# Audio file

[Southwest Airlines Herb Kelleher.mp3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

# [Transcript](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:00:02 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You were basically introducing these really low fares. Were these airlines trying to match your prices?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:00:07 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yes, in some cases they were, and we told the public of Texas that you could fly at the lower fare. But if you paid the higher fare, we would give you a free bottle of whiskey. And so for a couple of months, we became the largest liquor.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:00:22 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Distributor in the state of Texas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:00:28 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[From NPR, it's how I built this a show about innovators, entrepreneurs, idealists and the stories behind the movements they built.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:00:42 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I'm Guy Raz, and on today's show, how an eccentric Texas lawyer turned a crazy idea into Southwest Airlines. Now one of the biggest airlines in the world.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:00:57 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Could you could you just start by introducing yourself, Mr. Kelleher?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:00 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Make it herb. If you would. Herb, please.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:02 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[OK. Herb, can you just say your full name?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:05 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[This is Herb Kelleher.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:07 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And you're best known as the.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:10 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Founder of Southwest Airlines.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:12 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Great. How? How old?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:13 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Are you now 80?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:14 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Five. OK, great. Perfect. OK. We are very excited to talk to you about your story and I'm just going to jump in here for a SEC to mention that before we really started our.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:18](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Now.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:22](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[9.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:22 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Give you I. You know I had some time to just chitchat with herb, and I learned some interesting things about him. Like, like what he eats.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:28 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[For breakfast.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:29 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Normally for breakfast I have cheese crackers.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:32 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And what he likes to drink and that he's been a smoker for pretty much his entire life.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:35 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Wild Turkey bourbon.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:38](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[OK.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:40 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I just enjoyed the map.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:42 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Medical, mystical aroma and sight of smoke.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:46 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So how soon after you wake up, do you have a?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:48 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[A cigarette? Well, it's a.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:50 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Nanosecond. That was that quick. OK, with your cheese crackers.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:56 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Even before my cheese crackers.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:01:58 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Now for the story of how Herb launched Southwest Airlines, you have to go back about 50 years, 1966 to be exact. Herb was a young lawyer. He was living in San Antonio, TX, where he had started his own law firm helping clients to start companies. And one day, one of herbs.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:16 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It's a guy named Rollin King.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:17](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Ron.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:18 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Calls him up and he says, hey, I heard about this airline called Pacific Southwest. It flies only in California. And and I have an idea. Let's let's meet for a drink.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And Roland came to me with the idea of setting up a similar operation in Texas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:33 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And and how soon and after he sort of floated this idea to you saying. Yep, let's do it. Let's start a company.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:40 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It was a very short period of time. Maybe, you know, like a minute.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:45](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Get.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:46 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That that fast.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:48 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[No, it was longer than that. I was just joking.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:02:51 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But within a very short days, within days within days. Well, at first I was very skeptical, but then I did some research and discovered that PSA was very successful in California, that Texas supplied all the requisites for an intrastate airline because it was a big state that had large metropolitan areas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:11 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Far enough apart to justify flying.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:14 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And so Houston, Dallas and San Antonio were the obvious first targets because they were the three largest cities in Texas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:22 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[What did you know about airlines at the?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:24 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Time. Well, I knew nothing about airlines, which I think made me eminently qualified to start one, because what we tried to do at Southwest was.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:34 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Get away from the traditional way that airlines had done business, so I started with the Tabula Rasa blank slate.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:42 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I think that was very helpful.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:44 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So at this point, you know, how old were you, by the way, at that point in your life?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:47 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I was 35.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:49 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[35, OK, so you had A and.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:50 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You had a family? Yes. Right 4.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:52 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Children.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:52 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Four children and you've got this successful law firm, by the way. What was he? Was the airline industry profitable at that time?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:03:58 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[No, it was not notably profitable. As a matter of fact, Warren Buffett reportedly joked about it at one time and said.