

FORT WORTH STAR-TELEGRAM
RECORD-TELEGRAM

AMON G. CARTER, PRESIDENT

FORT WORTH, TEXAS

February 25, 1929.

Mr. Matt C. Brush,
American International Corp.,
120 Broadway,
New York City, N.Y.

Dear Matt:

Following my conversation with you, Mr. Loucks called me up and I discussed the matter with Mr. Grosvener, I believe. Following this I had a meeting with Mr. A. P. Barrett, President and Controller of the Texas Air Transport, Inc., and I enclose, herewith, a memorandum giving you some idea of their present setup.

Mr. Barrett states that inasmuch as the new deal with the Gulf Coast Line is hardly underway it would be impracticable at this time for him to make an effort to work out a deal with Aviation Inc., or anyone else. However, he feels that the ultimate outcome of the aviation industry will be a matter of consolidating a number of the larger companies together, eliminating competition and developing a "General Motors Company" of the airways industry.

Incidentally, they have asked me to serve as a director on the new company which will be called the Southern Air Transport Company. I explained to him that you had been nice enough to ask me to serve as a director on the Aviation, Inc. Incidentally, the City Bank has declared me in on the United Aircraft and Transport for \$50,000.00 worth of stock, which of course was worth more than it was at the time I paid for it. Therefore having my friends in the National City Bank in on this Company and you and your associates, as well as my acquaintance with Mr. Barrett and his associates would make it rather a difficult matter to line up on any particular one; however I am naturally willing to be guided by your wishes in the matter.

My suggestion would be for you to outline your picture of Aviation Inc., and I will transmit this to Mr. Barrett and he, in turn, will discuss it

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with his associates and if they feel kindly toward the proposition, I would try and arrange to have Mr. Barrett come to New York and I would go with him and see what we could possibly work out on the deal.

I was tickled to death to talk to you and Mr. Johnnie Lancaster tonight and hear of Mr. Connell's election as a director in the Texas & Pacific Railway. Mr. Williams was kind enough to offer me this directorship and I naturally appreciated it and know of nothing that I would have rather accepted other than the fact that being in the newspaper business, I felt I could render more assistance as an individual than I could as a director. I called up Mr. Connell and informed him of the matter and he was delighted. We are carrying the story in the morning on the front page of the paper, and we sent an inquiry over our private wire to the New York Times tonight asking them to get a story from you and Mr. Lancaster regarding the appropriation for the new developments in Fort Worth. It is just damn fine and we are all tickled to death.

Awaiting your reply on the other matter and with best wishes, I remain

Sincerely,



AGC.KD

February 25, 1929.

Mr. Amon G. Carter,
Star Telegram,
Fort Worth, Texas.

Dear Mr. Carter: Memorandum (Confidential)

Southern Air Transport, Inc., represents the merger of the following companies:

Texas Air Transport, Inc. and its subsidiaries; Dixie Motor Coach Corporation; Gulf Air Lines, Inc.

The financial audit certified by Peat, Marwick & Mitchell & Co., shows the Southern Air Transport, Inc. on the basis of these companies has had for the year ending December 31, 1928 the following financial statement:

Gross Revenues	\$894,699.74
Operating Expenses	<u>523,745.16</u>
Net Revenues, before Depreciation	\$370,954.58
Depreciation	<u>114,542.01</u>
Net Revenues, after Depreciation	\$256,412.57

This represents \$1.23 per share earnings on the 300,000 shares issued by the company before depreciation and 85¢ per share earnings after depreciation.

Texas Air Transport, Inc., owns and operates Contract Air Mail Routes Nos. 21 and 22 for the Post Office Department. The contract is dated February 6, 1928 for four years. The contract is for \$2.89 per pound.

The Gulf Air Lines is the owner and operator of C. A. M. Routes Nos. 23 and 29. Their contract being dated September 10, 1928 and having four years to run. The rate per pound is to be \$1.00 on C. A. M. 23 and \$1.75 on C. A. M. 29. CAM 23 and 29 join at New Orleans, Route 23 running from Houston to New Orleans and Route 29 from New Orleans via Mobile and Birmingham to Atlanta, there connecting with the Pitcairn line into New York City. Therefore, it may be seen that on mail originating in Houston for New York that the line receives \$2.75 per pound.

