

October 22, 1946.

Mr. Carter:

As you suggested, I have continued to watch the situation at Globe Aircraft, and have tried to be helpful in furthering their interests without allowing it to interfere with or be confused with my duties on the paper.

So, for your information, here are some of the latest developments which you may or may not have heard about:

1. A meeting of the Globe board of directors is set for Thursday morning. It is my information that the Philadelphia underwriters, encouraged by some further Dallas "inspiration," are coming to the meeting loaded for bear and confidently expecting to intimidate John Kennedy and associates and "pressure" them into going along with the proposal to merge Globe with the Grand Prairie plant of TEMCO.

2. Mr. Kennedy tells me that he is ready to fight the merger bloc as ~~long~~ long as he has anything to fight with, but that he does not know for sure whether they might have picked up some additional stock support in the meantime. However, ~~he will~~ in the event that Mr. Kennedy's group is outvoted and the merger proposal gets a majority okay of the Globe board, he (Mr. Kennedy) still will rely on the RFC to block the move by ~~not approving it~~ refusing to approve the merger.

3. It is possible, however, that the merger group might be planning to get sufficient financial backing to pay off the RFC loan to Globe, and thereby avoid the necessity of RFC approval. In that event, the Dallas-backed group would accomplish their ends.

4. Mr. Kennedy said he might recess the board meeting Thursday and bring the group to the Fort Worth Club for lunch, inviting in ~~some~~ some local people for the lunch so they could ~~be~~ express themselves

about the past and future of Globe Aircraft. Then the board meeting could be continued at the club after the luncheon. Do you think that sounds like a good idea?

5. George Newman is back at Globe as vice president in charge of production and apparently has the full confidence and support of the organization. The company's production came up from an average monthly \$200,000 loss to a \$6,400 profit in September, which shows how quickly the picture can change when things start clicking. Bill Wright is very much interested in the Globe situation and so is Mr. Buck and both think Mr. Newman has the stuff to bring the company out of the woods. I've talked to both of them lately about it. Harold Foster of the Chamber of Commerce also has shown concern about the company's welfare and said the chamber is ready to act when it is deemed best for them to take a hand in the matter.

6. Mr. Carl Freidlander, who recently sold his interests in Aeronca, was here last week and talked with Mr. Kennedy. He is interested in the Globe plane and likes Texas and indicated he might like to join up here in the Globe plans. He will be back here Wednesday and will remain Thursday to see how the wind blows at the directors meeting. Mr. Freidlander also is greatly interested in Globe's tieup as a licensing manufacturer with a British plant, and ~~with~~ in the favorable position Globe occupies as a company with which several allied aircraft manufacturing concerns might be merged in the near future, a move which would give Globe ample financing for the future and result in a ~~substantial~~ substantial expansion of its holdings here.