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:07 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[If a capitalist had shot down the Wright brothers at Kitty Hawk in 1903, the economy would probably be better off. And so it didn't have very great returns. It was constantly in difficulty.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:21 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So why did you?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:23 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Even think that this was a plausible.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:26 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Idea. Well, I think it was the lure of doing something different, doing something that was exciting. I really always have had a great deal of curious.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:38 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[City. And then I thought to myself, well, you know, most of the adults.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:43 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[In the United States of America, haven't been able to fly because of the cost barrier.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:48 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It's too expensive.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:04:49 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It's too expensive, you know? They just thought it was business people on expense accounts. And So what I'm saying is that in terms of market analysis, there was a huge untapped market for flying.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:04 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Out there.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:07 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[OK, so you decided with Rollin to start a company?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:10 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Was that right?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:11 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah, I actually incorporated it in March of the 1967, but of course that was just a piece of paper.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:18 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And we started to raise seed money to the extent of about $500,000. Yeah, it was at that time. It certainly was. And we were set to go.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:24 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That's it. But it was quite a lot.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:25 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Of money to raise, I guess.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:31 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And what was the competition like at the time? Like were there other airlines that were doing these Texas flights like for like between Houston and Dallas and and these other places?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:40 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Oh yeah, they proved to be our biggest adversaries because they were not exactly warm, welcoming and hospitable. Yeah, we didn't get kisses on both cheeks when we announced that we intended to create an intrastate carrier. So Braniff, Continental and Trans Texas, later Texas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:57 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[International.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:05:58 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Really took out after us and they kept us involved in political fights and and fights in the courts and they just thought that they would apply their incumbency and their financial strength to bleed Southwest Airlines to death before it could ever fly.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:17 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So they were they were suing Southwest Airlines, correct? I mean, what was their argument? What? Why were they saying you shouldn't operate?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:21](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Right.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:24 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, you know the arguments that they made in court were actually all kind of specious, and this is 1 illustration.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:32 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Where people attempt to use to manipulate the government to prevent competition, that's what they were up to.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:40 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So how long did it take you to fight these these legal challenges?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:43 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:44 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Between the time when I started working on forming Southwest and the time we flew our first flight, it was 4 1/2.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:51 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Years.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:52 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Wow.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:52 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It took a little pertinacity and during that time the company ran out of.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:57 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[20.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:06:58 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And in 1969, the Board of Directors had a meeting and talked about shutting the airline down, shutting the company down. And I said, well, how about if I litigate for nothing and pay all the court costs out of my own?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:07](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hmm.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:14 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Pocket, huh?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:15 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Would you be willing to continue under those circumstances? And they said?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:19 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Ohh sure.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:21 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So. So what was it that motivated you?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:24 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[To fight for four.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:25 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Years to to to launch this airline.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:28 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, first of all, I was idealistic about it because I figured if they can prevent Southwest Airlines from Inter.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:35 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Using what Southwest Airlines proposes to provide to the consumer, then that is a sign that the free enterprise system is failing, and one of the things that motivated me was to, in effect, validate the free enterprise system and another one was of course.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:55 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That it was very hot competition and.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:07:59 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I like to win.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:01 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But what? What's that like? What I don't get is it was such a huge gamble anyway, because you you could have spent those 4 1/2 years fighting and then winning and then Southwest Airlines might have fizzled out anyway.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:14 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I'll tell you what guy you put your finger on something, because if you had taken a poll in the state of Texas after we filed our application, I can assure you.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:24 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That 99.9% of the population of the state of Texas would say this thing will never come to anything.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:32 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hmm.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:33 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I'm very serious about that, several people told me that they said they were glad to see how how much the fight energized me and that I was enjoying it. But Herb, don't kid yourself. It'll never make a dime.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:44 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Did you ever get sad or depressed? Man, how did you keep your spirits up?