troubles of the Great Depression. When Delta won the airmail contract for Route 24, Woolman's leadership helped Delta become a passenger airline. Woolman was known for the care he had for his employees and his commitment to customer service - the "Delta difference."

By the time of his death in 1966, Delta had grown from a small crop-dusting air service to an international airline thriving in the modern jet age.

- 1941** Delta headquarters moves from Monroe, Louisiana to Atlanta, Georgia.
- 1946** Delta starts regularly scheduled cargo service. First airline with nonstop Chicago-Miami flights.
- 1953** Chicago and Southern Air Lines merger brings Delta its first international routes.
- 1955** Delta pioneers the use of the hub and spoke system.
- 1961** Delta receives National Safety Award for flying more than 11 billion passenger miles without a fatality.
- 1970** Delta has an all-jet passenger airplane fleet. Boeing 747 service begins.
- 1972** Northeast Airlines merges with Delta.
- 1978** The Airline Deregulation Act passes. Delta begins trans-Atlantic service.
- 1979** Delta is the first airline in the world to board one million passengers in one city in one month (Atlanta in the month of August).
- 1982** After Delta suffers financial losses, employees raise \$30 million in payroll deductions to purchase the first Boeing 767, named "The Spirit of Delta."
- 1987** Western Airlines merges with Delta; becomes the fourth largest U.S. carrier and fifth largest world carrier.



The Post Office and Aviation in America

When Delta first started passenger service in 1929 it was very difficult to make a profit. There was not a lot of demand for passenger travel. Travel by train was still very popular, and most people were not convinced that air travel was safe. The only way for an aviation company to make a profit was with an airmail contract from the U.S. Post Office.

From 1918 to 1925 the U.S. Post Office ran the U.S. Air Mail Service. Army Air Service planes were used to carry mail. In 1925 and 1926, Congress passed the Air Mail Act and the Air Commerce Act. The new law gave the Post Office the power to pay private companies to carry the mail. The act also created government institutions to regulate aviation.

The U.S. Air Mail Act of 1930 required competitive bidding for all new airmail routes. It also gave the postmaster general a lot of power over airmail contracts and routes. Postmaster Walter F. Brown liked larger airlines and longer transcontinental routes. He believed that smaller companies did not have enough capital to invest in better equipment. He also wanted to simplify the air traffic map.

Brown invited a small number of people from the larger airlines to meetings in Washington, D.C. to make decisions about the airmail routes. The meetings were later nicknamed the “spoils conference.” No one from Delta was invited to attend. C.E. Woolman heard about the meetings and arrived unannounced.

Delta put together a bid for the Atlanta, Georgia to Fort Worth, Texas route. Delta’s leaders believed Delta deserved to win because it was the first to offer passenger service on the route. Unfortunately for Delta, Postmaster Walter F. Brown awarded the route to the Aviation Corporation (AVCO).

In 1932, the Senate began investigations into how airmail contracts were awarded. They found out that contracts were awarded to larger companies even if their bid was higher than smaller companies. Investigators also suggested that Postmaster Brown and others personally benefited from awarding the contracts to companies where they held stock. Investigations into Postmaster Brown and the “spoils conference” became national news and led to the Air Mail Act of 1934.

The new act placed more emphasis on competitive bids and punished companies that participated in the “spoils conference.” The 1934 Airmail Act, the 1938 Civil Aeronautics Act, and the 1939 Reorganization Act took a lot of power away from the Post Office. A new bureaucracy called the Civil Aeronautics Board (CAB) was created to regulate aviation industry. CAB had the power to regulate air mail rates, airline fares, and routes. They also had the power to inspect and regulate the business practices of private airlines. For example, airlines were required to get permission from the CAB to operate specific routes.

Under the new rules, established airlines that could meet new regulations did better than new companies. Winning and successfully managing Route 24 from Charleston, South Carolina to Fort Worth, Texas paved the way for Delta to get route extensions and new routes from the CAB.

