

AMERICAN AIRLINES, INC.
New York

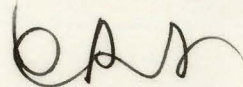
25 August 1954

To: The Directors

We said in our letter to you that the strike settlement did not involve the suit against the union for damages. That is true.

Lawyers for the pilots union asked our counsel for a delay. They answered that if the lawyers for the union asked the court for a delay of not more than 60 days they would not oppose it. It is probable that the court would have granted some delay whether or not we opposed it, for the situation was made less urgent by the pilots going back to work.

The union put out a story, with an endeavor to strengthen its position, saying that the settlement included a delay of "at least" 60 days. The facts are as I have given them.



C. R. Smith

AUG 27 1954