BUSINESS MONDAY
Still flying high
At 71, aviation pioneer George Batchelor isn’t ready to descend. He runs one of Miami’s most successful businesses, pilots a jet, races cars, water-skis, and is soon to take a bride age 29.
Aviation giant George Batchelor, 71 and a millionaire several times over, once thought about retiring. He even bought a boat. But he couldn’t get away.

First office a shack
Not Batchelor. In 1947, Batchelor started his first company, Arrow Air, at the Lomita flight strip, now called Compton Airport. His first office then was a shack made of two big engine boxes. He used electricity from the hookup to the wires in the next-door office. Within six months, he moved to Burbank.

“One of George’s first planes was a surplus DC-3 that he acquired in Honolulu and ferried solo to Los Angeles,” recalls Richard Neumann, a California entrepreneur. “It was no mean feat, making an 18-hour flight with favorable winds across 2,500 miles of open sea in a twin-engined transport aircraft, using dead-reckoning navigation without help.”

Says Batchelor: “I remember the flight, 18 hours and 35 minutes. I didn’t have the money for a copilot or a navigator, and I thought it would never end. I would never do it again and I wouldn’t advise anyone else to do it either. It wasn’t very smart.”

Among his first contracts was one for minor-league hockey teams up north, if they could buy a couple of war surplus DC-3s, which the military were selling off for $3,000 each, and then get a contract to carry cargo from California to the East, they could make a small fortune.

“But once the postwar boom disappeared, 90 percent of them went broke.”

ann right I’m an Okie,” says George Batchelor, World War II flyboy, wizard aviation entrepreneur, multimillionnaire and Miami philanthropist.

At age 71, Batchelor sports a pigtail, runs his business out of a ramshackle Hialeah headquarters, drives a Rolls Royce, pilots his own Lear jet, hits the accelerator on race cars, water-skis, and is soon to take a bride, age 29.

He is the force behind International Air Leases Inc., an outfit with 102 airplanes. And it is South Florida’s premiere buyer, seller and lessor of com-
mmercial aircraft—now, and for the
last three decades.

But not for a minute does Batchelor
forget where he is coming from: Shaw-
nee, Okla., a child of the Dust Bowl
calamities of the 1930s, a survivor of
the great exodus of Oklahomans to
California's Central Valley, memorial-
ized in John Steinbeck's *The Grapes
of Wrath*.

"We didn't consider ourselves to be
poor, but by today's standards we
were," says Batchelor. "We didn't have
electricity or a refrigerator or a radio or
a telephone. And there certainly wasn't
enough money or food to feed an extra
mouth."

**Indian heritage**

Even today, Batchelor looks the part
of the Okie—high cheek bones, light
beard, all reflecting the heritage of
Cherokee country. His great-grand-
mother was a full-blooded Indian.

As a kid, Batchelor says, he hitch-
hiked and rode trains to get to Califor-
nia, and for a while, worked the valley
fields before he returned to Oklahoma
to finish high school.

Then he went back to the West
Coast, working odd jobs between Los
Angeles and Seattle—in a fuel station,
in a print shop.

In 1939, he got into the aviation
business, after a fashion: sheet metal
mechanic for North American Avia-
tion. It was manufacturing military
planes in Englewood in southwest Los
Angeles County. He found a use for his
paycheck: junior colleges in Compton
and Selma, just outside Fresno.

Three months after Pearl Harbor,
Batchelor quit college to become a
pilot in the Army Air Corps. During
Gen. Patton's drives to free France and
Germany, Batchelor flew behind
enemy lines, delivering fuel and evacu-
ating soldiers.

He left the military in 1947, figuring
he was destined to be an airline pilot.
For a few months, he flew for National
Airlines—$280 a month. It wasn't
enough.

Like many wartime flyboys, Batche-
lor quickly saw the opportunity in the
surplus of wartime aircraft that sud-
denly became available at rock-bottom
prices.

"After the war, there were hundreds
of ex-pilots who wanted to keep flying,
and they all seemed to converge on
Burbank," says Ronald E.G. Davies,
curator of air transport for the
National Air and Space Museum in
Washington, D.C. "They realized that
like the rest of his contemporaries, ran
afoul of the Civil Aeronautics Board.
In those days, the CAB closely allied
itself with an airline industry that had
little interest in making room for the
dozens of small "supplemental" carri-
ers.

