

Mr. Carter

Dictated but not read.

January 27, 1947

MEMORANDUM TO:

Enclosed please find copy of an article that appeared in the New York Times of January 22nd last, commenting on the address made by General C. R. Smith, Chairman of American Airlines, Inc., before the Air Power League in Washington on January 21st.

I thought General Smith's address was very interesting and very important.

VICTOR EMANUEL

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URGES U.S. FOSTER PLANE TRANSPORTS

American Airlines Chairman Says That Policy Is Essential
for Country's Defense

WASHINGTON, Jan. 21 - A national policy of fostering civil air transportation as an essential for the country's defense was urged tonight by C. R. Smith, chairman of the Board of the American Airlines.

Mr. Smith pointed out in an address before the Air Power League that air transportation was an essential element of the air power we must have "to survive and win" as well as an integral link among nations.

Maintenance of an adequate air transport reserve, he said required a fleet of 5,000 planes. Non-military sources would provide 4,500 of the planes, and the Army, 500, according to Mr. Smith who continued:

"If we fulfill the requirement that these 4,500 airplanes be of suitable transport type and the further requirement that they will engage in self-sustaining service, then the most logical area in which to find the answer is our basic air transport industry, the United States Civil Air carriers."

"To the extent that the air carriers are presently modernizing and enlarging their fleets, they make direct contribution to national security. The difficulty is that the rate of fleet addition is slow and it is not clear that the air carriers, without the aid of a more aggressive national program, can soon supply the number of transport aircraft we shall require."

Among the policies suggested by Mr. Smith to implement a national transport program were:

Assumption by the armed services of the immense experientnal work involved in developing new models, with air force budgets and appropriations including, on a continuing basis, adequate funds for new transport development.

Maintenance of national airways by the provision of funds by the Government, primarily as a contribution to the potential defense of the country.

Development of airports should be the responsibility of Federal groups with the carriers paying "reasonable" charges for use but not providing capital funds for air field construction.