



# AMERICAN AIRLINES SYSTEM

CABLE ADDRESS AMAIR

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January 22, 1947

OFFICE OF  
THE SECRETARY  
AMERICAN AIRLINES, INC.

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

Dear Mr. Carter:

Minutes of the January 15th directors' meeting will be sent to you in due course. Highlights of that meeting were:

1. Capital expenditure of \$741,775 approved to provide Very High Frequency radio equipment for DC-6 and CV-240 aircraft.

Expenditure of \$151,020 approved covering alterations to Williams Building where our downtown offices are to be located in Chicago. This is a conditional expenditure and will not be made if it is possible to dispose of lease and make satisfactory arrangements elsewhere.

2. **CONFIDENTIAL:** It has become apparent that Republic will not be able to meet delivery dates on the Republic Rainbow as specified in the contract. Financial position of that company has deteriorated since the contract was executed. Under the contract, American has deposited with Republic, \$2,125,000 and is required to make monthly payments of \$304,000. A letter has been dispatched to Republic stating we have concluded by reason of delays, that Republic is unable to perform its obligations as required by the contract, and we regard this inability as a default. Request is made for a surety bond assuring performance or for repayment of funds advanced to date.

3. Mr. Rulison will retire about February 15th. Maulsby Forrest was elected Vice President and will become Treasurer upon Mr. Rulison's retirement. (See press release attached). Mr. Drinkwater's resignation was accepted. C. W. Jacob was elected Vice President. George C. Van Nostrand of Washington was elected an Assistant Vice President and A. A. Paradis an Assistant Secretary.

Certain salary adjustments were made as will be shown in the detailed minutes.

4. Payment of the March 1st Preferred Stock dividend was approved to stockholders of record February 17th.
5. By-Laws were amended changing date of the Annual Stockholders' meeting to the Tuesday preceding the third Wednesday in the month of May. This should save expense of hiring a professional proxy solicitor.

Yours very truly,



C. W. Jacob

CWJ:rc  
att.

