

**BUCK & KEMBLE**  
ATTORNEYS AND COUNSELORS  
TRINITY BUILDING  
FORT WORTH, TEXAS

February 23, 1944

*Personal & Confidential*

*Amor. Please consider  
the question of policy  
discussed on 2nd page*

*Raymond*

Mr. Hamilton O. Hale  
C/O Pruitt, Hale and Coursen  
420 Lexington Avenue  
New York 17, New York

In Re: In the Matter of the Appli-  
cations of Alabam Freight  
Lines, Inc., Arizona Airways,  
Sky Harbor Air Service, Inc.  
and H. M. Watson.

Dear Ham:

I went to Phoenix on the 14th and to the best of my ability protected the interests of American Airlines in connection with the above applications. We were able to substantially suppress the suggestion that the public convenience and necessity requires additional competitive airline service through Arizona along the route of American Airlines.

Wayne McMillan had done a swell job of preparing appropriate exhibits, and in addition he personally made a splendid witness. The hearings continued for three full days, and at the conclusion the Commission took the matter under advisement.

Mr. Douglas, President of G & G Airlines, was present the first day as an observer and is represented by Frank Beer, who is likewise counsel for Sky Harbor Airways, but when the G & G case was called at the conclusion of the others, Mr. Douglas was absent and Mr. Beer claimed that he had not understood that the G & G case was to be heard on that setting. The transcript which I forwarded you will clearly show that the hearing was scheduled, but we were not in a position to insist upon proceeding to the obvious disadvantage of local interests, because equity and fairness is the genus of our own position. Moreover, the testimony which we introduced on the question of convenience and necessity in the other cases will completely negative the contention of G & G Airlines that additional service is

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required between Phoenix and Tucson. It is my thought that we should file a motion, based on the record made, requesting that G & G Airlines be now restrained from further operations in violation of its limited certificate which requires a charter, non-scheduled operation at fares forty (40%) per cent in excess of the scheduled airline fares. In view of the fact that the Commission obtained the opinion, from G & G Airlines, that American was not serving and could not serve the intra-city demand, during the War and thought, therefore, that additional service was required, I believe the motion will now be granted since we have proven the contrary.

Mr. McMillan furnished me a copy of the general policy adopted by American Airlines in reference to future operations. I agree with the proposition that American is and should be primarily a transcontinental and international trunk line, but I hope the Company will insist upon its right and duty to provide local intra-city service between stations on its routes, and the statement leaves doubt as to whether the Company intends to do this. If we restrict our thinking to trunk line and feeder line operations, which in my opinion cannot parallel each other, we are apt to find ourselves finally restricted to a selective "limited" service over our routes with local intra-city service between our stations being furnished by other companies who, through interline ticket agreements, can and will service a substantial portion of the trade we are now accommodating. One can project his thinking along this line to fantastic potentialities, and we will immediately recall the situation that existed when Aviation Corporation was required to purchase a chain of short lines at exorbitant prices to preempt the trans-continental route.

I believe that some of our people interpret the statement of policy to justify us in not opposing these local operations by others between American's transcontinental stations. Such operations are in no sense feeder line operations, because they do not feed passengers into the trunk line and contrarywise they will take passengers that the trunk line should serve. I don't think American can afford to surrender that field.

Yours very truly,

l-ej

/s/ Raymond E. Buck

Blind copy.