

American Aviation **DAILY**

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AF OFFERING TO LEASE 18 C-46'S TO CARRIERS SUPPORTING MILITARY LIFT

The Air Force has offered for sale on a bid basis 18 Curtiss C-46 twin engined transports. The planes, some of which were damaged during a wind storm, are stored at Pyote AFB, Pyote, Tex., and may be inspected by prospective bidders. The damaged planes are not considered "beyond economical repair," the Air Force said. The planes will be sold only to those bidders "whose present equipment is being utilized in handling the increased requirement of the Government for air lift."

The USAF's Air Materiel Command will accept bids between now and 11 a.m., EST, August 30. Bids must be in triplicate, offering unit prices on one or more of the planes, listing aircraft serial number. Evidence of definite direct or indirect support of military air transport operations must be included or the bid will not be considered. Successful bidders must agree not to resell, lease or make any other disposition of the planes for one year or as long as the requirements for increased air lift exist.

Sealed, postpaid bids should be addressed to Headquarters, Air Materiel Command, Procurement Division, Aircraft and Missiles Section, Airlines and Maintenance Branch, Wright-Patterson AFB, Dayton, Ohio. ATTN: Russell B. Powell, MCPPXA-23.

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AA DIRECTORS VOTE 25 CENT DIVIDEND ON COMMON STOCK

The board of directors of American Airlines, Inc., today declared a dividend of 25¢ per share on the corporation's \$1 par value common stock payable September 15 to stockholders of record at the close of business August 28. AA's last common dividend was paid December 22, 1945.

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P&W GIVEN SUBSTANTIAL MILITARY J-48 ORDERS, UAC REPORT DISCLOSES

Pratt & Whitney Aircraft Division has received military orders for "substantial quantities" of J-48 Turbo-Wasp jet engines, according to a financial statement issued by United Aircraft Corp. Previously, P&W had confirmed receipt of orders for R-4360 piston engines and J-42 jets but had not mentioned the more powerful J-48.

UAC's net income for the six months ended June 30 was \$6,432,136 after taxes, equivalent to \$2.17 a share. Shipments totaled \$132,709,601. This compares with a net of \$3,595,421, or \$1.10 a share, on sales of \$106,423,344 for the like period in 1949. The corporation's backlog as of June 30 was \$310,000,000, but this figure does not include new orders placed since hostilities began in Korea. These will greatly increase the backlog.

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INDUSTRY GROUPS FEEL CAA MILITARIZATION PROGRAM TOO DRASTIC

Widespread criticism of the CAA-military three prong program for militarizing CAA functions and personnel has been expressed by representatives of major national aviation organizations. The proposals include those covered by the air security
(Continued on Following Page)

CAA MILITARIZATION PROGRAM (Cont.)

bill, S. 3995, (DAILY, August 15) a second proposal to place CAA personnel and some of its activities directly within the military services and another, yet unannounced proposal, for military control of airports.

CAA called representatives of all major civil aviation organizations together this week (DAILY, August 7) and disclosed for the first time the nature of proposals dealing with Federal airways and the militarization of some CAA functions. Reaction was immediate and caustic. As a group the organizations felt that the CAA-military program was "far too drastic" and that the same results could be obtained in other ways without the implications carried by these proposals.

In effect, the newest legislation would "authorize the President to transfer the CAA, or portions thereof, to the USAF of the Department of Defense in time of a national emergency" or at any time when it might be deemed advisable. CAA officials point out that this plan is not a result of the Korean situation. Soon after D. W. Rentzel became CAA Administrator he started investigating the recommendations of the Congressional Aviation Policy Board which in part said: "Electronic aids to air navigation and landing, airways traffic control systems, weather reporting and forecasting systems, airports and ground facilities, and communications networks are essential to military aviation in time of emergency along with the trained personnel involved. As much of these systems and trained personnel as can be engaged in commerce and the public interest in time of peace—so much is available in a national emergency. Moreover, if the civilian personnel has a military reserve status, integration might be accelerated in an emergency. Continued study of this last aspect of the problem should be made by the Government agencies charged with mobilization planning."