1991 Delta purchases substantially all of Pan Am’s trans-Atlantic routes and the Pan Am Shuttle. Delta becomes a global carrier.

1999 Air Transport World magazine named Delta its global Airline of the Year for 1998. Aviation Week And Space Technology magazine named Delta 1999’s Best Managed Major Airline.

2000 Launched SkyTeam, a global alliance, initially partnering Delta with AeroMexico, Air France and Korean Air.

2008 Northwest Airlines merges with Delta, creating a global airline with major passenger and cargo operations in every region of the world.

2014 Delta celebrates 85 years of passenger service.



Delta Headquarters, 1943. Courtesy of the Delta Flight Museum.

DELTA AIR LINES AND THE CITY OF ATLANTA

A CASE STUDY IN GEORGIA'S BUSINESS HISTORY

Did you know that Delta is the Atlanta airport's oldest continuous tenant? Did you know that Delta's hub in Atlanta is the world's largest airline hub? Did you know that Atlanta's Hartsfield-Jackson International Airport is the busiest airport in the world for passenger service?

Delta's decision to move its headquarters to Atlanta in 1941 has no doubt played an important role in Atlanta's success in aviation and business. Why did Delta choose Atlanta? In the end, was it a good decision for the company? Keep reading to find out.

Delta got its start in 1924 as a small crop-dusting company called Huff Daland Dusters. The crop-dusting company was originally headquartered in Macon, Georgia, but moved to Monroe, Louisiana in 1925. C.E. Woolman is considered Delta's principal founder. In 1928 he led a movement to buy Huff Daland Dusters and renamed it Delta Air Service.



Delta Headquarters, Monroe, Louisiana, 1929. Courtesy of the Delta Flight Museum.

Delta offered passenger service to Atlanta for the first time in 1929, but was forced to stop because it did not get an airmail contract from the United States Post Office. Everything changed for Delta and its relationship with Atlanta in 1934. Delta won airmail Route 24, Charleston, South Carolina to Fort Worth, Texas. The new route included service to Atlanta. Delta's routes continued to expand and Atlanta became an increasingly important stop for Delta.

Delta owed a lot of its success to investors and supporters in Monroe, Louisiana, but it was growing out of the small town. In order to support its future, Delta began moving back towards the state where it all started, Georgia. In 1936, Delta moved its flight operations office and maintenance shops to Atlanta's municipal airport. The move made practical sense because Delta's routes were expanding eastward.

HARTSFIELD-JACKSON INTERNATIONAL AIRPORT

Hartsfield-Jackson is the largest employer in the state of Georgia. There are over 58,000 airline, ground transportation, concessionaire, security, federal government, City of Atlanta, and Airport tenant employees.

Hartsfield-Jackson has a direct economic impact of more than \$32.5 billion for the metro Atlanta area economy.

Since 1998, Hartsfield-Jackson has been the busiest passenger airport in the world.

Since 2005, Hartsfield-Jackson has been the busiest operations airport in the world.

Hartsfield-Jackson serves 150 U.S. destinations and more than 75 international destinations in 50 countries.

Hartsfield-Jackson has the tallest air traffic control tower in North America (398 feet or 121 meters) and is the fourth tallest in the world.

Hartsfield-Jackson averages more than 250,000 passengers a day.

On average, there are almost 2,500 arrivals and departures daily.

Atlanta is within a two-hour flight of 80 percent of the United States population.



In 1940, Delta decided to invest in the new Douglas DC-2s and DC-3s. The new aircraft were more reliable, much more comfortable for passengers, and had a larger payload. It was a risk to spend money on the new aircraft. But if Delta did not update, they may have fallen behind the competition. By 1940, DC-3's carried 80 percent of the world's airline traffic.

Delta needed cash to pay for the new aircraft, upgraded radio equipment, and new offices in Atlanta. In the past, Delta's leaders went to the businessmen and banks of Monroe to raise capital. This time, they took a loan from the Trust Company of Georgia. Delta was now tied to Atlanta by finances. C.E. Woolman and Delta's leaders saw that it would be easier to raise capital and expand operations in Atlanta. They also saw that Atlanta's leaders were committed to aviation.



