

American Airlines, Inc.
Agenda for Directors' Meeting
January 17, 1945

- ✓ 1. Reading of the minutes of the Directors' meeting of January 8, 1945 (see page 1).
- ✓ 2. Estimate of 1944 earnings (see page 2).
- ✓ 3. Request for approval of capital authorizations authorized by the management since the last Directors' meeting.
- ✓ 4. Report on passenger, mail, freight and express traffic--December 1944 (see page 3).
- ✓ 5. Consideration of advertising budget for 1945.
- ✓ 6. Report on called Preferred stock.
- ✓ 7. Report on Burbank accident.
- ✓ 8. Request for approval of renewal lease--Palmer House, Chicago.
- ✓ 9. Request for authority to lease Chicago hangar space to Snyder Aircraft Corp.

4300
50,000
all converted
except 695
shares

Summary of the Minutes of the Special Meeting
of the Board of Directors of American Airlines, Inc.
Held January 8, 1945

There were present at the meeting: Directors Benedict, Bruce, Butler, Damon, Hovey, Kemp, Mosier and Rheinstrom.

1. The minutes of the previous meeting, held December 9, 1944, were approved.
2. The Comptroller presented financial statements prepared as of November 30, 1944.
3. The Directors approved capital expenditures authorized by the management amounting to \$79,290.66 and authorized a capital expenditure of \$31,119.00 to complete the installation of standard instrument panels on up to 100 DC-3 type airplanes.
4. The action of the management in having executed delivery agreements for five DC-3 aircraft obtained from the U. S. Government and having deposited \$16,000 per airplane as advance rental was ratified and approved.

The management was authorized to acquire additional DC-3 type airplanes either by lease or purchase on such basis as in their judgment may be in the best interests of the corporation, to bring the DC-3 fleet up to a total of 110 airplanes.

5. The Directors authorized entering into a lease for 20,000 square feet of storage space at 37-01 31st Street, Long Island City, New York, for a term of 35 months commencing February 1, 1945, at a rental of \$16,000 per annum.
6. The Chairman reported that the management had been making studies of future earnings and of prospective fare and rate reductions which had now been revised in the light of the CAB order of January 1, 1945, to show cause why mail rates should not be reduced from 60 cents to 32 cents per ton mile. A further general order of investigation into rates governing the transportation of property was instituted by the CAB.

The Chairman said that, due to the importance of the matter, he had wished to discuss it with the Directors and to report the management's plans to answer the show cause order objecting to the proposed reduction of mail rates and giving notice of intention to file passenger fare reductions of $6\frac{1}{2}$ per cent to be effective about March 1, 1945. It was contemplated that the Board would be asked in such answer either to vacate or to modify the show cause order to take into account the passenger fare adjustment.

American Airlines, Inc.
Comparison of Revenues and Expenses
for the Years 1943 and 1944

	<u>1943</u>	<u>Cents per Mile</u>	<u>1944*</u>	<u>Cents per Mile</u>
Operating Revenues:				
Passenger	\$23,356,000	88.5	\$29,405,000	85.0
Mail	4,886,000	18.5	6,685,000	19.4
Express	2,581,000	9.8	2,524,000	7.3
Other	628,000	2.4	694,000	2.0
	<u>\$31,451,000</u>	<u>119.2</u>	<u>\$39,308,000</u>	<u>113.7</u>
Operating Expenses	<u>22,987,000</u>	<u>87.1</u>	<u>29,976,000</u>	<u>86.7</u>
Net Operating Income	\$ 8,464,000	32.1	\$ 9,332,000	27.0
Income Credits	107,000	.4	192,000	.5
	<u>\$ 8,571,000</u>	<u>32.5</u>	<u>\$ 9,524,000</u>	<u>27.5</u>
Income Deductions	128,000	.5	161,000	.4
	<u>\$ 8,443,000</u>	<u>32.0</u>	<u>\$ 9,363,000</u>	<u>27.1</u>
Federal Income Taxes	<u>3,500,000</u>	<u>13.3</u>	<u>3,975,000</u>	<u>11.5</u>
	<u>\$ 4,943,000</u>	<u>18.7</u>	<u>\$ 5,388,000</u>	<u>15.6</u>
Reserve for Transition to Peacetime Operations and other Contingencies	1,750,000	6.6	1,000,000	2.9
Net Profit	<u>\$ 3,195,000</u>	<u>12.1</u>	<u>\$ 4,388,000</u>	<u>12.7</u>
 Revenue Miles Flown	 26,397,687		 34,582,820	

*Estimated

AMERICAN AIRLINES, INC.
 Passenger, Mail, Express and Airfreight Traffic Statistics
 December, 1944

290,000,000-44
Passenger Miles
42,000,000
1945
Billings
Prog.

	<u>December</u> 1944	<u>December</u> 1943	<u>% Increase or</u> <u>Decrease</u>	<u>Year</u> 1944	<u>Year</u> 1943	<u>% Increase or</u> <u>Decrease</u>
<u>Passengers</u>						
Rev. Miles Flown with Psgrs.	3,075,126	2,099,588	46.5	32,590,706	25,944,446	25.6
Rev. Miles Flown Total	3,303,840	2,208,118	49.6	34,582,820	26,397,687	31.0
Rev. Passengers Carried	81,933	60,162	36.2	929,902	788,990	17.9
Revenue Passenger Miles	52,306,496	34,019,146	53.8	572,094,112	435,913,741	31.2
Seat Miles Flown	59,621,077	38,686,727	54.1	636,211,268	494,320,807	28.7
Passenger Load Factor	87.7%	87.9%		89.9%	88.2%	
Average Haul Per Passenger	638	565		615	552	
% Priority Passengers Boarding	40.3%	46.2%		29.1%	38.2%	
<u>Mail</u>						
Tons Carried	1,770	1,380	28.3	17,192	13,214	30.1
Ton-Miles Flown	882,489	818,931	7.8	10,850,359	8,145,462	33.2
<u>Express</u>						
Tons Carried	1,090	1,014	7.5	11,309	10,529	7.4
Ton-Miles Flown	522,244	442,514	18.0	5,245,847	4,882,115	7.5
<u>Airfreight</u>						
Tons Carried	90	-		200	-	
Ton-Miles Flown	51,289	-		132,438	-	
<u>Payload</u>						
Average Revenue Payload Carried	Not	4,165		Not	4,309	
Weight Load Factor	Avail.	84.4%		Avail.	85.4%	