Texas Air Transport lines 21 and 22 operate between Fort Worth, Houston and Galveston; and Fort Worth, Austin, Waco San Antonio and Laredo. The Federal Post Office Department has just ordered both the Texas Air Transport and Gulf Air Lines to extend the present lines to the City of Brownsville on the Mexican border

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and there to turn over United States mail to the Mexican line and there to receive mail from the Mexican line going to points in the United States.

Dixie Motor Coach Corporation operates 1,200 miles of bus lines in the States of Texas, Oklahoma and Arkansas. It operates the Texas lines under the Texas bus statutes. Under this operation these lines hold a Certificate of Convenience and Necessity which gives them the unrestricted right to operate these bus lines without competition over these routes. A similar statute is on the books of Oklahoma.

Texas Air Transport has as its subsidiary, Texas Aeromotive Corporation, which is the T. A. T. service organization, and which is daily increasing its earnings. It holds such valuable contracts as the exclusive state agencies for the sale and distribution of the famous Wright engines and parts, Stromberg Carburetors, A. C. Sparkplugs, Pioneer Instruments, etc. In addition thereto it holds the exclusive state agency for the distribution of all Curtiss-manufactured aircraft and aircraft engines, including the Curtiss-Robin and the Sikorsky Amphibeian and also the exclusive state distribution for the Travel Air line. In addition to the Texas agency, on a number of these lines, including the airplane lines, they hold the agency in several other Southwestern states.

The T. A. T. Flying Service, Inc., a subsidiary, has purchased twenty-five passenger airplanes to inaugurate in Texas a complete air transportation set up and in addition holds a number of very valuable airport concessions.

T. A. T. Flying Schools, Inc., operates flying schools at Fort Worth, Dallas, San Antonio and Houston.

Sixteen of the twenty one members of the Board of Directors have been chosen. Five invitations to the directorate have not yet been accepted. Those accepted are:

JAMES P. BUTLER

President, Canal Bank & Trust Co.,
New Orleans, La.

SIDNEY W. SOUERS

Executive Vice President,
Canal Bank & Trust Company,
New Orleans, Louisiana.

ELI T. WATSON

Watson, Williams & Co., New Orleans
Director, Curtiss Flying Service, Inc.,
Executive Vice President Gulf Air Lines Inc.,
Director, North American Aviation, Inc.

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- Z. D. BONNER
Vice President, Commercial National Bank,
San Antonio, Texas.
- FRANK B. BLACK
Attorney, Chicago, Ill.
- E. P. SMITH
Capitalist, Chicago, Ill
- JAMES C. WILLSON
of James C. Willson & So., Louisville;
President National Aviation Corporation
Director Transcontinental Air Transport, Inc.,
Curtiss Aeroplane Export Corporation;
North American Aviation, Inc.,
- J. CHEEVER COWDIN
Vice President Blair & Co., Inc., Director
Transcontinental Air Transport, Inc.,
National Aviation Corporation; Douglas
Aircraft Co., Inc., North American Aviation,
Inc.
- C. O. YOAKUM
President General Securities Corporation
Birmingham, Ala.
- PAUL HENDERSON
Vice President and General Manager
National Air Transport, Inc., Vice President
Transcontinental Air Transport, Inc.
- CHARLES S. JONES
President, Curtiss Flying Service, Inc.,
Director, Curtiss Aeroplane & Motor Co., Inc.,
Member, Technical Committee of Transcontinen-
tal Air Transport, Inc.
- J. ROBERT NEAL
Vice President, Second National Bank
Houston, Texas.
- W. T. CARTER, JR
Capitalist, Houston, Texas.
- WALTER BEACH
President, Travel Air Manufacturing Company,
Wichita, Kansas.

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A. P. BARRETT

President, Texas Air Transport, Inc.
T. A. T. Flying Service, Inc., Dixie
Motor Coach Corp., Chairman of the
Board of Directors of: General Water
Works and Electric Corp., Texas -
Louisiana Power Co., Texas-New Mexico
Power Co., American Bank & Trust Co.,
Fort Worth.

TOM HARDIN

Vice President and General Manager
Texas Air Transport, Inc., Fort Worth.

Sincerely,

SILLIMAN EVANS

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