

REPORT OF THE PRESIDENT  
TO MEMBERS OF THE  
AIR POWER LEAGUE

Given at the Annual Meeting  
September 18, 1946

While projected activities of the Air Power League were summarized in the formal notice of the annual meeting mailed to all members on August 15, there have been, since that date, several developments important to the future of the organization.

Hence, it seems advisable for me not only to inform you in detail of these latter matters but to present here a full report on the League's program for the coming months.

TAX EXEMPTION

Chief among recent questions has been the tax status of the League.

During the early months of its existence, the Air Power League was held tax exempt under Section 101 (6) of the Internal Revenue Code. In June of this year, some doubt arose as to whether the League was still entitled to such exemption, in view of its stand for a single department of national defense with co-equality for air.

Extreme care had been taken during this campaign to focus the League's effort wholly on educational work. Our officers and legal counsel, in the course of several meetings with representatives of the Commissioner of Internal Revenue, submitted a complete history of our activities to establish that point.

A decision favorable to the League has now been made. On September 4, 1946, the League received from Mr. William Sherwood, Acting Commissioner of Internal Revenue, a letter stating that the League had not violated any provisions of Section 101 (6) of the Code and that it is therefore still regarded as entitled to tax exemption as an educational group. A copy of this letter is attached.

I cannot emphasize too strongly the importance of the Commission's finding. In the past our organization has been underwritten largely by corporate and individual contributions. By the Commission's ruling such contributions are still deductible for income tax purposes and the League consequently hopes that many of its larger future undertakings, such as scholarship awards, may be financed in that way.

#### LECTURE SERIES

A new project of the League is the sponsorship, in collaboration with the Library of Congress, of a lecture program to take place in Washington through the fall and winter.

Present plans call for a total of six to ten lectures by eminent authorities on various phases of aviation. Arrangements for the lectures will be made by the Library of Congress and invitations to speak will be extended by the Library, which, by reason of its prestige, will be able to obtain men of international repute and standing.

The subject matter of all lectures will be printed in monograph form for widest possible distribution throughout the country. Thus, the series becomes one of the most promising activities in the field of public education yet contemplated by the League. Moreover, it is believed that the project can be sponsored annually with only a modest expenditure of funds and a recommendation to that effect will be made to the League's Board of Managers at its first meeting.

#### PUBLICATIONS

Early in October the Air Power League will publish and distribute a book of considerable significance on the topic, "Peace Through Air Power".

This has been prepared by our staff in consultation with many military and aviation authorities. Its purpose is to provide a timely discussion of the nation's air preparedness problems and to dramatize the present ineffectual state of our military air resources. The

book will be widely circulated to members, to the daily press, to magazine editors and special writers, to libraries and many other sources of public information.

I want also to report that the series of historical volumes being prepared by Harper & Brothers for publication in 1947, to which the League has contributed \$10,000 in writing fellowships, is showing good progress. Material for all four volumes has been assembled and we are informed by Harper that the writing of these official, authentic histories is nearing completion.

#### FORUM

Still another new project of the League is sponsorship of an annual forum on air power. The first of such forums is scheduled to take place this year in Cleveland, at the time of the National Aircraft Show. Several well-known speakers, representing industrial, military and research fields, have already consented to appear.

All League members will shortly receive invitations to attend and to take part in what surely will be interesting discussions of national interest.

#### MEMBERSHIP CAMPAIGN

This month the League is beginning a new, intensive drive for additional members. While there will be an extensive program of mail solicitation, the basis of the campaign will be personal contact, city by city.

Detroit has been selected as the center in which the drive will be launched and many prominent Detroit men have already signified their willingness to work in the League's behalf.

When early results of our efforts are known, I shall make a further report to all members, for as the program is enlarged and extended the League's success will rest largely on the degree of help furnished by members in their own localities.

(In this connection, I am attaching a new League pamphlet, which sets forth our current policies and activities. I hope that, after glancing through it, you will send this pamphlet along to some friend whose interest in air matters and whose position and influence would make him a valued member of the League.)

### FINANCIAL STATUS

Accompanying this report is a copy of the Air Power League's balance sheet as of August 31, 1946. It will be observed from this statement that the League presently has a balance of funds available of \$238,825.25.

The above matters of business are those of most recent development and interest. However, there are a number of pertinent facts with respect to the rest of the League's program and management upon which I want also to report briefly at this time.

### AIR POWER CLUBS

The League's campaign to establish Air Power Clubs on the local community level has been finally dissolved. After all payments to those groups and individuals who had undertaken to set up clubs in twelve states, it is found that the cost of the entire program totals \$35,612.22.