Classification Complaints

The planning in this field has been kept under military security and only late last week was declassified for industry use. Thus when industry groups were called in they had the feeling that CAA had spent some 18 months developing a plan of mobilization without the benefit of industry participation. Now the industry was expected to give the plan a vote of confidence without due consideration. Industry groups complained loudly that CAA used military classification as an administrative tool rather than a security measure.

Typical of the disruptions which this lack of coordination with the industry has caused is its effect on the Civil Air Defense Committee (DAILY, August 11). This group released a formal program for mobilization of civil aviation facilities which was completed only last week based entirely on the assumption that these facilities would not be taken over by the military. This entire program would be made obsolete if CAA passes under military control.

CAA officials point out that some 70% of the airways and airport use during the war was military. In administering the Federal Airways, CAA must give maximum consideration to the group which will make up the operating functions in such an emergency. Some 70% of CAA personnel are in the military reserves and unless some means is provided to keep them at their jobs the activities of CAA will disintegrate. During the last war the military services took over various installations, functions and a large number of CAA personnel to accomplish their mission.

Rentzel informed CAA employes that under the new proposals they might be commissioned as officers, appointed warrant officers or brought into the enlisted ranks, depending on policies yet to be worked out. In this move reserve commissions will be given consideration but Rentzel indicated this will not be the sole controlling factor.

CAA has scheduled another meeting with industry groups for later this week at which time many of the current controversies might be resolved. Officials indicate that CAA has no particular pride in the exact wording to be used in the proposals and that alternate wording which might accomplish the same results may be adopted following industry recommendations.

USAF B-29'S COMPLETE UNIQUE ANTI-TROOP LOW LEVEL BOMBARDMENT RAID IN KOREA

In a unique contra-troop low level raid, 98 Boeing B-29's of the Far East Bomber Command yesterday unloaded 960 tons of 500 pound bombs on a heavy North Korean troop concentration on the west bank of the Naktong River. The raid was the biggest troop support strike since the Normandy invasion in 1944.

The target area was a seven and one half mile long by three and one half mile wide rectangle 12 miles northwest of the key city of Taegu. Four to six enemy divisions with an estimated strength of 40,000 to 60,000 men were packed in the 26 square mile area preparing for an all out assault on Taegu.

The Superforts came from five groups based on Japan and Okinawa; ten squadrons of nine or 10 planes each hit the target area over a two hour period. Each squadron had a different aiming point. Flying from north to south at altitudes averaging about 5,000 feet, the B-29's dropped one 500 pound bomb every 150 feet through the target area. Each plane carried 40 bombs and the combined force dropped a total of 3,800 bombs. Weather was nearly perfect, with only scattered clouds and a slight haze, and all bombing was done visually. Neither enemy fighters nor anti-aircraft fire was encountered.

Maj. Gen. Emmett "Rosie" O'Donnell, commanding general of FEBC, personally directed the raid from a command plane over the target area.

Results Reported Excellent

The raid, twice as heavy as any previous Korean strike, was believed to have killed or wounded thousands of the tightly-bunched Communist troops and wrecked plans for the Taegu assault. An Air Force spokesman stated that bombing results, as reported by the air crews, were excellent, but estimates of the damage would have to wait upon a detailed evaluation of the strike photos.

In addition to the physical damage inflicted, the raid also provided a considerable morale boost for the heavily outnumbered 1st Cavalry Division defending Taegu. United Press war correspondent Robert Vermillion reported from the front that these troops "watched in awe and delight as the big four engined bombers showered bombs on the Reds across the Naktong."

During the month ended yesterday and not including the big contra-troop raid, B-29's of the Far East Air Forces dropped 23,000 bombs totaling 7,000 tons on North Korean targets, Lt. Gen. George E. Stratemeyer, FEAF commander, announced. He said the B-29's concentrated on five main strategic targets; they dropped 3,733 tons on the Wonsan marshalling yards and oil refinery, the Konan chemical and munitions complex, the Seoul (South Korean capital) and Pyongyang (North Korean capital) marshalling yards, and the dock facilities at Rashin, only 17 miles from the Russian border. The five targets were listed as "virtually all destroyed." The B-29's flew over 1,000 sorties during the month with the loss of only two planes.

The Air Force as a whole flew a total of 12,519 sorties during the month, of which 9,615 were combat sorties and the remainder largely cargo trips. Naval and Marine aircraft flew 1,148 sorties and the Royal Australian Air Force flew 464.

