



## AMERICAN AIRLINES

100 PARK AVENUE • NEW YORK 17, N.Y.

### REPORT OF THE ANNUAL MEETING OF STOCKHOLDERS

TO THE STOCKHOLDERS OF AMERICAN AIRLINES, INC.:

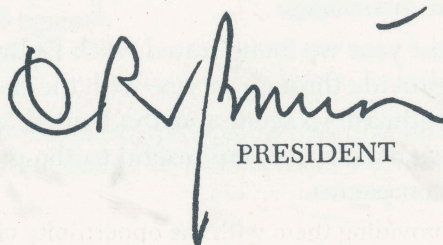
The annual meeting of stockholders of American Airlines, Inc. was held at the corporate offices in Wilmington, Delaware, on May 16, 1950. On behalf of the directors and officers of the company, I want to thank those who attended in person and those of you who sent in your proxies. Stockholders present in person or by proxy represented 4,073,024 shares, approximately 63 percent of the total outstanding.

Formal action taken at the meeting was as follows:

1. All of the sixteen directors of the company were re-elected to serve for another year.
2. Messrs. Arthur Young & Company were re-appointed as independent auditors of the corporation's accounts.
3. Authority was given for the issuance of options on up to 250,000 shares of authorized unissued common stock as outlined in the proxy statement and notice of the meeting.
4. The management is to consider the feasibility of holding in the future one or more regional meetings of stockholders at locations other than the statutory office in Delaware.

The report which comes with this letter will tell you in more detail the discussions at the Annual Meeting. Come to the meeting next year if your time will permit; we would be glad to see you there. In the meantime if there are questions which this report does not answer please write to us, asking for the information you require.

June 10, 1950



PRESIDENT





# Away to Anywhere

## FOR THE FLAGSHIP VACATION OF YOUR LIFE

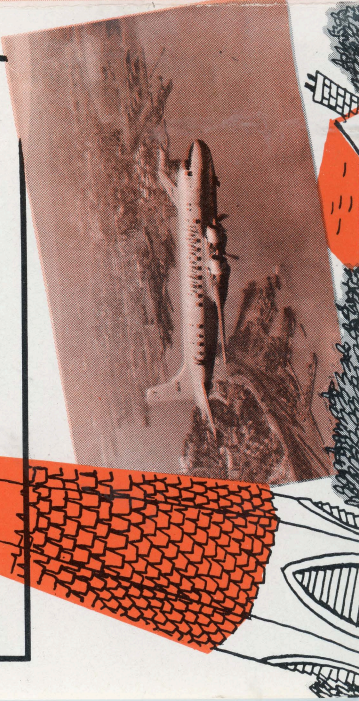
When it comes to vacations, you owe yourself the best—so make it the best—make it an American Airlines Flagship vacation. Flagship wings can take you where you want to go—in just a matter of hours to anywhere in this country—from the East Coast to Europe only overnight. You get there sooner, you can stay longer, leave later—and still arrive home on time!

Where would you like to go this vacation—Mexico—California—New York—England—Paris—Rome? By Flagship you can get to places you might never see at all by surface transportation. Plan your own trip or take your choice of many pre-planned tours. Your Travel Agent will help you choose one, or arrange one for you.

But wherever you go, go now—and go by Flagship. The flight itself is so much fun that you chalk it up as one of the most memorable experiences of your vacation. And, surprisingly enough, with all its luxuries, flying generally costs less than first-class surface transportation, all costs considered. And it's *always* cheaper when you take advantage of the American Family Fare Plan.

### FAMILY FARE PLAN

Here's how to give the whole family a wonderful vacation—and save money while doing it. The American Family Fare Plan entitles you on certain days of the week to buy half-fare tickets for your wife and children under 22, when you have a full-fare ticket yourself. You can go together and return separately if you wish. One child, under 2, rides free any time, if carried in arms—and children under 12 go for half-fare any time. Ask your Travel Agent for details on the American Family Fare Plan—and let the family share your fun.



