

AMERICAN AIRLINES, INC.

July 28, 1947

TO: THE DIRECTORS

It has, I believe, been the custom for the past several years to forego one of the monthly meetings of the directors during the summer months. This was discussed at the last meeting of the Board and decision was left up to the management. I know of no urgency for a meeting in the month of August and therefore, as you have permitted, no meeting will be held.

The statements for the directors will be prepared in usual form, as if we were to hold the August 20th meeting, and they will be mailed to you during the month of August. These will reflect operating results for the month of July and for the year to date.

Congress has adjourned, as you know, as of last Saturday. No onerous legislation affecting air transportation was passed. The proponents of the "chosen instrument" and of the "sea-air" legislation were unable to muster sufficient strength to get their bills out of committee. Congress failed to pass funds for the airway aids program which had been sponsored by the industry. Some funds will be available but not in sufficient amount to do the job this year. Congress failed to repeal the 15% excise tax on transportation.

Business for the month of July will approximate that of June. At this date it is several per cent behind but it is possible that this deficiency will be recovered during the balance of the month. While air transportation history indicates that July is usually below June, we should take no comfort in that fact. With constantly increasing volume of service in the industry there is urgent requirement that the company have an intelligent, aggressive sales program, including advertising and publicity. We are making preparations therefor. This is not intended to infer that our sales program has not been vigorous, or effective, it is just intended to say that whatever we have done with respect to sales effort will have to be intensified; the sales problem is becoming more difficult and more important to the success of the company.

C. R. Smith
Chairman of the Board

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