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:48 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[While Turkey helped it may have provided they got, it may have provided a little boost.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:08:55 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But frankly, my spirits just don't get down. I don't stress very easily. I'll give you an example. Only they had stress classes at Southwest Airlines years ago, many years ago, and they invited me to come over and speak, you know, the fellow that was running the classes. And he said to the class.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:15 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[He said, well, you know, her undergoes a lot of stress all the time. Her tell the class how you handle it.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:21 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Said I don't handle it. I like.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:23 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:24 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That was the last time I was asked back to the class.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:28 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So so you, I mean, you were going in and out of courtrooms for four years. How are you making a living at that time?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:36](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, I was.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:37 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Still practicing law, I mean, I was doing a lot of other things during that time, which led to very long weeks.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:44 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[On one occasion I was in the Law Office for two full days and at the end of those two full days I went home, shaved, and went to a fundraising dinner for Southwest Airlines.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:56 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But that's kind of the.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:09:58 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[The perseverance that it demanded to help get Southwest Airlines started while still practicing law and doing many other things.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:06 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So what happened in the courts with the with the Southwest case?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:10 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It went through the United States Supreme Court and through the Texas Supreme Court twice before we could fly.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:18](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:20 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And the Texas Supreme Court handed down an order 19 hours prior to our first flight.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:26 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[When was that?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That was in 19 June of 1971. We started flying on June 18th, 1971.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:33 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[What was the flight? Where did?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:34 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It go the first flight went from Dallas to San Antonio, but the one that received all the publicity went from Dallas to Houston.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:43 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And we were the underdog. It was sort of David versus the Goliaths, you know, not just one, but three of them.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:49 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So there was a lot of news coverage about it and that's the reason people paid a lot of attention to it's finally getting underway.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:57 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So were you on that first flight?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:59 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[By.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:10:59 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[The way no, I wasn't. I was busy working to make sure there was a second flight.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:06 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Do you remember that day that that first flight took off and?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:09 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Remember how you felt that you feel like finally?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:12 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[This is done.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:12 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Oh, oh, it was wonderful. And I'll tell you the experience I had when the first airplane.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:17 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Then it was over in Fort Worth at Americans Hanger. So I went over there and there's this airplane after 4 1/2 years.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Head I went up and stuck my head in the back of one of the engines and the mechanic grabbed me. He pulled me back and he said, do you realize that thrust reverser goes off? It will decapitate you and I said at this moment I don't give a damn, you know.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:49 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So at this point, Southwest Airlines, what it starts advertising, it starts flying many. What was it? Was it flying more than one route? Was it flying multiple routes?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:11:59 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, it was Dallas, Houston, Houston, San Antonio and San Antonio, Dallas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:03 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And what was it? What was it? What did it cost to go to do 1 of?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:06 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Those legs well, on some flights we had the fares as low as $10.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:10 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[On others, we had fares as low as 15 to $20. We were about 45% lower than the other carriers.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:20 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So how were you able to do that? How were you able to charge so much such a lower fare than the other airlines in Texas?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[As through enormous productivity.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:30 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But but how? I mean, I'm assuming you you just had a few planes.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:32 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[At the time, well, we start out with three.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:36 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And then we got a fourth one. We had to get rid of 1 airplane in order to meet our payroll.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:42 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Right after Southwest started flying. And so we decided that we would fly A4 airplane schedule with three airplanes.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:50 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[How do you?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:12:50 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Do that 10 minute turns at the gate. We bring that airplane in and 10 minutes after it stopped at the gate. You know, it would be pushing back again.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:01 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And we had airplanes that unit were operating 12 hours a day sometimes. So each one of those additional.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:08 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Heights represented the revenue generation opportunity that the other carriers didn't have.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:15 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[OK. But Even so, I mean those other carriers like Braniff and Texas International, right? I mean they were charging much, much higher fares and and couldn't it couldn't have just been that you turned the planes around.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Faster. No, it was a whole Condra.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:29 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Think you're you're right about that.