

LES AUCOIN
18TH DISTRICT, OREGON



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

CONTINENTAL EMPLOYEES TO BUY AIRLINE

April 15, 1981

Dear Colleague:

As Chairman of the House Task Force on Industrial Innovation and Productivity, I want to share with you a recent story from the New York Times which discusses the plans of the employees of Continental Airlines to buy the company. The Continental plan -- which is endorsed by labor and management -- solves two of the most acute problems facing American business and industry today: declining productivity and capital formation. It is a creative plan that goes to the heart of the American tradition of self-help and free enterprise. It is a model of what we can achieve in our drive for industrial renewal -- free of federal bail outs and free to compete.

The Continental employees are now voting to form an Employee Stock Ownership Plan (ESOP) which will raise \$185 million to purchase controlling interest in the airline. The vote tally so far is impressive: 3576 in favor and only 29 against. While the plan does not require specific approval by the Civil Aeronautics Board, CAB action will be needed to prevent the proposal from being shot down. The attached article is excellent background should any of your constituents contact you about this matter. I commend it to your attention.

With best regards,

Sincerely,

A handwritten signature in blue ink that reads "Les AuCoin".

LES AuCOIN
Member of Congress

LA:mc
Attachment