## AMERICAN AIRLINES

### AIR COACH SERVICE

American Airlines Air Coach is a scheduled, low-cost air service—that gives you all the essentials of regular American service but saves you money through the elimination of such luxuries as meal service and by making plane interiors not quite so spacious and luxurious. You fly on 300-mile-per hour DC-6 Flagships, manned by regular American Airlines crews, serviced by the same personnel that maintains the Flagship Fleet. All seats are reserved and flights operate on dependable, regularly scheduled timetables.

**FARES: New York-Los Angeles \$110; Los Angeles-Chicago \$85; Chicago-New York \$35.**



### SAVE YOURSELF TIME AND TROUBLE SEE YOUR TRAVEL AGENT

#### REQUEST FOR FURTHER INFORMATION ABOUT FLAGSHIP VACATION AREAS

Please send me, without cost or obligation, literature or further information about:

- Flagship Trips to Mexico
- Tours in Mexico
- Guatemala and El Salvador Tours
- New York All-Expense Holidays
- New England Tours
- California
- Europe Tours
- Holy Year Tours to Rome
- Student Tours

NAME.....

STREET AND NO.....

CITY..... ZONE..... STATE.....

After filling in this coupon, tear it off, and give it to the Stewardess, or mail it to Dept. M American Airlines, Inc., 100 Park Avenue, New York 17, N. Y.—or to the Travel Agent address shown below. The material will be mailed to you promptly—without cost or obligation.

take an **AMERICAN AIRLINES**

# FLAGSHIP VACATION

AIR TOURS TO

## MEXICO-EUROPE

## NEW YORK-NEW ENGLAND

# California



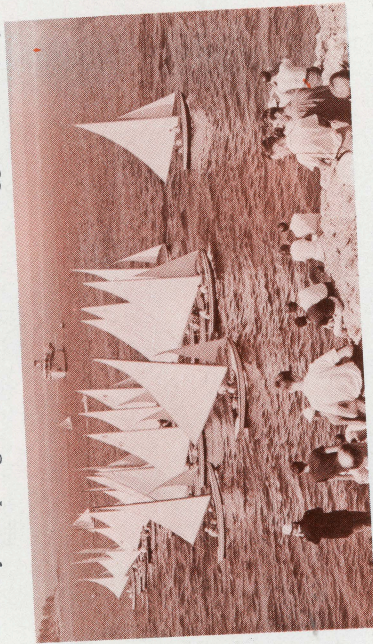
## AMERICAN AIRLINES

100 PARK AVE., NEW YORK 17, N. Y.



of beautiful beaches for bathing—go sailing before a spanking breeze anywhere along the coast. Rent a car at the airport to drive over smooth roads along the rockbound coastline into the rolling hills of Maine; or follow curving roads past tumbling waterfalls and blue, blue lakes that reflect the towering peaks of New Hampshire's Presidential Range; meander through the quiet countryside and the greenest hills of all—in Vermont.

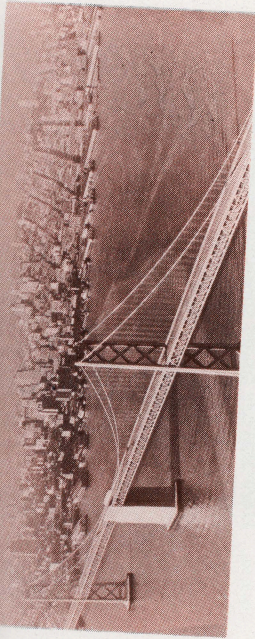
Visit New England's countless art colonies, a-buzz with activity in Spring and Summer—see the biggest Broadway



stars at the ever-present Summer Theatres. Boston, Concord, Lexington, Salem, Plymouth—they'll haunt you with history, with reminders of Pilgrim and Puritan, witch-hunts and the Revolution. To the south, enjoy the charms of Connecticut—and Rhode Island, littlest state of all. From most of the country, all New England is only a few hours away—from New York, a matter of minutes.