Batchelor says the non-skids
weren't supposed to compete.

"We were flying too frequently and
regularly according to their defini-
tion," he says.

"They kept changing the ground
rules and the definition. The industry
then was a closed club. There were
seven major airlines. There had been
no new entries in 20 years, and a lot of
ex-CAB members became airline presi-
dents and executives."

So in 1953, Batchelor shut down
Arrow Air to concentrate on the air-
craft maintenance business and the
leasing business. He pioneered the con-
cept of leasing used aircraft.

**A move to Miami**

Batchelor moved to Miami in 1964
because of his son's health problems
and a need for cleaner air.

Here he put in legendary 12-hour
workdays and accumulated his for-
tune, valued somewhere in excess of
$30 million.

"He's one of the toughest negoti-
ators I've ever sat across the table
from," says one businessman who
knows. "Sometimes he squeezed
nickel so hard that the Indian leaped
and the buffalo roared. His idea of
routine week for his employees is 6
days. Still, when he makes a deal, he
knows how to keep his word."

Batchelor laughs at the descrip-

**THE YOUNG BATCHelor:** The former World War II pilot started his business with surplus military planes purchased after the war.
Pioneer’s breadth of experience serves him well at bargaining table

By TED REED Herald Business Writer

George Batchelor can be a tough guy to do business with. After 45 years in the aircraft leasing business, he knows more about it than anyone else, and he uses that knowledge to make smart deals. He is also a stickler for detail, and he generally insists that people do everything they promise to do.

Batchelor recalls that he once leased a couple of planes to Nicaraguan dictator Anastasio Somoza for his Lanica Airlines, but the planes were confiscated when the Sandinistas took over in Nicaragua in 1979.

When Batchelor got the planes back, there was heavy damage, unpaid leases and missing parts. He went to court and got a $2 million judgment, but Lanica quickly filed for bankruptcy, only to emerge as a similar airline with a new name: Aeronica. Then Batchelor persuaded U.S. officials to ban both airlines from flying to the United States. The ban lasted until Violetta Chamorro took over as Nicaragua’s president in 1990.

A revealing story
Challenge Airlines President Bill

ness, and he is usually more knowledgeable about leasing aircraft than the person he is dealing with. And that intimidates people. Such techniques have made Batchelor one of Miami’s most successful businessmen.

Today, his firm, International Air Leases Inc., employs about 130 people, including 120 in Miami. Its revenues in the year ended Jan. 31 were $200 million, up from $193 million the previous year.

IAL’s main subsidiary is Arrow Air, now the largest airline based in Florida. Arrow has 11 DC-8 cargo planes and 265 employees, mostly in Miami. The airline is principally a cargo carrier, with an emphasis on Latin America and hubs in Miami; New York; Columbus, Ohio; and San Juan, Puerto Rico. It also provides passenger planes for small airlines such as the Polish carrier LOT.

Arrow had revenues of $80 million in the year ended Jan. 31, down from $95 million the previous year, when military billings were high.

Cornering the market
George Dutton, a Miami aircraft broker who has spent 40 years in the business, said for years Batchelor
IN THE FAST LANE: Batchelor is equally at home behind the wheel of a fast car: “Driving a race car is like flying a plane, and it’s competitive.”

But he says, “I never work an employee as hard as I work myself.”

And, he adds, “I have a policy that a deal has to be fair to both sides. If we know a customer will lose money, we won’t do the deal, because then you lose a customer and you lose money to boot.”

Still, there is no denying that his life has posed an inordinate share of hardships and difficulties, both business-related and personal.

His son, Falcon, died of cystic fibrosis in 1990 at age 35. That same year, his 27-year-marriage broke up, and he paid his ex-wife, Betti, a $17.5 million settlement.

At the time, court documents put Batchelor’s worth “well in excess of $50 million,” but perhaps more than $100 million — with the exact amount subject to “dramatic swings” in the economy.

Generous donations

His gifts to charity over the years may well exceed $10 million, friends say. Among them was $2 million to create an endowment fund for the University of Miami’s pediatrics department and cystic fibrosis center.