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:31 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I was just giving you an example with the 10 minute turn because it's a vivid one. In addition to that, they were, by definition, monopolists. They had been under 40 years of federal government supervision through the CAB.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:47 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[The the Civil Aeronautics Board.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:49 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yes, right.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:50 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And during that time, if they had a little financial problem, the CAB would just give them a fair.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:13:58 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And so that's how their fares got so high as compared to what we were doing since we weren't regulated by the CAB.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:06](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[OK.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:06 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So you weren't regulated in the same way, but what were you doing other things like like paying your employees less?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:13 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, it depended. Initially we were paying them less.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:17 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[As the years went on, we were paying them more. Their total compensation was superior to the other carriers and in addition, when we turned our first very slim profit in 1973, we set up the first profit sharing plan in the American airline.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:32 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hmm.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:34 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Industry, and I think we made a profit of, I don't know, $100,000 that year or something like that, but that went on of course to pour billions into our employees pockets.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:45 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And your employees were were unionized as well.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:14:48 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah, we were the most heavily unionized carrier in the United States. Our low costs were not due to being a non union carrier since we were more unionized than our competitors were.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:15:01 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So you were basically introducing these really low fares. Were these airlines trying to match your prices?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:15:08 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yes, in some cases they were. There's no question about that. As a matter of fact, Braniff at one point put in a lower fare than ours, which they called an introductory fair. Of course, they've been serving Texas, you know, for 40 years by that time. But in any event, one of the things that came out of that was we maintained.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:15:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Our full fares.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:15:29 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And we told the public of Texas that if you paid the higher fare, we would give you a free bottle of whiskey. And so for a couple of months, we became the largest liquor distributor in the state of Texas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:15:44 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So Herb, you know, if I think about flying at that time like I'm thinking of of like Mad Men and, you know, tumblers with Scotch and like a glamorous experience, but Southwest was competing on price. I mean, you were not, you were not doing in flight cocktails. So like, what do people think of your service versus the?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:16:04 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Petition guy. I got a story to tell.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:16:06 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You on that.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:16:07 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It was Thanksgiving of 1971. Remember, we've been in business since June and my sister-in-law, a delightful lady called me at my law.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:16:16 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Office and and she said her about. She said I just flew from Houston to San Antonio and Southwest Airlines and I've traveled most of the world's airlines, which was true, you know, she was a world traveler. And she said, I know you're going to be a big success. You've got the best in flight service that I have ever experienced on any airline.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:16:38 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I said, boy, am I glad to hear that. How many passengers were on the airplane? She said. Just me.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:16:51 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[In just a minute, southwest goes national and Herb convinces travelers that airlines do not have to serve in flight meals. I'm Guy Raz. You're listening.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:17:00 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[To how I.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:17:01 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

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[00:17:12 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

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[00:17:31 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

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[00:17:36 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

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[00:17:37 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

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[00:17:57 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

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[00:18:08 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And one more thing before we get back to the show, please do stick around to the very end after the credits because that's where we've been playing your stories about the companies you're building, including the one today, how to maybe make millions from vegetable scraps. So please do stick around and now back to the show.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:18:29 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It's how I built this from NPR. I'm Guy Raz. So throughout the 1970s, Southwest Airlines, they still only fly within the state of Texas. But then in 1978, something really important happens. Congress decides to completely deregulate the airline industry and for Southwest Airlines, that means.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:18:50 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[They could now start flying to new cities outside of the.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:18:54 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You know her, at this point you Southwest is expanding and your competitors are no longer just Texas airlines. You're competing with like American and and and and Pan Am and TWA, right, like the National major international carriers start to become your competitors. Yeah. So we're we're people skeptical that Southwest would be able to compete.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:14 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And you know the the big leagues.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:16 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Oh yes, we were described as a Texas airline that could only be successful in the state of Texas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:23 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[OK. Yeah.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:24 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And then we were described as a.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Sunbelt Airline that could not be successful outside the Sunbelt.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:32](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:33 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[There was a press conference. We went into Baltimore where one of the reporters there said that, well, you know, Mr. Kalahari said. I know you've been very successful out West, but now you're coming to the East, the most competitive part of the country as far as airline service is concerned. And I said, yeah, it's so competitive.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:19:54 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That when we start out here, we're reducing your existing fares by 60%. How competitive does that sound?