Continental Airlines:
A New Beginning – Old Memories
By Dr. Richard Kelley

This past week, as the world focused on protests in the streets of many major cities, the extremely serious sovereign debt crisis in the euro-based economies and the bankruptcy of the parent corporation of American Airlines, AMR Corp., few heard the quiet whimper from Continental Airlines on Wednesday, November 30, when that proud carrier, now merged with United Airlines, flew its last flight under the call sign “Continental.” Captain R. J. “Jim” Starley, Continental’s Managing Director, Flight Operations, noted the occasion in a Pilot Bulletin printed on United letterhead saying, “While we will experience mixed emotions with the retirement of our proud call sign, our brand and our heritage will live on.”

This news brings back a lot of memories for me as Continental Airlines was born less than a year after I was, and it played a major role in the development of Travel & Tourism in Hawai‘i and many Asia-Pacific countries.

In 1934, entrepreneurs Walter Varney and Louis Muller began flying passengers on “Varney Speed Lines” between El Paso, Texas, and Pueblo, Colorado, with stops in Albuquerque, Santa Fe and Las Vegas, New Mexico. In 1936, 28-year old Robert F. Six, a scenic flight operator, bought 40 percent of Varney Speed Lines and changed the name to “Continental Airlines.”

Robert Six was one of a small group of dynamic leaders who – as far back as eight decades ago, barely three decades after the Wright brothers’ first flight in 1903 – had the vision, drive and ability to build the U.S. airline industry into what it is today. He stands shoulder to shoulder in history with such industry giants as:

Juan Trippe
Pan American World Airways

William A. Patterson
United Airlines

C. R. Smith
American Airlines

Eddie Rickenbacker
Eastern Airlines

Jack Frye
Trans World Airlines

Both Six and Trippe had a clear vision of the true potential for global air travel with a particular focus on the widespread Asia-Pacific areas. I wish they could be with us today and see what has happened in the last 75 years.

Trippe’s Pan American World Airways made its first flight in 1927 from Key West, Florida, to Havana, Cuba. Later it bought China National Aviation Corporation to provide domestic air service to the Republic of China. In the 1930s, it became the first airline to cross the Pacific Ocean using the famous Clipper “Flying Boats.” My sisters Jean, Pat and I personally experienced a flight on a Pan Am Clipper in
early 1942 when we were evacuated from Hawai‘i, with our mother Estelle Kelley, after the December 7, 1941, attack on Pearl Harbor.

After World War II ended, it would have seemed natural for Pan Am to fly within the continental United States but competing airlines successfully lobbied Congress to keep this from happening.

Although Six’s Continental Airlines began life flying U.S. domestic routes, over time it became a major global airline with services to Europe, Latin America and the Asia-Pacific areas. During the war in Vietnam, Continental provided a significant, if not the major, portion of the cargo and troop airlift for the U.S. Army and Marine Corps to Asian and Pacific bases.

Perhaps as a result of Six’s Asia-Pacific experience, in 1968 Continental formed Air Micronesia, which flew Boeing 727-100s from Honolulu to Guam and back. These “Island Hopper” flights might also stop at Majuro, Kwajalein, Johnston Atoll, Chuuk, Pohnpei, Palau, Yap, Tinian, Rota and Saipan. These were informal pioneering days in Pacific aviation. The airline’s call sign was Air Mike and its first aircraft was nicknamed JuJu.

Operationally, it was tough going. Most of the airports had short, rough, crushed coral runways with the ocean at either end. To provide embarking and debarking passengers cover during torrential tropical rains, the terminal on some of these islands was often little more than a shed. The planes’ bellies were coated with Teflon to minimize damage from bits of flying coral. To assist in stopping before running out of dry land, special brakes were added to the nose wheels. About half the cabin was reserved for freight, spare parts and a traveling mechanic who flew along to work on damaged aircraft. Often the pilots had to buzz the airstrip to clear animals and people before circling back to land.

Under Six, Continental also developed hotels on Chuuk, Palau, Saipan and Guam. Operating those properties was tough, too, but it was brought under control when Hawai‘i-born Bill Charlock became the hotel group’s leader in the mid-1970s.

I led a group of teenagers – my kids and some of their friends – to Micronesia in the mid-1970s and experienced the 727-100 flights full of residents returning home after shopping in Honolulu. The aisles of the passenger section were filled with packages, shopping bags and even automobile tires. The Continental hotels varied in physical quality, but the hospitality was magnificent. It was one of my most memorable travel experiences.
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At Six's insistence, Continental became one of the first airlines, along with Pan Am and TWA, to fly the then cutting-edge Boeing 747 jumbo jet. On-board service levels were a step above what had been considered good at the time. On flights to Hawai’i, there were two “Flying Polynesian Pubs,” cocktail lounges with well-stocked bars. An old post card, available on the Web at http://tinyurl.com/PolynesianPub, shows a pub, which the airline described as “Continental’s new coach lounge – a fun place to relax, eat fresh-popped popcorn, drink cold beer or cocktails and meet friendly people.” The advertising campaign that promoted the flying pubs featured a cartoon of a parrot saying, “Continental – the ONLY way to fly!”

Things changed rapidly after the Airline Deregulation Act of 1978. Continental rapidly expanded operations nationally and internationally. In 1981, Texas Air Corporation, controlled by controversial airline mogul Frank Lorenzo, acquired a controlling interest in Continental Airlines, merged the two companies and moved the carrier’s headquarters to Texas.

Over the last decade in particular, it has been very difficult to make a profit in the airline industry. It is a business that is capital intensive, labor intensive, technology dependent, highly unionized, highly regulated and taxed by almost every level of government. It also burns through prodigious quantities of costly jet fuel. In this environment, according to one industry directory, Continental has operated one of the most modern and fuel-efficient fleets of any U.S. trunk airline. It has also regularly received passenger-preference and travel-industry awards for service.

As of 12:01 a.m. this past Thursday, December 1, all flights for Continental and United Airlines began to operate with “United” flight numbers, with pilots giving “United” as their call sign to Air Traffic Control. While the planes of the merged carrier will all bear the United name, they will also carry Continental’s distinctive blue-and-gold-globe logo on the tail.

The President and CEO of the new United Airlines born from the merger is Jeffery A. Smisek, the former Chairman, CEO and President of Continental Airlines. Captain R. J. “Jim” Starley now has the title of Managing Director, Flight Operations, United Airlines. Company press releases indicate that former members of Continental’s upper management team will be in dominant, influential positions in the world’s newest major airline.

My hope is that the new company will continue the legacy of the consistently high levels of service that made Continental Airlines so successful and, for so many passengers, “The ONLY way to fly.”

United Airlines

The new logo, which combines the United name with the old Continental icon

Jeffery A. Smisek, President & CEO of the new United Airlines