



# AMERICAN AIRLINES

CABLE ADDRESS AMAIR

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100 Park Avenue

May 19, 1950

To the Directors of American Airlines, Inc.

## Annual Stockholders' Meeting, May 16, 1950

At the annual meeting in Wilmington all directors were re-elected. Arthur Young & Company were re-appointed as auditors and the stockholders approved the proposal for issuance of new options on 250,000 shares of common stock. The Management Proxy Committee also voted in favor of a proposal by a stockholder that the company consider holding some regional stockholders' meetings in the future. Decision on this must be made during the year.

## Annual Directors' Meeting, May 17, 1950

At this meeting all officers were re-elected. Full minutes will be sent to you.

Decision was made to hold the June 1950 meeting on the regular date, June 21, in Chicago, and the meeting of November 15 will be held in Los Angeles. You will be notified about location and details as soon as they are worked out.

## Position in Industry

See the attached figures showing American's position in the domestic air industry for the years 1947, 1948 and 1949, as compared to United, TWA and Eastern. The operating cost figures show that in 1949 American was the low-cost operator by a considerable margin.

## Separation of Airmail Pay from Subsidy

Proposed legislation to accomplish this separation is pending in Congress -- has a good chance of passing this year or next. The latest proposal on this subject from the Chairman of the Senate Interstate and Foreign Commerce Committee recommends that subsidy be

VIA AIR MAIL

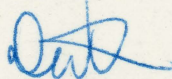
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identified and presented to the Congress on a community by community basis. This report, copy of which is attached, seeks to identify the subsidy paid by carriers and by communities. Note particularly the first table in the appendix.

Comparison of American's Convair with the Forthcoming Martin 404

Eastern and TWA recently announced purchase of Martin 404's. Within the next day or two you will receive an interesting comparison of our Convair and the new Martin 404.

Very truly yours,



C. W. Jacob  
Vice President and  
Secretary

Enclosures

