

Nov. 23, 1946

Mr. Carter:

Reporting on the Globe Aircraft situation, here are the developments up to date:

1. In line with your suggestion that the entire operation in production of the Globe Swift be moved to the Fort Worth plant, Globe has completed a deal with Temco (Texas Engineering and Manufacturing Company) at Grand Prairie, arranging to pay for 141 airplanes built but not yet delivered to Globe, and agreeing to take over all tools, jigs, materials etc.

2. Globe will pay Temco \$140,000 on Dec. 5 for 70 of the planes. The agreement calls for Globe to pay \$142,000 on Dec. 15 for the remaining 71 planes.

3. Globe will owe Temco \$900,000 for the materials, tools, jigs, etc., and has until August, 1947, to pay. I am informed that there is sufficient material to produce enough airplanes to satisfy the \$900,000 plus a substantial profit to Globe.

4. Globe already has sold 80 of the planes for \$4,000 each to assure the company \$320,000. So this amount will take care of the \$280,000 Globe is due to pay Temco for all of the planes <sup>NEXT</sup> ~~next~~ month, with \$40,000 to spare.

5. In order to meet all of its accounts due and maintain a solid front during the period that the expansion obligation (taking over the Temco operation) is being worked out, it will be necessary for Globe to have additional financing. Therefore, application for an additional loan of \$900,000 from the RFC has been made. This application went through the Dallas office of the RFC this week and should hit the Washington office next week.

6. I am sure they will need some help on the loan, and likely will be asking you to pass some word along in their behalf. Globe's financial statement for the eight months ended Oct. 31, 1946, shows the company's total current assets to be \$3,660,472.63 and the total current liabilities to be \$2,601,803.05.

7. Globe directors have called a meeting for Tuesday, Nov. 26(that's next Tuesday), supposedly to give final approval to the Temco deal, but it is my information that they may have in mind making some changes designed to give George Newman more authority and perhaps place him in full charge. Mr. Newman has been doing a fine job ironing out the kinks and the board is pleased with the results and apparently want him to take over. I have talked to the key men of the organization and they like the idea, too, but I'm not sure just how it will strike Mr. Kennedy. It's my guess, however, that he will go along with the plan. Otherwise the board might muster sufficient strength to make Mr. Newman president, moving Mr. Kennedy up to the board chairmanship. I do not feel there is any cause for alarm over this. Whether the board is successful in going as far with this change as they might expect to or not, I feel(after talking with the people closest to the situation) that whatever is accomplished will be for the best interests of the company.

8. At Dick Walker's request, I have checked into the Globe-Temco situation for him and the other men connected with Air Accessories, Inc., during the past 10 days. Temco owes Mr. Walker and his partners \$15,000 and they wanted to pull every wire possible to be sure they get their money. I reported to them on the matter today and they seemed pleased and are reimbursing me for some expense.