1946 Atlanta Airport. Courtesy of the Delta Flight Museum.

While Delta was growing its business, Atlanta was growing into an aviation center. One man who played an important role in this growth was William B. Hartsfield. As a member of Atlanta City Council, Hartsfield helped establish Candler Field. Hartsfield continued to promote aviation in Atlanta when he was elected Mayor in 1937. Delta benefited from the better lighting, expanded administration building, and extensive runway expansion Mayor Hartsfield put into place his first year in office.

In January 1941, Delta was awarded a major route expansion. This expansion made Atlanta the center of Delta's 16-city route system. A new route from Atlanta to Cincinnati, Ohio made Atlanta even more geographically important for Delta.



Delta Headquarters in Atlanta, 1941. Courtesy of the Delta Flight Museum.

In March 1941, Delta officially moved its headquarters to Atlanta. The future of Delta and Atlanta were linked. Delta built a \$150,000 hangar and office complex at the airport. The city of Atlanta gave \$50,000 to build the new hangar. Delta grew quickly in its new home. More people were hired and more buildings were added to the Atlanta headquarters.

Atlanta's airport had to keep up with the fast-paced growth of Delta and other airlines using the facility. In 1942, a record 1,700 takeoffs and landings were made in a single day and the airport was named the nation's busiest in terms of flight operation.

During WWII the airport was declared an airbase by the U.S. Government. The airport doubled in size during WWII. Delta also contributed to the war effort. Delta's headquarters was named a temporary Army Air Corps

Modification Base. Delta employees worked in partnership with the Bell Aircraft plant in Marietta to modify airplanes for use as bombers. Delta also participated in the Airlines War Training Institute and operated cargo supply routes for the military.

Georgia's involvement in WWII revitalized the economy. Thousands of civilians, including historic numbers of women, served in wartime industries. The war brought a lot of federal dollars into Georgia. Every major Georgia city housed a military installation. Delta benefited from Georgia and Atlanta's economic growth and prosperity after World War II.

After WWII, Delta quickly grew from a regional carrier to a national carrier. In the coming decades, Delta would grow even further to become a global carrier. Growth also continued for the Atlanta airport after the war. In 1948, more than one million people came through the Atlanta airport. By 1957, Atlanta's airport was the busiest in the country.

DELTA AIR LINES AND THE CITY OF ATLANTA

A CASE STUDY IN GEORGIA'S BUSINESS HISTORY

In 1955, Delta pioneered the hub and spoke system at the Atlanta airport. In the new system, scheduled airplanes brought passengers to Delta's hub airport in Atlanta where they were connected to other Delta flights. The hub and spoke system is used by most major airlines today.

Both Delta and the Atlanta airport successfully transitioned to the "Jet Age" of aviation. The new jets cut flying times between major cities by up to 40 percent and carried almost twice as many passengers as planes from the propeller age. In 1961, that Atlanta Municipal Airport opened the largest single terminal in the country to accommodate the new jets.

Atlanta's leaders continue to invest in the airport and Delta continues to remain an important part of the airport's success. Delta offered the first nonstop service from Atlanta in California in 1961 and the first nonstop trans-

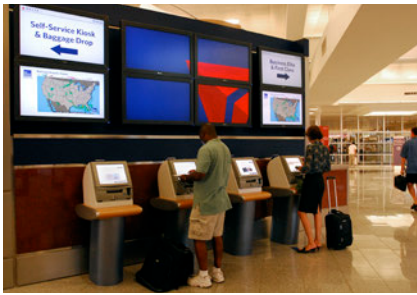
Atlantic service from Atlanta to London in 1978. Delta was also the first airline in the world to board two million passengers in one city in one month in 1997. That city was of course Atlanta.

In 2000, Hartsfield-Jackson became the busiest airport in the world for passenger service. Atlanta would probably not have earned that distinction if it did not have the world's busiest airline hub run by Delta.