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NAVY OUTLINES BASIS FOR DEFERMENT REQUESTS; MARINE RESERVE CALL-UP DUE

Naval reservists who are recalled to active duty will have just 48 hours to submit a request for deferment, the Navy said today. Deferment requests should be addressed to the cognizant District Commandant for District-issued recall orders. Deferment requests should be addressed to the Bureau of Naval Personnel or Chief of Naval Air Reserve Training on orders issued by those agencies. Reservists who do not receive a reply to their deferment requests by the reporting date on the orders must comply with the orders. All requests will be considered individually; there will be no blanket deferments. To be eligible for deferment, reservists must be enrolled in educational institutions, pursuing a graduate course or engaged in a technical or scientific field of primary interest to the Department of Defense, considered an extreme hardship case, or be employed in a key managerial post or in a critical

(Continued on Following Page)

NAVY, MARINE RESERVE CALLS (Cont.)

occupation (details of critical occupations and essential industries as listed by the Departments of Labor and Commerce are contained in the DAILY, August 4).

Marine Corps. sources stated that the first conscription of Volunteer Reserves will start next week. It had originally been scheduled for today but the Corps was not able to complete arrangements in time. The Corps plans to call immediately 50,000 officers and men of the 80,000 in the Volunteer Reserve. Details of the full recall plan will be released Friday.

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ONE YEAR EXTENSION OF EAL COACH SERVICE ASKED; THREE MONTHS FOR OTHER LINES

The Civil Aeronautics Board was requested today to extend the expiration date of Eastern Air Lines' air coach services for one year and to extend other domestic coach operations, which are to expire September 30, for three months. The request was made in the form of a joint tariff filing which requires a Board answer by September 14. It embraces all domestic coach services except those of United, transcontinental operations of American and TWA, and Los Angeles-San Francisco services of Western.

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GRUMMAN REPORTS \$3,921,914 NET INCOME

Grumman Aircraft Engineering Corp. reported a net income of \$3,921,914, or \$3.92 a share, after provision for taxes and the effect of the Vinson-Trammell Act, for the six months ended June 30. This compares with an income of \$1,457,734, or \$1.46 a share, for the like period in 1949.

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RCAF INCREASES ORDERS FOR CANADAIR F-86'S CF-100'S

The Royal Canadian Air Force has increased its orders for two types of jet fighters, a Canadian Defense Ministry source disclosed. The RCAF has "greatly increased" its original order for 100 Canadair F-86 Sabres, Canadian versions of the USAF North American F-86, and increased its original order for 10 CF-100 Canuck twin-jet all-weather fighters to 20.

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JUDGE LIFTS "ERRONEOUS" RESTRAINING ORDER IN ENFORCEMENT CASE

The order restraining CAB from continuing its enforcement proceedings against Great Lakes Airlines has been vacated by Federal Judge Ben Harrison in Los Angeles because "it was all a mistake." The "error" was discovered when counsel for CAB moved to have the order dissolved to the apparent surprise of Judge Harrison who revealed he was unaware he had signed a restraining order against the Board.

The Judge said it was his impression the order he signed, obtained by Great Lakes' attorney Richard H. Keating, was to set a hearing for August 21 to determine whether further CAB enforcement proceedings against Great Lakes should be stayed pending review of possible violation of the Administrative Procedure Act by CAB. He said he was unaware, however, of the restraining clause in the order and ordered it vacated immediately.

The Board's enforcement attorneys have charged Great Lakes with violations of the Civil Aeronautics Act, asking outright revocation of the line's letter of registration. Great Lakes, in an informal petition to the enforcement attorneys, suggested a compromise in which it requested a "cease and desist" order from CAB instead of revocation of its letter. The request was turned down and Keating now charges CAB with violation of the Administrative Procedure Act in not entertaining a formal Proposal for Settlement before continuing with the revocation proceeding.

Meanwhile, the Board's hearing in Los Angeles, delayed by the unintended restraining order, has now been voluntarily postponed pending the outcome of next Monday's court hearing.