### Tours Do It Best

Ask your Travel Agent for literature on auto tours of New England. These tours help you see the most—and best—of New England in the number of days you have. Hotels are suggested—with rates shown. Go by Flagship to New England—step into your rented car at the airport—then off, to see the sights "on your own".



doing, and going places is even better. Swimming in the Pacific at San Diego, sight-seeing in Los Angeles, having fun on Catalina. More to the South, California shows you peaceful old missions, nostril-tingling fruit groves, lush green valleys filled with the good things of the earth. San Francisco is one of the most distinctive American cities. Nob Hill, the Bay Area, Chinatown, all are famous—but it's the air of the city itself—the charm, the quaintness, the friendliness that make tourists love it and want to come again. Yes, California offers a lot—and Flagship travel offers you the golden opportunity to go.

### How to See Twice as Much

If you're crossing the country from the East or Midwest, you can go to California one way and return another—at no extra cost. Westbound, you can take the Mercury or any other of American's famous flights direct to Los Angeles. Then return over American's Scenic Route via San Francisco, seeing from your high vantage point, the Grand Canyon, the Painted Desert, Hoover Dam, Yosemite and Mt. Whitney. Or you can go out the Scenic Route, come back the other way. Either way is wonderful.

**SEE MEXICO, TOO — ONLY \$59 MORE**

If you're crossing the country, or even a small part of it, you can visit Mexico for only \$59 extra. Your Travel Agent will give you the details. In Mexico City, if you have the time, you can take advantage of the low-cost tours described on the previous page of this folder.

## The Great Lakes Area

Smack in the middle of our country is a vacation-land that runs the whole gamut of holiday attractions. Mecca for metropolitans is Chicago—replete with smart restaurants, excellent hotels, theatres, and scintillating night spots. Here is the southern tip of the Great Lakes that

*On tours listed below, rates quoted cover European tour portions only. To arrive at total cost, add round-trip fare from your home town.*

### EUROPEAN CAPITALS TOUR — 14 days

London — Windsor — Eton — Hampton Court — Paris — Malmaison — Versailles — Brussels — Ghent — Bruges — The Hague — Amsterdam \$153.75

### LONDON AND PARIS — 10 days

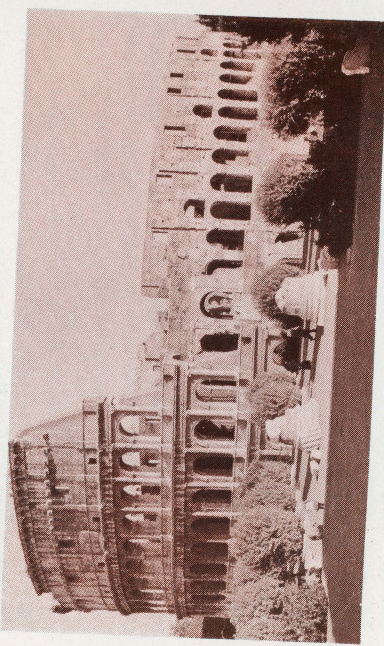
London — Windsor — Paris — Versailles \$96.70

### HEART OF EUROPE TOUR — 13 days

Frankfurt — Freiburg — Heidelberg — Lucerne — Interlaken — Lausanne — Paris — Versailles — London \$177.50

### Rome in Holy Year

Even an ordinary two-week vacation is long enough to make a pilgrimage to Rome this Holy Year—for there are Flagship tours to fit almost any budget of time. You can take part in the pageantry, attend the weekly Pontifical Masses, attend special devotions. There will be time enough also to explore the Vatican and the relics of ancient Rome. Plan to visit other countries while on your way. You may stop over at any city on American's routes at no extra cost. Your Travel Agent will be glad to discuss your pilgrimage with you and help you make a selection from tours such as the one listed below.