“George is a very aggressive businessman — I’ve had a few glimpses of that — but on the other hand, he is a man of unbelievable generosity, with charitable achievements that have been virtually anonymous for years,” says Dr. Robert McKey, director of the center and a professor in the UM pediatrics department.

“He once told me he thought the doctors’ places to put his money were ones for children’s welfare and the environment, and everything else came after that.”

Batchelor gave $320,000 to development of a microbiology laboratory at Doctors Hospital, and underwrote establishment of the Batchelor Village rehabilitation center at Baptist Hospital.

CARGO CARRIER: Arrow Air once shuttled hockey teams to games on the West Coast. Today, it ferries cargo to Latin America from its Miami base.
Batchelor's strategy: cornering the market

ARROW, FROM 21
DC-7s, said the venture made money largely because the Vietnam War created demand for the planes.
Later, Batchelor repeated the strategy with the British Aerospace CL-44 and the Lockheed Hercules C-130 — both large, odd-shaped planes that can accommodate awkward cargo such as drill pipes for oil wells — and with several DC-8 models. Batchelor bought 10 DC-8s for several hundred thousand dollars, and later sold them for $4 million to $8 million each, Dutton said.

Convair 880
In still another venture in the mid-1970s, Batchelor cornered the market on the Convair 880, buying 16 of the planes, all the engines and all the spare parts. When GE halted production of the plane, Swissair was still using it and was forced to purchase most of its parts from Batchelor.
"He is the entrepreneur of the used aircraft business," Dutton said. He has made a market in many different types of aircraft that other people were either afraid of or didn't want to delve into."

UNSOLVED MYSTERY: The cause of the 1985 Arrow Air crash in Newfoundland that killed 258 U.S. soldiers was never found, but the blow to its reputation forced the airline into bankruptcy court.

Information blacked out
Batchelor said he obtained government documents dealing with the crash under the Freedom of Information Act, but most of the information on those documents was blacked out for security reasons.
In any case, the adverse publicity scared off enough potential Arrow passengers that in 1986 the airline filed for bankruptcy, protection. When Arrow emerged from bankruptcy in 1987, it had dropped its passenger service and carried cargo only.

Still another Batchelor company was Batch Air. Batch Air
At 71, Batchelor 'going on 16'

Batchelor, FROM 21

Chesterfield Smith, a past president of the American Bar Association, says Batchelor "does more in the way of really substantial contributions to multiple needs around our community than anybody else I know."

Batchelor gave a $1 million endowment to St. Thomas University Law School in 1986. Jacqueline Allee, dean of the law school, says he took a chance. The school had not yet been accredited.

One of Batchelor's closest friends is David LaCroix, 31-year-old Fort Lauderdale aircraft dealer. The two men met at the race track, where both drove the same kind of car, a Formula Super Vee, good for about 165 miles an hour.

Their friendship extends to other break-neck endeavors, long-abandoned by most septuagenarians: skiing at Aspen, water-skiing and flying planes.

"He is a person of tremendous vitality, willing to try anything," LaCroix says. "He's not a reckless type, but he's fearless in everything he does. Sometimes I think he's going on 16."

In 1988, Batchelor thought seriously about retiring, or semi-retiring.

"I bought a big boat and started liquidating," he says. "I was going to take a year off and cruise down through the Caribbean. I intended to take it down through the islands all the way to South America, spending time on the boat and flying back to the office two or three times a month. I spent two years getting a boat, equipping it, finding a captain and planning the trip, even down to making sure the places I would leave the boat had airports nearby."

"But just when I did all this, everything started going sour. Eastern went bankrupt. Pan Am went bankrupt. Then Continental, Midway, America West, TWA and Braniff again. It was like a row of dominoes, and I had planes with every single one of them."

The ice cream, in effect, hit the fan."

"We had to get the planes back, rework them, spend money getting them ready and then lease them out for half as much money. I still have two planes tied up with Eastern that I can't get clear title to. And I can't leave because when an airline's in bankruptcy, the banks want to see you there, supervising. It's hard to get someone else to do this type of thing."

These days George Batchelor, an Okie wonder, is making new plans. He is to wed Marianne Tiriti, daughter of an aviation entrepreneur in Puerto Rico, at Vizcaya Sunday. Their honeymoon: a photo safari to Africa. In later years: Batchelor at Miami International Airport.