JUNE AIRCRAFT AND ENGINE SHIPMENTS SHOW CONTINUING INCREASE

Aircraft shipments in June amounted to 3,686,800 airframe pounds, 85% of which was military, according to the monthly joint report of the Bureau of the Census and the CAA. Total shipments to military customers for the first six months of 1950 amounted to 16,712,200 pounds, which compares with 13,079,300 pounds for the like period in 1949. June civil aircraft shipments amounted to 369 planes valued at \$9,400,000.

Engines shipped during June totaled 4,828,200 horsepower, 96% of which was military. Military shipments for the first half of the year totaled 25,993,500 horsepower, compared with 19,707,600 horsepower for the same period in 1949.

June employment in airframe plants averaged 166,773, up 1,500 from the May average.

The following are tables of aircraft and engine shipments and employment:

Item	3 months average; April, May, and June, 1950 ¹		Cumulative totals January-June		
	June 1950	June, 1950 ¹	1950	1949	
COMPLETE AIRCRAFT SHIPMENTS: AIRFRAME WEIGHT					
(in thousands of pounds)					
Total aircraft	3,686.8	3,708.1	19,473.0	16,404.6	
Military aircraft	3,141.3	3,220.8	16,712.2	13,079.3	
Civil aircraft	545.5	487.3	2,760.8	3,325.3	
By type of plane:					
Personal	272.6	258.1	1,304.5	1,508.3	
Transport	272.9	229.2	1,456.3	1,817.0	
By number of places:					
1- and 2-place	57.8	59.9	291.3	343.3	
3- to 5-place	214.8	198.3	1,013.2	1,165.0	
Over 5-place	272.9	229.1	1,456.3	1,817.0	
By total rated hp. all engines:					
1-99 hp.	25.8	33.3	178.5	313.6	
100-399 hp.	246.8	223.9	1,111.7	1,177.5	
400 hp. and over	272.9	230.1	1,470.6	1,834.2	
	1950	1949	Cumulative totals January-June		
	June	May	June	1950	1949
COMPLETE CIVIL AIRCRAFT SHIPMENTS: NUMBER					
Total civil aircraft	369	377	439	1,793	2,186
By type of plane:					
Personal	358	370	430	1,746	2,085
Transport	11	7	9	47	101
By number of places:					
1- and 2-place	107	114	142	527	640
3- to 5-place	251	256	288	1,219	1,445
Over 5-place	11	7	9	47	101
By total rated hp. all engines:					
1-99 hp.	52	74	130	345	601
100-399 hp.	306	295	300	1,396	1,478
400 hp. and over	11	8	9	52	107

(Continued on Following Page)

JUNE AIRCRAFT AND ENGINE SHIPMENTS (Cont.)

SHIPMENTS OF CIVIL AIRCRAFT AND OTHER PRODUCTS²
(thousands of dollars)

Total value of shipments by complete plants.....	\$13,853	\$12,516	\$13,720	\$76,345	\$79,225
Civil aircraft and parts.....	11,889	10,133	11,678	64,758	68,340
Aircraft.....	9,381	7,809	8,395	49,325	48,475
Personal type.....	2,022	1,939	1,848	9,076	9,901
Transport type.....	7,359	5,870	6,547	40,249	38,574
Aircraft parts.....	2,508	2,324	3,283	15,433	19,865
All other products (including conversions) ³	1,964	2,383	2,042	11,587	10,885

NUMBER OF EMPLOYEES IN COMPLETE AIRCRAFT PLANTS

Total employees.....	166,773	165,273	167,441	...	...
Production and related workers.....	122,103	121,247	124,561	...	...
Other employees.....	44,670	44,026	42,880

UNFILLED ORDERS: NUMBER

Civil transports.....	157	160	100
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3 months average; April, May, and June 1950¹ Cumulative totals January-June

Item	May 1950	May, and June 1950 ¹	1950	1949
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AIRCRAFT ENGINE SHIPMENTS (Horsepower figures in thousands)

Total horsepower of engines.....	4,828.2	4,499.7	26,861.9	20,421.7
Military.....	4,654.4	4,334.8	25,993.5	219,707.6
Civil.....	173.8	164.9	868.4	714.1
Number of civil engines.....	434	417	2,082	2,680

1950 1949 Cumulative totals January-June

	June	May	June	1950	1949
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SHIPMENTS OF CIVIL AIRCRAFT ENGINES AND OTHER PRODUCTS
(thousands of dollars)