*Rates quoted for each tour cover the European tour portion only. To arrive at the total cost, add the round-trip fare from your home town.*

### FOURTEEN-DAY HOLY YEAR TOUR

Dublin — London — Rome — Paris. A wide variety of other tours is available. See your Travel Agent \$175.00

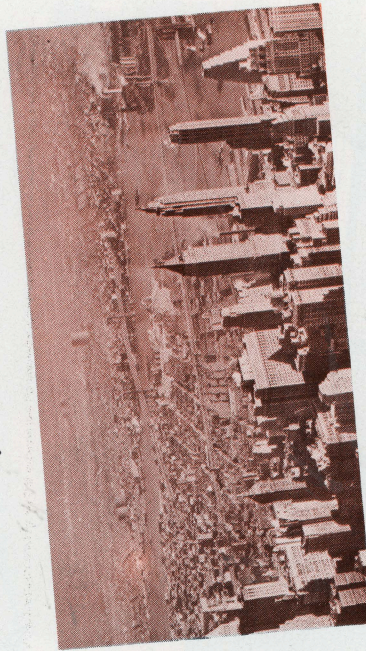
**THE WORLD IS SO FULL OF SUCH WONDERFUL THINGS - TO SEE - TO DO!**



# NEW YORK

Perhaps you've been to New York a dozen times—perhaps you've never been there. *Either* is a good reason for going there *this* vacation. Day and night, it will keep you going, having fun in whatever way you like it. Ever seen the city from the water? Go for a boat ride around the harbor—to the Statue of Liberty on Bedloe's Island. Or take a trip up the Hudson, past the beautiful Palisades.

In New York you'll find some of the finest hotels, the



most famous restaurants and night clubs in the world; the best in entertainment—music, art, the theatre. It's fun, too, just to stroll New York's famous streets—window shopping on Fifth Avenue for fashions fresh from Paris; doing Broadway night or day; walking in Central Park.

And don't forget, there's more to New York than the city. New York state has beautiful lake and mountain resorts—places to swim, fish and golf.

## All-Expense Holidays in New York City

Two of New York's finest hotels offer a variety of attractive all-expense Three-Day Holidays in New York City starting as low as \$10.44. Transportation to and from New York is extra, of course. Your Travel Agent will be glad to give you details.



New England is a play-land—a place to play, to relax, to sightsee—any season of the year. Choose from hundreds

# Washington

Make up your mind that *this* year you'll see Washington. It's so easy to get to, by Flagship, and so inexpensive under the Family Fare Plan, that you'll surely want to bring the kiddies — they'll remember it all of their lives. With or without the children, see Congress in session, and the famous buildings where the wheels of government go 'round; visit the Lincoln Memorial and the Smithsonian Institute; the Congressional Library—most beautiful at night, the Washington Monument and Jefferson Memorial, most beautiful when surrounded by cherry blossoms.



## This Is Hallowed Ground

Make a call at Mt. Vernon—walk through the stately rooms where the Father of His Country walked before you, stand beside the table where he ate. Be sure to take in the restorations at Williamsburg, authentic and beautiful. Only 45 minutes from Washington by Flagship, Philadelphia richly rewards the tourist—with national shrines, stately 18th century architecture, an active music, art and theatre life—and restaurants that are fascinating and famous. And near Knoxville, also served by the Flagship Fleet—the "Great Smokies" National Park is famous for its magnificent forests, its attractions for sportsmen.



All that glitters may not be California, but much that's golden, is. From the nuggets in the hills, to the sun-tans soaked up on the sand; from the fields of poppies nodding, to the glow of the hours you spend having fun. There's glitter and glamour in California, too—in Hollywood, where the merest passer-by may be a star of first magnitude. Seeing's believing in beauty in California—but



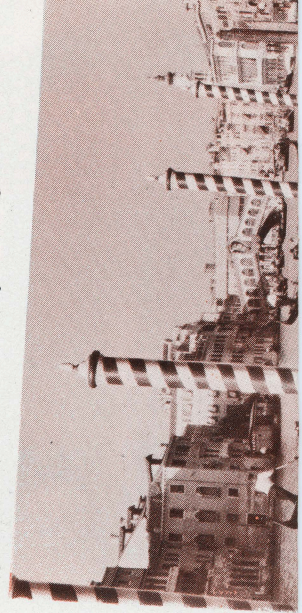
stretch out far, wide and handsome—with water sports and lake cruises promising long days of pleasure. Not far away are the lakes, streams and forests of the Michigan Peninsula, Wisconsin and Minnesota. The awe-inspiring spectacle of Niagara—easily reached by a side trip—is something everyone should see.

