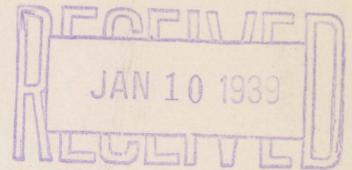


AMERICAN AIRLINES, INC.

4848 WEST 63RD STREET

CHICAGO

January 9, 1939



From: C. R. Smith, President
To: Directors of the Company

At the December 8, 1938 meeting of the Board of Directors, an expenditure was authorized by you for the purchase of seven 10-passenger Cadillac limousines, to be used in transportation of passengers between the Chicago airport and downtown Chicago.

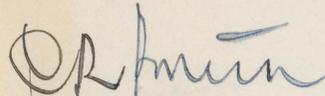
The company is now operating a ground transportation service in Detroit, Michigan and is operating, also, a limousine service between Fort Worth and Dallas, to make connections there between trips which do not stop at both cities.

Both in Detroit and between Fort Worth and Dallas the company has been operating Chrysler 7-passenger cars. The cars now in service at both points are reaching the end of their useful life and must be promptly replaced.

The standard 7-passenger cars, which must be partially rebuilt on purchase to provide additional space for mail and baggage, cost approximately \$2,500.00 each and have a useful life of approximately 50,000 miles. In order to utilize their rated carrying capacity, at least two of the passengers must be carried on "jump" seats and we have had many complaints about this type of service.

The cars which we have purchased for Chicago are especially built for this type of service. The chassis is a Cadillac ambulance type and the body is a special job. They seat 10 people comfortably with an individual seat for each passenger. These limousines are purchased "wholesale" by the company and cost \$5,500.00 each. Their estimated life, according to the records of the New York operator of identical equipment, Cary, is 100,000 miles each.

By purchasing this type of equipment for Fort Worth and Detroit we will achieve uniformity, we will give the passenger a better ride and we will not materially increase the "write off" for the investment per mile of operation. For the reason that the order must be placed at this time if we are to have delivery by the middle of April, we recommend that we commit the company for \$33,000.00 for the purchase of six additional limousines. This matter will be presented to you formally at the next meeting of the Board, but, in the meantime, we would like your approval to enter the order. We recommend it as being "good business" for the company to do that.


C. R. Smith

APPROVED _____

DISAPPROVED _____

Director

Date