Total value of shipments by aircraft engine plants.....	\$5,772	\$6,373	\$4,159	\$32,565	\$21,676
Civil aircraft engines and parts....	5,544	6,007	3,893	31,237	20,553
Aircraft engines.....	2,015	2,143	1,110	10,681	7,590
Engine parts.....	3,529	3,864	2,783	20,556	12,963
All other products.....	228	366	266	1,328	1,123

NUMBER OF EMPLOYEES IN AIRCRAFT ENGINE PLANTS

Total employees.....	41,425	40,687	41,180	...	...
Production and related workers....	29,471	28,574	29,447	...	...
Other employees.....	11,954	11,898	11,733	...	...

NOTE: Pounds thrust of jet engines have been converted to horsepower.

¹Three-months moving average.

²Military horsepower revised from 3,519,840 to 3,498,040 for June 1949.

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CONVAIR WASHINGTON OFFICE TO MOVE

Consolidated Vultee Aircraft Corp. will move its Washington, D.C., office from 1612 K Street, N. W., to Suite 801, World Center Bldg., 918 16th Street, N.W., on or about September 1. Telephone will remain the same - Sterling 6255. - E N D -

NEW AND ADDITIONAL AIRLINE SERVICE

PAN AMERICAN WORLD AIRWAYS will add a fifth weekly round trip tourist flight between Miami and Panama on August 18. It will depart from Miami on Fridays at 3 p.m. and from Panama on Saturdays at 6:15 a.m. The operation will be continued through September 16.

FRONTIER AIRLINES intends to suspend operations at Kemmerer, Wyoming, "until airport facilities are adequate to permit safe and dependable" operations. The action is subject to CAB approval.

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AIRLINE TRAFFIC

UNITED AIR LINES flew an estimated 150,411,000 revenue passenger miles in July, for an 8.5% increase over July of last year. Air freight ton miles were up 51.5% to 2,568,000, air express was up nearly 35% to 624,000 ton miles, and air mail ton miles were up 15.5% to 956,800.

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SENATE COMMITTEE MAY PLUG TRANSPORT TAX EVASION LOOPHOLE

Reported evasions of the U. S. transportation excise tax have come under scrutiny of the Senate Finance Committee in its drive to close tax loopholes in connection with the Administration's \$5,000,000,000 war tax program.

A committee spokesman said the law would be rewritten to make the 15% tax on personal travel and the 3% levy on freight applicable to all transportation beginning and ending in the United States. This would block evasions of the tax through the purchase of tickets and payments of freight bills in Canada and would write into law that which the Treasury has sought to achieve by regulation.

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SABENA TO START HELICOPTER MAIL SERVICE IN BELGIUM

SABENA Belgian Airlines will inaugurate a mail pickup and delivery service August 21 under contract with Belgian postal authorities, using two Bell 47D helicopters. This will be the first scheduled helicopter mail service on the Continent.

Preliminary schedule calls for a four hour round trip daily out of Brussels, serving the communities of Libramont, Liege, Tongres, Hasselt, Beringen, Turnhout, Herenthals and Antwerp. Trans-Atlantic mail in the daily pickup will reach Brussels in ample time to connect with SABENA departures for New York.

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UAL POSTPONES ANNUAL CARGO CONTEST

United Air Lines' annual cargo contest has been postponed indefinitely due to the fact that the usual late-summer decrease in volume is not being experienced at this time.

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CONTINENTAL DISTRIBUTES SALES BONUS

Continental Air Lines has distributed bonus awards totaling \$6,139 to employees of six of its stations for exceeding their second quarter sales quotas. Winning stations were Wichita, Denver, Pueblo, Colorado Springs, Albuquerque and El Paso.

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SKY-CHEFS TO OPEN FACILITIES IN DENVER

Sky-Chefs, Inc., will open its first floor coffee shop at Denver's Stapleton Field about August 21, and the second floor dining room about September 1. Cost of the two facilities is \$250,000. John J. Mayer is general manager.

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AIRLINE OFFICES

CIVIL AIR TRANSPORT, INC., Chinese-American air carrier formed by General Claire Chennault with Whiting Willauer as vice president, has moved its Washington office to Suite 309, Kass Building, 711 14th Street, N. W. 'Phone is METropolitan 5797.