## And Canada, Too

Toronto is American Airlines' meeting place for two great friendly nations, bringing Eastern Canada within easy reach for Americans, and America within easy reach for Canadians. From Toronto you can go to Montreal and Quebec for a bit of old-world flavor, view the Laurentian Mountains, the Saguenay River, Montmorency Falls. Yes, for a change of scene in a change of country, you'll like the Toronto-St. Lawrence area.



Europe is just overnight from the East Coast by daily Flagship flights. And American Airlines terminals in Shannon, London, Glasgow, Amsterdam, Frankfurt, Berlin, Hamburg, and the Scandinavian capitals—Oslo, Copenhagen, Helsinki, Stockholm—are convenient gateways to any part of Europe. Service to Scandinavia is by luxurious Constellation. Going to other countries you may find yourself on board one of the new American Double-Decked Stratocruiser Flagships. Here, cocktails before dinner in the lounge on the lower deck—and delicious steaks—are routine with every crossing.





# This is the LIFE

## ON A FLAGSHIP

Living is luxurious on board a Flagship—spacious and gracious and with a nice feeling of welcome. Whether you're on a Convair or DC-6 you know you're flying the most modern five-mile-a-minute fleet in the world, and there's plenty of room for roaming, plenty of comfort in the deep lounge chair that can be adjusted to your liking. Wall-to-wall carpeting, draperies and seat covers in softly harmonizing colors contribute to relaxation.

Air and altitude conditioning add to your comfort—

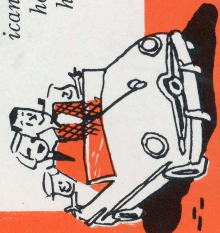


there's no feeling of motion or height. You're as much at ease as in your own living room. Little things, too, mean a lot in convenience. Just press the call button and, like a genie summoned by Aladdin's lamp, a smiling stewardess brings you magazines, writing materials, or a pillow and blanket if you feel like napping.

Mealtime, too, is a highlight of your flight. The good things that come from your Flagship galley are delicious, delightful—and there's no check to pay

### To get around on the ground Rent a Car at the Airport

To make the most of a short vacation, fly the long leg of your trip, and rent a car when you land. Any American Airlines office will give you details on how you can make arrangements to have a rental automobile reserved for you at your destination airport.



## The Place for Merriment

Many people think of Mexico as a land of Aztecs and archeology—it's all that and more. It's a land of modern night clubs and casinos, of sophisticated entertainment contrasted with exotic native cabarets—of dark-eyed señoritas and bullfights, of polo, horse racing and jai alí—of fishing, hunting, tennis and golf. And a soft June-like climate all year round.

## ACAPULCO "AMERICAN RIVIERA"

Acapulco is Mexico's most famous seaside resort. White sands and blue ocean, a gentle climate and the flavor of French resort life have earned for it the title "American



Riviera." Here is bathing as you like it; here your skill at deep-sea fishing meets a challenge; here you bask in the sun, dance under the stars—and bring home memories that last forever.

## MEXICO CITY

### MECCA FOR COSMOPOLITES

Gourmet's delight is Mexico City where excellent restaurants serve tempting dishes from both new and old world cuisine. Here also are smart shops and hotels, lively night life, a famous racetrack, Sunday afternoon bullfights and beauty spots like the Floating Gardens. And don't miss the excitement of a visit to ancient Taxco, Cuernavaca, fashionable Garci-Crespo and the fiery volcano of Parícutin. Almost everywhere in Mexico you find reminders of once proud civilizations that lived and worshipped their strange gods here—before Cortez moved in.