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:01 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Too. I mean, we're southwest at that time. Were you guys already sort of?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:05 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[No frills. Well, we were no frills. We're in the sense that we were.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:08 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Your hole.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:09 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And that kind of restricts what you can do. You have relatively short flights.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:13 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Feel like peanuts and drinks.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:14 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah. Yeah, exactly. And then pretzel olsens, that sort of thing. But you know, when we started flying longer haul like from San Antonio to Los Angeles, we had a press conference, you know, to announce a new service. And one of the reporters there said, well, are you going to serve meals on those flights? And I said no.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:33 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[We're not.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:35 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[We're going to charge you $400.00 less per trip.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:39 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Right.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:40 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I understand you can get a pretty good sandwich at chasins for $400.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:46 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So when, at what point did?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:47 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You give up your law practice.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:50 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Actually, that was at the request of the Board of Directors in 19.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:20:53 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[91 So you were still you still had your own law practice that you were doing other work for throughout the entire 1970?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:00 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Oh, yes. Yeah. And I'll tell you the truth. You know, I didn't really hanker to be part of corporate life because, you know, lawyers have a lot more freedom to do their own thing when and where they want to.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:13 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That we hired a very excellent fellow named Lamar Muse, who was a real battler to get the company off the ground and operational. He had substantial airline experience and he did a wonderful job.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:26 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And so, you know, finally in 1981, we lost the successor to Lamar and the board of Director said to me, you've got to do it.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:35 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And and did you want?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:36 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Do it well, I felt I had to do it. And I'll tell you why. Because the start of the 1980s, you had unemployment, of 10.8%. You had a double dip recession.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:48 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You had the air traffic controller strike, then Lamar Muse, the guy we hired to get the company off the ground. He launched A competitor against this called Musar. Yeah, that's three years after he left Gold News.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:58 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Ohh wait, he.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:21:58 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[He left southwest and then launched a competitor.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:04 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[There.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:04 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[How did you feel?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:04 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[About that, well, I thought it was somewhat immodest on this.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:07 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Part. But because he called it Muser after himself. Yeah. Were you? Were you like, what are you doing? I mean, I we worked together all these years and now you're.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:13](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But yes.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:18 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I mean no.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:20 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[We bought him later.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:21 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You bought. You bought him later.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:23 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah, we're now on the verge of bankruptcy. Yeah, we bought these there, but it was there in 1981, so I figured I'd better do what the board asked me to do and come to Southwest Airlines full time.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:38 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Was was Southwest Airlines making money at the?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:40 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Time. Yes, we've been profitable every single year for 43 years, I guess now.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:47 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And and.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:48 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It must have made the other airlines crazy because they were a lot of them have had good years and bad years, but it seems like Southwest has just has never had a bad year.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:22:59 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, we've had years when you know our earnings were down, but we've never had a a loss for a full year since 1972 and.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:08 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You've never followed an employee at Southwest Airlines when the rest of the industry during that period up until now has probably follow. I don't know, a million and a half employees throughout the world.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:19 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hmm.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:20 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Basically, we looked at history and said this is a very dicey business to be in. You know, the airline business, yeah. So we may be flamboyant from the marketing standpoint, but we're going to be very conservative from the fiscal standpoint.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:34 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I established a rule of thumb that we're going to pay 80% of the cost of all of our new airplanes from internally generated funds.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:46 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hmm.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:46 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And actually, we wound up paying 100% for most of our airplanes. So we had the largest percentage in our fleet of owned airplanes.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:55 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Of any carrier of any.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:56 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Size. So. So what did that?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:23:59 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Mean. Well, I mean, you're not taking on that, right when you do that. So when you get into the bad times, you're not threatened by the debt payments.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:24:08 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Which has put carriers into bankruptcy and out of bankruptcy and back into bankruptcy. You know, for 35 years.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:24:15 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You know who from from the outside, from listening to your stories, the airline industry seems so brutal. Like is it? Do you think it's more savage than than other industries?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:24:27 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I think that it's more competitive than other industries.