

# Airlines' merger may save Braniff

**United Press International**  
DALLAS — Braniff International Airways capped weeks of secret negotiations by signing a tentative pact with the nation's 14th largest airline in a joint venture the bankrupt Braniff hopes will return it to the skies.

Braniff President Howard Putnam said Braniff and Pacific Southwest Airlines must resolve knotty labor and financial problems before Braniff planes are relaunched. PSA chairman William Shimp said it probably will be next spring when the venture takes off.

The two airlines announced Monday they signed a letter of intent during the weekend to begin a new airline using 25 to 30 of Braniff's 727-200s and employing about 1,500 idled Braniff workers.

Putnam said Braniff's present unions must be willing to give a little if the deal with PSA is to become a reality. PSA plans to hire flight crew members, administrative personnel and maintenance

workers. No agreement has been reached on whether Braniff executives will be hired by the new airline.

One former Braniff pilot said Monday he is excited about the possibilities.

"I was ecstatic when I heard it," Merlin Hauan, 43, said after his wife, in tears, telephoned him from the news conference. "I've got all the faith in the world and I don't think it was misplaced either."

Putnam said the new airline would operate under the San Diego-based PSA name, but would be a separate venture. Braniff will fly under the PSA logo, but the West Coast airline will not assume any of Braniff's almost \$1 billion debt.

Braniff officials said the proposed joint venture was the first step of a reorganization, but "not a reorganization itself."

"You should think of this as two separate operations marketing the same product," Shimp said.

The announcement came five months and five days af-

ter Braniff, stumbling under a \$1 billion debt and dwindling revenues, filed for reorganization under Chapter XI of the federal bankruptcy code and left 5,000 people out of work.

Under the proposed venture, Braniff will sell all its jets to its creditors on condition they lease 25 to 30 of them back to Braniff for eight years and Braniff then will lease the jets to the newly created airline for the same period.

"The rest jets (creditors) can park in the desert or sell," Putnam said.

Shimp said he expects the joint venture to become profitable in one year "or else we've made a mistake."

PSA has an option to merge with the newly created carrier but Shimp said no such union would occur before the plane leases expired.

Officials with PSA declined to say how much they were spending to get the venture off the ground, but acknowledged much of the cost will be in advertising.

# Child aid increase backed

**United Press International**  
SAN ANTONIO — A coalition of women's groups Tuesday endorsed approval of a proposed amendment to the Texas Constitution that would double the ceiling on state aid to welfare children.

"The issue is not welfare Cadillacs, but the survival of many Texas families," the wife of San Antonio Mayor Henry Cisneros said.

Mrs. Cisneros, coordinator

for Citizens Concerned About Children, said approval of the amendment on Nov. 2 is needed to prevent a cutback in benefits under the Aid to Families with Dependent Children program.

She noted that Texas' average monthly payment of \$34 a child ranks 49th among the states, and that Texas is the only state with a constitutional limit on such aid.

Mrs. Cisneros said some "truly needy families" were in dan-

ger of being dropped from the program because the state is approaching the current ceiling.

The proposal — Amendment 2 — would raise the ceiling from \$80 million to \$160 million a year for fiscal 1982-83 and then permanently fix it at 1 percent of the total state budget.

Barbara McCormick, director of human resources for the League of Women Voters, said AFDC grants have remained ab-

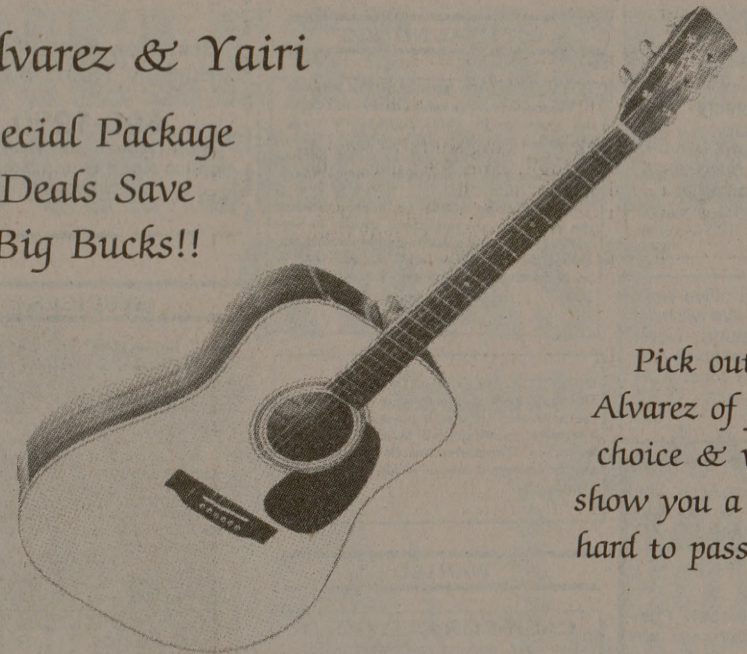
out the same since 1969 despite an inflation rate since then of 154 percent.

"It would be unconscionable to reduce the present grant," she said. "It has to cover housing, utilities, personal care, clothing and transportation."

Children who qualify for AFDC payments in Texas are those who lack parental support because of the death, absence or disability of one or both parents.

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# Clements predicts 3 wins for GOP

**United Press International**  
MIDLAND — Gov. Bill Clements predicted Tuesday that three Republican candidates for statewide office, including himself, had good chances of winning while the others had tough races ahead.

He made the remarks to the Midland-Odessa area Petroplex Press Club.

He said in addition to himself, GOP Attorney General candidate Bill Meier and Treasurer

candidate Allen Clark should win their races.

"I will predict to you that Bill Meier will win," and "Allen Clark has an excellent chance of winning that race."

Meier is running against Jim Mattox and Clark is running against Ann Richards.

He said George Strake, who's running against 10-year incumbent Bill Hobby for lieutenant governor, has a "hard race" as do the rest of the candidates.

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