This is somewhat less than the minimum amount estimated by the League for dissolution of the project. Many of the clubs that were formed are continuing, of course, to function on their own initiative and they remain affiliated with the League. But the League no longer has any financial obligation toward this effort and I should add that our withdrawal from such activity removes the League from any possible conflict with other air groups attempting to organize on a community basis.

### PUBLIC INFORMATION

While the League's informative program has been too varied and detailed for full review here, certain of its activities are noteworthy.

On August 1, Air Force Day, the League was co-sponsor with the American Broadcasting Company of a half-hour dramatization of air power over more than 200 stations of the company's network. This show, which featured General Kenney, was conceded to be an outstanding observance of Air Force Day.

Throughout the year the League, through a special Women's Committee headed by Miss Jacqueline Cochran, has arranged for lectures on air power before hundreds of women's groups in nearly every state in the country. Much printed material has also been placed with national headquarters of such organizations for distribution to their members.

In the spring the League prepared a film on air power for showing to business clubs, civic and social groups. Eighty prints of this motion picture are still in constant circulation.

During the year the League has published several pamphlets and booklets on various phases of air power and has distributed, as it will continue to do, numerous official documents issued by the War Department and other governmental agencies. It has likewise placed material on air power with influential newspaper syndicates and magazines, and with many individual writers and radio commentators. It has also arranged for the appearance of several prominent air authorities on national radio forums and broadcasts.

Recently the League has established at its headquarters a permanent SPEAKERS BUREAU and FILM LIBRARY. All members desiring films or lecturers for groups with which they are associated are urged to call upon the League at any time.

#### SCHOLARSHIP AND EDUCATION

The scholarship project of the League has been amply described to all members by means of special memoranda, as has been the monitoring of veteran and regular Air Force officer education.

It should be observed, however, that both these undertakings are moving forward rapidly.

Mr. Kettering has reported that his survey to determine both the needs for air technicians and the educational opportunities open to students has progressed to a point where the future fields of activity for the Air Power League can already be discerned. While the study is being made primarily to determine the nature and scope of scholarship awards by the League, a most important corollary will be the information provided to industry, the armed forces, and the nation's educational leaders. Further reports on this topic will be made from time to time.

The League's monitoring of the education of veterans and officers on detached service, likewise designed to provide the nation with aeronautical specialists of the highest possible modern training, is beginning with the fall semester at colleges and universities. Several hundred men wishing to take part in this cooperative program have already been interviewed by the League staff.

#### LEAGUE MAGAZINE

Ever since the League was organized, there has existed the need for a periodical which will serve its purposes and aims. This need is still apparent. But also apparent is the fact that a League magazine, if it is not to fail, must be initiated only after the most careful study. Otherwise, the League would risk conflict with the many air publications now available.

Officers of the League have before them several proposals for a magazine, some with strong possibilities. It is believed, however, that until such time as the organization has far more members than at present, and until sufficient funds are at hand to insure the soundest kind of financing, the league should defer this project. For the next few months, then, the League will devote its publication effort to the preparation of books, pamphlets, and special treatises on various aspects of air power, while continuing to examine the opportunities for an effective periodical.

In closing this report, I should like to state my conviction that the need for the League - and the need for its success - are today greater than ever.

We have unfortunately witnessed in the past few months what can only be described as a reckless dissipation of American air strength. We face a volatile world situation without a clear-cut air policy, without proper coordination of the armed forces, without the primary means of safeguarding our own security and peace - air power.

Clearly, a civilian group like our own must redouble its effort. I believe that the League, to achieve its aims, must become far stronger than it is at present, both financially and in point of influential members. To that end, I assure you of my earnest and continued interest and know I may count on your own.

Respectfully submitted,

*F. Trubee Davison*  
F. TRUBEE DAVISON  
PRESIDENT

THE AIR POWER LEAGUE

Balance Sheet

As of August 31, 1946

ASSETS

Cash:		
In Bank		\$ 238,825.25
On Hand		200.00
Furniture & Fixtures	\$ 10,492.04	
Less Reserve for Depreciation	<u>2,754.31</u>	<u>7,737.73</u>
Total Assets		<u>\$ 246,762.98</u>

LIABILITIES & FUND

Federal Taxes Withheld		\$ 1,243.11
Federal Old Age Benefit Taxes Accrued		90.48
Total Liabilities		<u>\$ 1,333.59</u>
General Fund		245,429.39
Total Liabilities & Fund		<u>\$ 246,762.98</u>

Statement of Income and Expenditures  
for the period January 1, 1946 to August 31, 1946

Income:		
Contributions		\$ 24,300.00
Charter Membership Renewals		10,500.00
Membership Subscriptions:		
Charter		2,000.00
Patron		1,500.00
Contributor		1,800.00
National		1,550.00
Club Charter and Membership Fees		<u>1,025.00</u>
Total Income		<u>\$ 42,675.00</u>