Delta is a global business, but it chooses to keep its headquarters in Atlanta. Today, Delta has more than 30,000 employees in Atlanta alone. In fact, Delta still uses some of the original buildings from the 1940s for its operations. The impact of Delta's decision to move its headquarters to Atlanta in 1941 is a great case study in the symbiotic relationship between Georgia and the businesses that choose to call Georgia home.



Delta Flight Attendant, 1957. Courtesy of the Delta Flight Museum.



Delta kiosks in Hartsfield-Jackson Airport. Courtesy of the Delta Flight Museum.

Questions to Consider

Georgia Performance Standards: SS8E2B, SS8G2, ELACC6-8RH1, ELACC6-8RH2, ELACC6-8WHST7, ELACC6-8WHST8, ELACC6-8WHST9

If you could start a business anywhere in the world, where would it be? There is a lot to consider when picking where to locate your business. Will your location have easy access to railroad, ports, and interstate highways? Is the local government easy to work with? What will the quality of life be like for your employees? Will people and businesses there invest in your company?

Do you think Delta made the right decision to move its headquarters to Atlanta? Explain your answer with details from the case study.

Research and Report

Georgia Performance Standards: SS8E2B, SS8G2, ELACC6-8RH1, ELACC6-8RH2, ELACC6-8WHST7, ELACC6-8WHST8, ELACC6-8WHST9

Now that you have learned a little bit about Delta, it is time to dig deeper. There is so much more to discover about the role Delta and Atlanta's Hartsfield-Jackson International Airport have played in Georgia's business history. Use the research prompts on the next page to learn more and report back to your class.



RESEARCH QUESTION 1:

How do the four main transportation systems in Georgia work together to create economic growth? Hartsfield-Jackson International Airport is one of the four transportation systems. The other three are the Interstate Highway System, Georgia's deepwater ports, and the railroads.

Get started on your research with these online resources.

- GeorgialInfo: Transportation and the Economy (<http://georgialinfo.galileo.usg.edu/topics/economy/article/transportation-and-the-economy>)
- Competitive Advantages: Infrastructure in Georgia (<http://www.georgia.org/competitive-advantages/infrastructure/>)
- Georgia Ports Authority Economic Impact (<http://www.gaports.com/About/EconomicImpact.aspx>)
- CSX Operations in Georgia Fact Sheet (<http://www.csx.com/index.cfm/about-csx/company-overview/state-fact-sheets/georgia/>)
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- Barber, Henry E. "Georgia Ports Authority." New Georgia Encyclopedia. 11 September 2014. (<http://www.georgiaencyclopedia.org/articles/business-economy/georgia-ports-authority>)

RESEARCH QUESTION 2:

What impact does Delta and Hartsfield-Jackson International Airport have on Georgia's economy? Don't forget to consider the direct, indirect, and induced impacts on the economy.

Get started on your research with these online resources.

- 2011 Georgia Statewide Airport Economic Impact Study (<http://www.dot.ga.gov/InvestSmart/Aviation/Documents/Georgia%20Economic%20Impact%20Study%20-%202011%28GDOT%29.pdf#search=economic%20impact%20study%20atlanta%20airport>)
- 2009 Hartsfield-Jackson Atlanta International Airport Economic Impact Study (http://www.atlanta-airport.com/docs/NewsRoom/2009_Economic_Impact_Study_report.pdf)
- ATL Airport Fact Sheet (http://www.atlanta-airport.com/Airport/ATL/ATL_FactSheet.aspx)
- Delta Corporate Stats and Facts (<http://news.delta.com/corporate-stats-and-facts>)
- The Economic Impact of Commercial Airports in 2013 (http://www.aci-na.org/sites/default/files/economic_impact_of_commercial_aviation-2013_update_final_v10.pdf)
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<https://www.senate.gov/artandhistory/history/common/investigations/MailContracts.htm> (accessed April 1, 2015).
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Detail from Delta Convair 880 brochure. Courtesy of the Delta Flight Museum.