Best of all, it's so easy to get to Mexico by Flagship—just a matter of hours from wherever you are. If you're a U. S. citizen, you don't need a passport or visa—just a Tourist Card which can be arranged for you by either American Airlines or your Travel Agent.

## Choose the Tour to Fit Your Time

*On tours listed below, rates quoted cover Mexican tour portions only. To arrive at total costs, add round-trip fare from your home town or other starting point.*

Special tours give you more vacation for your time and money. Those following include a room with private bath at an excellent hotel (based on double occupancy), guide, sightseeing, and meals as specified. Ask for further details.

**THREE-DAY TOUR — \$14** Three days and two nights in Mexico City with enough time to shop and see the sights "on your own."

**FIVE-DAY TOUR — \$48** Mexico City tour as above —plus a two-day trip to colorful Taxco, with meals and overnight stop included—then on to Cuernavaca.

**SEVEN-DAY TOUR — \$53** Mexico City, Taxco and Cuernavaca in Five-Day Tour, plus two full days on your own in Mexico City.

**TEN-DAY TOUR — \$118** You live at luxurious Hotel Del Prado in Mexico City for first three days. On fourth day take a special limousine via Cuernavaca to magnificent Hacienda Vista Hermosa and then on to Taxco. On seventh day fly to Acapulco to spend two full days and nights, before returning to Mexico City.

## See Guatemala and El Salvador, Too

Only a few hours by airline from Mexico City, Guatemala and El Salvador offer exciting sights well worth a visit. From Mexico City there's a Four-Day Tour to Guatemala for only \$154.85, air fare included, and a Twelve-Day Tour to Guatemala and El Salvador for only \$278.60, air fare included. More information on request.

## Special Student Rates

In cooperation with schools and colleges, American Airlines offers special fare reductions for student groups going to Mexico. In addition, free transportation is provided for one student or teacher for every group of ten who will act as tour conductor. Just ask for details.



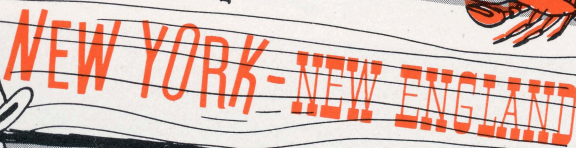


take an **AMERICAN AIRLINES**  
**FLAGSHIP VACATION**

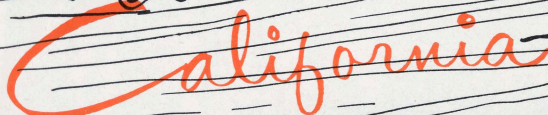
AIR TOURS TO



**MEXICO-EUROPE**



**NEW YORK-NEW ENGLAND**



*California*



**AMERICAN AIRLINES**

100 PARK AVE., NEW YORK 17, N.Y.



## SUMMARY OF DISCUSSION

### Free Travel by Employees

Mr. Smith said that he had received some letters indicating that not all stockholders understand the company's policy with respect to giving employees free transportation. To clear up any misunderstanding he stated that all transportation to employees except when traveling on official business is on a "space available" basis. There is no possibility of losing revenue traffic by affording space available transportation to employees.

In addition to providing them with the opportunity of traveling on their vacation, it is highly beneficial to the company because they learn something about the airline they are operating and whose services they are selling to the public.

It is not entirely without cost because it costs money to provide tickets for them and there are some small service expenses, but generally, he said, he felt that if the stockholders better understand what we are doing and why we are doing it, they will favor it.

### Options on 250,000 Shares of Common Stock

Mr. Smith stated that the allocation of the options will be handled entirely by a Committee of Directors who cannot share in the options. If the Committee is of the opinion that all of the options should not be granted now, there is no obligation to do so.

Some of the stockholders who have written to us seem to fear that some of the old options (good until June 1, 1950) would be exercised and that those might be duplicated by issuance of options under the new authorization.