Expenditures:		
Salaries		\$ 60,846.10
Federal Old Age Benefit Taxes		294.61
Insurance		65.38
Stationery & Printing		9,375.25
Advances to State Organizations		36,756.09
Club Printing, Stationery & Traveling Expenses		3,791.79
Publicity		53,306.47
Fellowships		5,000.00
Depreciation - Furniture & Fixtures		1,404.96
Office Supplies & Miscellaneous Expense		923.92
Office Rent & Light		4,133.34
Telephone & Telegraph		3,041.83
Postage & Mailing		2,590.89
Traveling Expenses		5,399.93
Library		<u>195.83</u>
Total Expenditures		<u>\$ 137,128.39</u>

Excess of Expenditures Over Income Deducted from		
General Fund		<u>\$ 144,453.39</u>

Submitted by: C. D. Frazer  
Secretary and  
Assistant Treasurer

TEXT OF TREASURY DEPARTMENT LETTER  
ON TAX STATUS OF THE AIR POWER LEAGUE

Office of  
Commissioner of Internal Revenue

Address Reply to  
Commissioner of Internal Revenue  
and refer to  
IT:P:T  
LKS

September 4, 1946

Mr. Jacob E. Smart,  
Executive Vice President  
Air Power League  
Empire State Building  
New York 1, New York

Dear Mr. Smart:

Reference is made to conferences had in this office with respect to the exempt status under section 101(6) of the Internal Revenue Code of the Air Power League. There were present at the conference on behalf of the League General F. Trubee Davison, President of the League, yourself, Mr. Charles D. Frazer, Secretary of the League, Mr. Philip A. Carroll, Director and Member of the Executive Committee of the League, and representatives of the Bureau. The League had been held exempt under Section 101(6) of the Code by Bureau letter dated June 8, 1945, and a question as to its continued exemption arose by reason of suggestions that the League had forfeited its exempt status by reason of the fact that a substantial part of its activities consisted of efforts to influence legislation.

The League's legislative activities were discussed at the conferences before the Bureau and the publications and literature of the League presented were fully considered as was the brief prepared on the League's behalf by General Davison and Mr. Carroll.

It is the conclusion of the Bureau, in which the Secretary of the Treasury concurs, that the principal purposes and substantially all the activities of the League are of a nonpartisan, noncontroversial and educational nature and that the League comes within the exempting provisions of section 101(6) of the Code and other related provisions thereof as a scientific and educational organization. Bureau ruling of June 8, 1945, is accordingly affirmed.

Very truly yours,

(S/ Wm. Sherwood

Acting Commissioner

(THIS IS AN INFORMAL REPORT. OFFICIAL MINUTES OF THE MEETING WILL BE DISTRIBUTED SHORTLY)

THE AIR POWER LEAGUE  
Empire State Building  
New York, 1, N. Y.

Proceedings of the Executive Board of Managers of  
The Air Power League held in the League offices,  
Room 1203, Empire State Building, September 18, 1946.

Present:

Bell  
Carroll  
Davison  
Sullivan  
Weatherhead

Present by invitation

Brayton  
Brenner  
Frazer  
Jones  
Kerlin  
Reed  
Smart  
Stern  
Swann  
Woodward

A quorum of the newly elected Executive Board of Managers being present, the meeting was convened by General Davison immediately following the annual meeting of members of the League.

General Davison requested Mr. Sullivan to act as temporary chairman of the meeting. With Mr. Sullivan presiding, Mr. Carroll moved that the minutes of the previous meeting be approved and this motion was unanimously carried. Mr. Carroll then placed in nomination the following names as officers of the League for the coming year:

Chairman of the Board of Managers-----Charles E. Wilson  
President-----F. Trubee Davison  
Treasurer-----A. J. Weatherhead, Jr.  
Executive Vice President-----Jacob E. Smart  
Secretary and Assistant Treasurer-----C. D. Frazer

The above nominees were unanimously elected and Mr. Sullivan then turned the meeting over to General Davison, who presided thereafter.

Mr. Smart reported on the proposal made to the League by the Library of Congress to co-sponsor a series of six to ten lectures on aviation to be held in Washington throughout the fall and winter of 1946-7. On motion of Mr. Bell, duly seconded, the sum of \$6,000 was appropriated by the Board of Managers to undertake this project.

Mr. Smart then described the League's plans for sponsoring a forum on air power to be held in Cleveland at the time of the National Aircraft Show. Considerable discussion of the most effective method of holding such a forum ensued and the Board of Managers recommended that the plan be modified so as to concentrate all speeches and discussions into one or, at most, two meetings during the time of the show. On motion of Mr. Carroll, duly seconded, an initial appropriation of \$5,000 was voted by the Board of Managers to underwrite expenses connected with this forum.

