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16 July 94

60 years ago,
a fledgling El
Paso airline
made its first
flight. Friday,
Continental
relived its

GLORY DAYS

By Ken Baake

Herald-Post business editor

The El Paso International Airport came alive Friday with mariachi music, balloons and tours of a vintage 1940 DC-3 aircraft.

It was all part of a gala celebration for the 60th anniversary of Continental Airlines, which first started flying in 1934 on a 530-mile route between El Paso and Pueblo, Colo.

For the anniversary occasion, stewardesses dressed in original uniforms, which included caps and seamed stockings. Clowns entertained groups of children, who munched on free cake.

Mayor Larry Francis and other city officials turned out to greet Continental officials at the airport terminal.

Outside the terminal sat a fully restored 24-seat DC-3 propeller plane. It took off shortly after 1 p.m. for a flight to Albuquerque.

Continental was first named Varney Speed Lines, which Walter Varney launched in 1934. At the

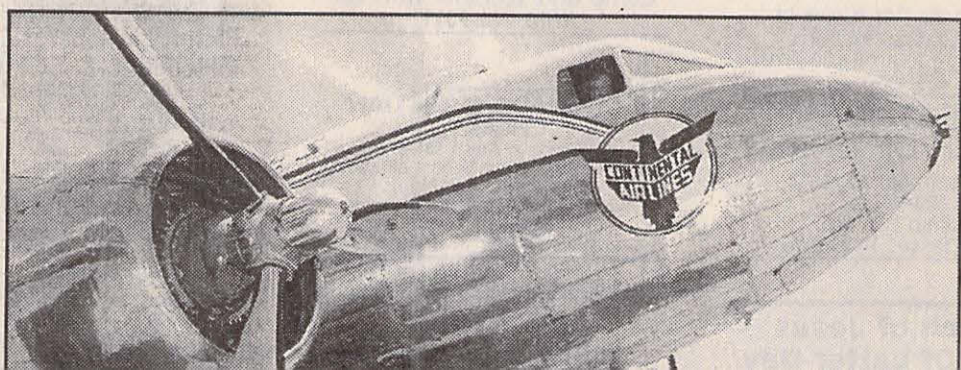
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Shane Smith, 3, looks out a DC-3 airplane on Friday afternoon and, at left, talks to Hersche Gene, a retired Continental pilot who flew from 1946 to 1978.



The fully restored 24-seat DC-3 propeller plane was flown from El Paso to Albuquerque as part of Continental's celebration of its 60th anniversary.

time, Franklin Roosevelt was president, the average U.S. annual income was about \$1,601, and a new car cost \$625.

In 1937, Varney added Denver to its route system, moved its headquarters there and changed its name to Continental under new president Robert Six. El Paso's State National Bank helped Six expand his operations by lending money — using Continental officers' own homes as collateral.

By the 1960s, Continental had grown to be a major carrier. At one time the airline had more than 600 employees in El Paso, with as many as 33 flights coming and going each day.

But after the airline industry was deregulated in 1978, Continental's financial condition took a nosedive. The company has since been in bankruptcy twice, emerging for the second time last year.

Except for one quarter in 1988, the company hasn't made money "in years," said Continental's general manager in El Paso, Eric Downward.

Today Continental has seven flights per day to and from El Paso. The airline last spring shut down its Boeing 727 maintenance facility in El Paso, stranding 137 workers.

But Continental officials express strong optimism for the future — as evidenced by Friday's celebration.

The airline has taken a cue from rival Southwestern Airlines, which has had huge success marketing itself as a fun way to travel.

Continental's new "Peanut Flights" campaign, offering two-for-one fares, has been a great success, Downward said. He expects a profitable quarter sometime this year.

Francis told Continental officials he would like to see Continental return to the glory days in El Paso when it could fill the concourse.

"We desperately need to add flights to the west and north," Francis said in a later interview.