Mr. Smith said that this was not the intention and that if any employee should exercise any of his options under the old authorization, he would recommend to the Committee that the options issuable under this new authorization be reduced by that amount. Although he would not control it, he said that he believed that would be the position of the Committee.

*(NOTE: None of the options issued prior to June 1, 1950, and exercisable until that date, were exercised, and all expired on that date. There can, therefore, be no duplication between the two authorizations.)*

Mr. John J. Gilbert, a stockholder, commented that there had been a big improvement in this option plan, that it is not just a one-person plan.

### Auditors

Mr. Gilbert inquired of Mr. Grumpelt, representing Arthur Young & Company, auditors, whether the man-

agement had placed any restrictions in regard to the auditing of American Airlines or American Overseas Airlines. Mr. Grumpelt stated that no such restriction had been imposed by the management of American and that he had asked Arthur Andersen & Company, auditors for American Overseas, the same question and had been informed that no restrictions had been placed on their auditing.

### Air Coach Service

Mr. S. H. Clement, representing National Aviation Corporation, a stockholder of the corporation, asked if the Air Coach Service had caused any decrease in the first class travel. The Chairman replied that there had been no noticeable dilution of regular business but that while the amount of coach travel has been increasing, the volume of first class travel has not fallen off.

### Retirement of 3% Sinking Fund Debentures

Mr. Marvin Wallen, a stockholder, inquired about the purchase of the company's own Debentures asking if such purchases had an adverse effect on the surplus account of the company and consequent effect on the ability of the company to pay later a dividend on the common stock.

Mr. Smith stated that the purchase of Debentures for Sinking Fund purposes did not have an adverse effect on the surplus account. The effect on the surplus account was to increase it slightly since the Debentures had been purchased under par value. He further explained that no action taken with respect to the purchase of Debentures had influenced, one way or another, the ability to pay dividends; that dividends could be paid when earnings were sufficient to achieve the Surplus figure specified in the Debenture and Preferred Stock indentures.

Mr. Smith said that future purchases of Debentures would be dependent on the cash position of the company and the judgment of the officers and directors about the merit of making further purchases.

### Ground Transportation

Mr. John J. Gilbert called attention to the adverse effect on air transportation by the insistence of the New York Port Authority on charging 25 cents for each cab trip from LaGuardia and Idlewild Airports. It was his view that the charge was discriminatory because it was not assessed at other airports in the country, was unwarranted and resulted in resentment on the part of both the cab user and operator, particularly on short trips, when the cab fare barely covers the 25¢ charge.



### **Airmail Compensation and Subsidy Payments**

We have advocated to the Congress that the subsidy payments included in air mail payments should be separated, so that the amount of subsidy and the nature of the expenditure will be known and clearly identified. Legislation looking to that has had the support of most of the departments of the government. The legislation will probably pass for it is sensible; whether or not it will pass at this session of the Congress now seems uncertain. Our own company has the lowest air mail rate in the industry. Other rates in the industry are many times that paid to American. We have no objection to subsidy, if that be the government policy, but it is sensible that the government should know the amount of the subsidy it is paying and to whom it is being paid.

### **REPRESENTATION AT MEETING**

Directors, Officers and other representatives of the company present included:

C. R. Smith, President and presiding officer

Director Harry E. Benedict, New York    Director Charles T. Fisher, Jr., Detroit

Malcolm A. MacIntyre of Debevoise, Plimpton and McLean, New York, General Counsel

Harry Grumpelt, partner, Arthur Young & Company, independent auditors

William J. Hogan, Vice President and Treasurer    C. W. Jacob, Vice President and Secretary

Stockholders present in person or by proxy represented 4,073,024 shares, approximately 63 percent of the 6,452,835 outstanding shares.