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:24:32 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And one of the reasons for that is that our principal capital assets, the airplanes.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:24:39 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Move at 540 miles an hour. Yeah. And you know, if you have a shoe factory that that fails in Seattle as an example.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:24:48 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You can't. Within hours transport that shoe factory to Chattanooga, TN to compete there. But if your Seattle Air service fails, you can have your airplanes in San Antonio or Chattanooga within a matter of hours. So the very mobility of your capital assets.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:07 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Breeds a lot of competition.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:09 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Did did you like that competition? Like, did you like being an airline CEO and and and managing all that stuff? Was it fun for?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:16 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You. Well, I had.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:18 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[To adapt myself, yeah, I love being with the people of Southwest Airlines. That was like a fountain of youth for me. They were so wonderful and entertaining and, you know, great to be with.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:29 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That part of it, but.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:31 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[When you're practicing law, you pretty much do your own thing.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:36 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And it's a swift pace well.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:39 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Things didn't move as swiftly at first. When I came to Southwest Airlines full time, and I'm that we're moving swiftly compared to the rest of the airline industry, but not compared to my experience.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:52 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Were you pushing for expansion and growth and and all those things during your tenure?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:25:57 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Ohh yes, I mean Southwest Airlines expanded enormously. You know from a very small base.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:03 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But I soon realize it was a speech that I want to hear where a guru said if you can improve a corporation 5% in a year, that's a miracle.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:15 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I said Ohh OK, I was trying to do 25%. Maybe that's why I feel a little frustrated. So it really brought my thinking. You know, more in line.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:27 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You know, I'm thinking.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:28 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Even if it might have seemed like it was a slow process.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:31 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[For you, the fact that Southwest was growing and kind of prevailed in this industry is is pretty remarkable and it's pretty unbelievable given that, you know so many of those early competitors don't even exist anymore. And some of the great iconic airlines, TWA Pan Am, they're gone.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:48 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Exactly. Many of them. There are very few.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:52 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[What mistakes did they make that you seem not to have made?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:26:55 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Well, we just did things differently like market share, you know, a shibboleth, supposedly. And I told anybody if they mentioned market share, I punch him in the nose.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:09 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Because here all these big companies fighting over their market share and losing money and furloughing employees.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:15 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:16 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So I said, let's focus on profitability and if we have 4% of the market and we're profitable, that's better than having 90% of the market and being unprofitable.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:29 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[What? What's the value of southwest today, you know?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:32 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Overall yeah. Ohh probably $20 billion, something like that.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:37 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So. So we're talking about one of the biggest airlines in the United States easily.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:42 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[In the world, in terms of passengers carried, it's unbelievable. Yeah, it really is. It's like I've had too much wild Turkey, you know, and fantasizing.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:54 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[When you started the company, how much? How much did you invest personally?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:27:58 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I invested $10,000.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:28:00 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Which must be worth quite a bit.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:28:02 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Today, well, it's gone up some since then.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:28:06 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[But at the company as what I thought was a requirement of good leadership, I always turned down pay increases, bonus increases to set a good example. I thought for all of our people. Of course, the stock that I got rose enormously in value, but that was in lieu of cash compensation.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:28:27 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So you were you were mainly paid with with stock options.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:28:30 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah, basically with stock I got the biggest kick out just to give an exemplar. When I did a stock option deal in lieu of pay raises with their pilots. So they get Southwest Airlines stock options in lieu of a pay increase. I took no pay increase along with them.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:28:47 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I'm not trying to single anybody out, but there was a the head of an airline that was smaller than Southwest Airlines and on the verge of going out of business, whose salary and bonus were three times what mine were at Southwest Airlines. And that's the way I wanted.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:02 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[It by the way like.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:04 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Are you from worried that some you know some?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:07 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Young, you know Herb Keller type character is going to come around and put up some upstart airline and knock southwest off its throne.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:14 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I'm concerned about it all the time. I wrote a letter to our.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:17 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Please. And it was about my 10 foremost concerns for the next decade of Southwest Airlines. OK. Yeah. And number one was us.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:29 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[That we ignore competition, that we get complacent, that we get cocky.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:36 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I used the line, think small and act small and we'll get bigger. Think big and act big and we'll get smaller.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:42 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So it could happen one.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:43 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Day ohh. It's possible. You know I'm a history buff.