



AMERICAN AIRLINES *INC.*

CABLE ADDRESS AMAIR

100 EAST 42nd STREET • NEW YORK 17, NEW YORK • MURRAY HILL 5-3900

November 26, 1945

Mr. Amon G. Carter
Fort Worth Star-Telegram
Fort Worth, Texas

Dear Mr. Carter:

Mr. C. R. Smith has asked me to send you, prior to the forthcoming meeting of the Directors in December, certain figures pertaining to potential future cash requirements. Statement disclosing that information for the period ending June 30, 1946 is enclosed herewith.

It should be understood that these figures are tentative. Many of the substantial amounts shown in the statement reflect commitments not yet made and not yet discussed with the Directors. To the best of our ability we have, however, endeavored to forecast for the period the expenditures which may be required, subject to the prior approval of the Directors.

Please consider this information as personal and confidential. You will realize the necessity of keeping this information in confidence. Detail of requirement will be discussed by Mr. Smith at the December meeting.

Yours very truly,

H. K. Rulison,
Treasurer

HKR:DG
Enc.

CONFIDENTIAL

AMERICAN AIRLINES, INC.

Estimated Cash Position by Months for the Period
November 1, 1945 to March 31, 1946 and for the 2nd quarter of 1946

	<u>Nov. 1945</u>	<u>Dec. 1945</u>	<u>Jan. 1946</u>	<u>Feb. 1946</u>	<u>Mar. 1946</u>	<u>Three Months Ended June 30, 1946</u>	<u>Total Period</u>
Cash and government securities on hand - Oct. 31, 1945							\$24,018,000
Deduct: Cash required for minimum bank balances	\$4,609,000						
Working cash for operating expenses	<u>3,000,000</u>	<u>7,609,000</u>					
Cash available for purposes other than operating expenses- Beginning of period	\$16,409,000	\$14,772,000	\$ 9,497,000	\$3,000,000	\$ 7,408,000	\$12,944,000	\$16,409,000
Add: Estimated earnings for period before depreciation and taxes	703,000	621,000	260,000	338,000	990,000	5,298,000	8,210,000
Collection of government receivables	<u>385,000</u>	<u>730,000</u>	<u>623,000</u>	<u>723,000</u>	<u>500,000</u>	<u>500,000</u>	<u>3,461,000</u>
Total Cash Resources available for the period	<u>\$17,497,000</u>	<u>\$16,123,000</u>	<u>\$10,380,000</u>	<u>\$1,939,000</u>	<u>\$ 5,918,000</u>	<u>\$ 7,146,000</u>	<u>\$28,080,000</u>
Deduct:							
Payment of taxes		\$ 969,000			\$ 1,170,000	\$ 1,170,000	\$ 3,309,000
Payment of past service annuities		312,000					312,000
Payment of year end compensation		447,000					447,000
Payment of dividend common stock- \$1.00 per share		1,291,000					1,291,000
Authorized loan to American Overseas Airlines, Inc.	1,000,000						1,000,000
75% of estimated cash requirements of American Overseas Airlines, Inc.		238,000	2,422,000	1,835,000	880,000	22,000	5,397,000
Capital Expenditures:							
Conversion of C-54's (50 ships @ \$175,000. ea.)		1,050,000	1,400,000	1,575,000	1,750,000	2,975,000	8,750,000
Purchase of 50 C-54's	1,040,000	729,000	405,000	243,000	810,000	567,000	3,794,000
2nd Installment- 50 DC-6's (\$148,750. ea.)			7,437,000				7,437,000
Spare parts- C-54's	250,000	250,000	125,000	125,000	125,000	375,000	1,250,000
Conversion C-53's	110,000	55,000					165,000
Purchase and conversion (4) C-47's	100,000	60,000					160,000
252 P.W. R-2000-13 Engines for C-54's		150,000	625,000	625,000	625,000	1,755,000	3,780,000
Allowance for operating spares, parts, etc. DC-4 and DC-6		300,000	300,000	400,000	1,000,000	1,000,000	3,000,000
1st installment 20 additional 4 engine airplanes		300,000					300,000
1st installment 50 twin engine airplanes		250,000					250,000
2nd installment 20 additional 4 engine airplanes						7,200,000	7,200,000
2nd installment 50 twin engine airplanes						2,500,000	2,500,000
Partial cost of hangar at Chicago						750,000	750,000
Other	225,000	225,000	666,000	666,000	666,000	1,524,000	3,972,000
Additional working cash for operating expenses						<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 2,725,000</u>	<u>\$ 6,626,000</u>	<u>\$13,380,000</u>	<u>\$5,469,000</u>	<u>\$ 7,026,000</u>	<u>\$20,838,000</u>	<u>\$56,064,000</u>
Total Cash Resources available at end of period (Deficiency Red)	<u>\$14,772,000</u>	<u>\$ 9,497,000</u>	<u>\$ 3,000,000</u>	<u>\$7,408,000</u>	<u>\$12,944,000</u>	<u>\$27,984,000</u>	<u>\$27,984,000</u>