Several other brief reports were then presented to the Board by the President and Executive Vice President, principally on progress of the League's public relations activity, its Career Plan, and the membership drive beginning in Detroit. Details of these reports and others may be found in General Davison's report to all members, dated September 18th.

Mr. Carroll then described the legal requirements for classification of National Governors and Managers of the League. Following a discussion, both the members of the Executive Board of Managers and the National Board of Governors were classified as to terms of office, which classifications will be set forth in the official minutes of the meeting. It was also agreed that, in future, the Executive Board of Managers would hold its regular meetings on the first Monday of each month, but that there would be no scheduled meeting for October unless new problems developed which required immediate approval or action.

Charles D. Frazer  
Secretary and Assistant Treasurer

CDF:PC

THE AIR POWER LEAGUE

Special Meeting of the Executive Committee

A Special Meeting of the Executive Committee was held at 5 P.M. at the American Museum of Natural History on May 8, 1946 pursuant to notice.

Present

Messrs. Bell  
Carroll  
Damon  
Davison  
Russell

Present by invitation

Messrs. Faversham  
Frazer  
Ketchum  
Scott

Other Directors Present

Messrs. C. Jones  
Parks  
Sullivan  
Vandeburg

General Davison was appointed Chairman of the Meeting and Mr. Frazer acted as Secretary. The Chairman opened the meeting by reading the minutes of the previous meeting held on April 4, 1946, which were unanimously approved. The Chairman then submitted the names of Mr. Robert Lovett and Mr. A. J. Weatherhead, Jr. for consideration as directors of the League, suggesting that they be elected subject to their individual acceptance. After discussion it was on motion duly made and seconded:

RESOLVED, that subject to his acceptance, Robert Lovett be and he hereby is elected to the Board of Directors of the League.

RESOLVED, that subject to his acceptance A. J. Weatherhead, Jr. be and he hereby is elected to the Board of Directors of the League.

The Chairman reported that an offer of affiliation had been extended by the Air Power League to the Air Force Association,

pursuant to the authorization of the Executive Committee meeting held on April 4, 1946, but that the offer had not yet been acted upon by the Air Force Association.

The Chairman then referred to the survey of the Air Power League which had been made by Mr. Ketchum and to the findings and recommendations contained in Mr. Ketchum's report. He called upon Messrs. Ketchum and Scott to review the report and the recommendations contained therein.

Following the review and discussion thereon, the report was ordered filed with the minutes of this meeting.

The Chairman then called for action on the recommendations contained in the report, and on motion duly made and seconded it was:

RESOLVED, that the findings and recommendations of the Ketchum report be adopted in principle and that the officers of the League be authorized and directed to implement the recommendations contained in the report.

The Chairman then outlined the provisions of two memoranda dated April 30, 1946 and May 7, 1946 prepared by Colonel Smart dealing with the future organization and activity of the League. Copies of these memoranda were distributed to the directors present and were ordered to be filed with the minutes of this meeting, and mailed to all members of the Executive Committee who were unable to attend the meeting.

Mr. Carrol then reviewed his recommended plan to re-

organize the directorate of the Air Power League pointing out that the plan was in accordance with the recommendations of the Ketchum report and with the organizational proposals made by Colonel Smart in his memoranda of April 30, 1946 and May 7, 1946. After discussion it was on motion duly made and seconded:

RESOLVED, that a detailed draft of the plan to reorganize the management of the League be made ready by Mr. Carroll for a vote of the League's membership, either at the annual meeting in September or at a special meeting thereof.

The Chairman then reported that Mr. Sumner Sewall had offered to resign from the Board because of his inability to serve actively during the coming year in view of his assignment to Europe. It was unanimously agreed that Mr. Sewall should be urged to remain as a director so that he might resume his activity with the League upon his return from Europe.

Mr. Russell then stated that he was obliged to withdraw from the meeting, which was thereupon adjourned sine die as a meeting of the Executive Committee.

Informal discussion continued among the directors remaining with respect to the educational campaign of the League which was being conducted in favor of a single department of national defense and it was the unanimous opinion of those present that General Davison and the administrative staff of the League should ascertain, if possible, the progress which other interested organizations were making toward the establishing of a single department of national defense.

Mr. Frazer discussed the financial status of the League

and submitted a Financial Report, a copy of which is filed with the minutes of the above meeting.

Mr. Bell suggested that meetings of the Executive Committee might be held on a fixed day each month. General Davison agreed that meetings of the Executive Committee would be called a third Wednesday of every month.

C. D. Frazer  
Secretary