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:47 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And if you look at the largest companies in the United States.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:29:52 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[As the 19th century turned into the 20th, most of them are gone. The Central Leather Company in 1900 and 1901 was the 17th largest company in the United States, but it didn't anticipate.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:08 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[What the advent of the Ford automobile was going to mean.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:13 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You know what it did? It made buggy, whips and saddles and never stopped doing it until it was gone.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:22 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And if you look at countries or you look at companies, they perish. And if you have any sense of history, you realize that and you know, try to avoid it.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:33 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You know, hearing the story of how you made this happen and all the work you put into it, I wonder if you think you're just wired differently to be able to put up with all that stuff for so.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:43 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Many years? Well, I think.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:45 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Yeah, I probably am wired a little bit differently from from many people, and they're probably very happy about that difference themselves. But.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:52 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[One of the things is that.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:30:55 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I never looked back. You know, I don't spend a lot of time regretting things that went wrong, and furthermore.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:03 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I think that I've always had a great deal.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:05 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Of.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:05 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Fun out of what I was doing and you know people would say to me, why aren't you? Why aren't you burned out? You know, I was working 100 hours a week and I would answer very simply. Well, it's easy.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:19 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[When you have a passionate joy in what you're doing.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:23 Speaker 2](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[You don't burnout.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:27 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Herb Kelleher co-founded Southwest Airlines 50 years ago, and he served as CEO and then on the board before retiring in 2008. By the way, Herb Kelleher once resolved A trademark dispute with a rival airline. They're both using the slogan.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:43 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Plain smart, he resolved this not in court, but by challenging the other CEO to a public arm wrestling match which Herb Kelleher lost. And you can see that entire arm wrestling match. Just go to Google and type in the malice in Dallas.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:31:59 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hey, thanks for listening to the show this week. If you want to find out more or listen to previous episodes, you can go to howibuiltthis.npr.org. You can also write to us at hibt@npr.org and if you want to send a tweet, it's at how I.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:14 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Built this.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:16 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Our show is produced this week by Casey Herman, with music composed by Ramtin Arable.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:20 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Thanks also to Neva Grant, Sanaz Mesh Kanpur and Jeff Rogers. I'm Guy Raz, and you're listening to how I built this from NPR.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:33 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Hey, glad you still with us because one of our listeners has an amazing story about the company she is building and here it is.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:40 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[My name is Caitlin Morgenthal. I'm in Los Angeles, CA.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:44 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Actually, Caitlin grew up in Chicago, but when she went to College in LA, she noticed that there were all these juice bars everywhere, and one of her friends had a juicer at home.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:32:53 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So I see her put this carrot in the juicer and out comes like tiny tiny amount of liquid.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:00 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And I see these mounds of vibrant carrot pulp, you know, and it smells so good. It's so fresh. And she just looks at me and she goes, I usually throw away the pulp. I.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:09 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Have no idea what to do with it and that is how Caitlin came up with an idea for a business.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:14 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[The next day I was like, wow. Like, what if this juice pulp could be used to create healthy snacks at a more affordable price point? And so I called up a bunch of juicers right then and there, and I asked them, what are you doing?](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:27 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[With your juice pulp.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:29 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[So she found some juice bars that agreed to give her their fruit and veggie pulp. And then she found a small commercial kitchen where she could turn that pulp into snacks, snacks like granola.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:39 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Have 5 different flavors, so apple pie, peanut butter and carrot, red velvet, deep red velvet.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:45 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Business is called pulp pantry and it's still the small batch operation, just a few 100 bags of snacks a week.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:47](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[And.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:33:52 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Mainly selling in health food stores in LA and online, and she's funding the business with money from an incubator and some from her savings. So she's still in the red and working pretty crazy hours.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:34:03 Speaker 3](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[I mean, it just becomes an obsession, you know? And it it's like, it's kind of pathetic, honestly, to be, you know, seeing these bins of pulp and being so happy just to see it process into like a better product than to be seeing it sold on the shelves. I just think that's the craziest.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:34:17 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Thing. So I love it. Yeah. If you want to tell us the story of the company or the movement that you are building.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:34:23 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Go to build.npr.org that's build with ad.npr.org and.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:34:31 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Thanks.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:34:33 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[One more thing before you go, there's a new show at NPR and it's called Radio Ambulante. In fact, it's our first ever podcast in Spanish. The show takes a look at Latin America and the US Latino communities, bringing you stories that you might not otherwise hear stories about punk rock and Cuba, stolen books in Colombia or junk bonds in Puerto Rico.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[00:34:53 Speaker 1](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)

[Radio Ambulante tells Latin American stories from the inside. Check it out on the NPR One app and at npr.org/podcasts.](https://onedrive.live.com?cid=C2842084B67A55C8&id=C2842084B67A55C8!s89533006fb894f2bbdc9fab393b4796b)