### **RESULTS OF FORMAL BUSINESS**

#### **Election of Directors**

Messrs. Harold T. Ames	Chicago, Illinois	John W. Farley	Boston, Massachusetts
Harry E. Benedict	New York, New York	Charles T. Fisher, Jr.	Detroit, Michigan
James Bruce	New York, New York	Thomas S. Hammond	Chicago, Illinois
Edward H. Butler	Buffalo, New York	A. N. Kemp	Los Angeles, California
Amon G. Carter	Fort Worth, Texas	Robert W. Miller	San Francisco, California
Charles S. Cheston	Philadelphia, Pa.	Orval M. Mosier	New York, New York
Thomas M. Conroy	Cincinnati, Ohio	Edgar M. Queeny	St. Louis, Missouri
Silliman Evans	Nashville, Tennessee	C. R. Smith	New York, New York

were reelected as directors of the corporation.

#### **Common Stock Options**

The Board of Directors was given authority to authorize the issuance of options upon up to 250,000 shares of authorized unissued common stock as outlined in the proxy statement, in view of the expiration on June 1, 1950 of options which were granted to Mr. C. R. Smith in 1945. The resolution was approved by a vote of 3,904,305 shares for and 131,477 shares against.

#### **Election of Auditors**

Messrs. Arthur Young & Company were re-elected as independent auditors for the year to end December 31, 1950, by a vote of 4,048,012 for and 16,989 against.

#### **Regional Meetings of Stockholders**

A resolution offered by Mr. John J. Gilbert, a stockholder, proposing that the management give consideration to instituting a program of regional meetings of stockholders was approved by vote of 3,455,781 for and 231,846 against.



## SUMMARY OF GENERAL STATEMENT BY PRESIDENT C. R. SMITH AT THE MEETING

### Earnings — 1950

We had a loss of \$1,431,285 for the first quarter; this after tax carry back credit of \$520,000. We had to bear the ill effects of an eleven day strike of the maintenance employees during the month of March. The cost of this was about \$1,000,000, with consequent increase in the loss for the quarter. During the strike we operated about 40% of the service and resumed full service soon after the strike was over. The dispute was settled on terms not greatly different than those offered before the strike. We had a good month in April, profit of \$1,450,000 before taxes and \$930,000 after taxes. It is reasonable to anticipate that we will be in the black for the first six months of the year.

### Traffic Volume

Business at present is quite good. The airline business has been increasing this year, as compared with last, quite in contrast with the figures shown by the surface carriers. Not only has traffic been good but we have been successful in keeping the costs down. Our costs are the lowest in the air transport industry, per ton mile. We made that record in 1948, bettered it a bit in 1949 and we should be able to hold our own or do better in 1950.

### Air Coach Service

On the ninth of April we inaugurated the "Blue Ribbon" air coach service; New York—Chicago—Los Angeles. This is the first service, air coach, with modern aircraft and with coast-to-coast fare of \$110. This compares with \$157 for regular fare service. We are doing a good business and the service is profitable.

### New Airplanes

We will have new airplanes for service in the Spring of 1951. Early this year we gave Douglas Aircraft an order for eleven DC-6B aircraft. This is a modernized version of the dependable DC-6 we presently operate; a little longer, a bit faster and with increase in payload of 4500 pounds. The airplanes cost about \$1,000,000, with spares, and the total order is about \$13,000,000. We have set aside funds (in bonds) for the amount of the commitment and funds will be available from that source when the airplanes are delivered. We will not need to do additional financing for that purpose. Next year, as usual, American will be equipped with the most modern of aircraft for its service.

### Development of New Aircraft

We will continue to work for the development of more modern aircraft. Both the jet and the turbo-propeller types show promise, although both of them are several years off. We have supported in Congress a bill for development and testing of prototypes, involving government funds to the extent of \$12,500,000, over a period of years. This legislation has been supported by the several departments of the government and should pass at this session.

### American-Delta Interchange

During last year we inaugurated, with Delta Air Lines, an interchange of equipment, at Dallas, which would provide through service with the same airplane, from cities in California and the southwest to the southeastern section of the United States, including Atlanta, Miami and New Orleans. The service has been successful, useful to the public, well patronized and beneficial to both of the participating companies.