

shortly.

North American Gets \$800,000 Plane Order

North American Aviation, Inc., has received an order from the Republic of Argentina for 30 basic training planes involving approximately \$800,000.

Addition of this order to North America's backlog brings total unfilled orders to slightly more than \$6,000,000.

J. H. Kindelberger, president, said: "Current backlog compares with \$5,440,000 reported as of Jan. 20, last, and with approximately \$1,850,000 in unfilled orders held by the company a year ago."

Care
North American Aviation
Inglewood
Mar 24th

There is a mail outward by the
in a few days time so I have decided
to write a short letter.

Myron only arrived at Los Angeles and I have
seen that he put in some useful work. I was
not quite ready to go to Hartford so that it was
not possible to send him to the Pratt & Whitney
works just yet. There has been an aircraft show
here during last week so that he had a chance
to see lots of the latest accessories and both
aircraft and engines. He has also had a chance
to look into the installation of engines in the
NA-16, also the N.A.A. machine shop (which ^{section} he will
have to look after in the engine factory) and I
also arranged visits to Pratt & Whitney repair
depot here and the Menasco Engine Factory.
I hope to send him east as soon as the
engine license is negotiated.

Smith & Buel are here and have started
work. Air is doing his job also.

I have now explained their duties to them
and showed them round everything and
have handed them all over for training
to North American under the terms of the
license now that it has been signed and

finalized and they are under an obligation to carry out this training for us.

NAA License

I sent copies of the final agreement as signed together with the sales agreement. It looks OK to me and is the best deal we could get in my opinion.

Pratt & Whitney license

Mr Hamilton chairman of United Aircraft was in Los Angeles for the show and wanted to fix up the P & W license out here, and as soon as possible. We had lots of talks and he served me with a very hot proposition, as you will see when I send you a copy of it (it is with our lawyer's just now). They ^{United} are very nice people to deal with, but will try to put over a rough one if one will take it.

I gradually secured the elimination of all the most difficult clauses until it got into reasonable form. There are still a few points which I have referred to the Board by cable and have taken up with

our lawyers. They ^{Unit 3} were very clever at agreeing to points in conference and then wording the matter so that there was a catch in it.

However, Lawler & Felix are very good and have pointed out all the snags and have rewritten such passages as need it to establish the clear meaning.

There is now only one real snag and that is the point about retaining the right to deal direct with the Defence Dept.

Apparently, they recently had a raw deal with their licensees the Fiat Coy and Mussolini. They had given Fiat the license and Mussolini would not deal with them but wanted to deal direct. United's refused in fairness to Fiat and Mussolini gave the whole of the business (large) to Chertus-Wrights, another American firm. They say that if our Government likes us, we have nothing to fear, but they want the business direct if the Defence Dept turns us down for any reason.

From our point of view, we are exposed to the possibility of dumping ~~it~~ and an unscrupulous government might fall for it. To me this seems unlikely, seeing

as how we are situated. If our Government did such a thing then we would not be likely to be doing any business with them at all.

I expect the Board will probably take the risk but on the other hand they might not like to be exposed to it, and I would like them to consider it outright in the broadest sense.

I have now collected most of the details re the plant for the aircraft factory. As soon as I know you have them I will cable for advice as to whether we should order here, and if so for authority to order.

North American have agreed to supply us with raw material for 20 aeroplanes. This they have ordered in conjunction with their own orders and we will therefore not be delayed in delivery. What we don't want we need not take but it is a great asset to have this supply on top. This arrangement caused me not to worry about the initial stock of raw materials for ~~the~~ ^{Construction} aircraft, as we will be fixed up OK by North American.

We agreed to pay 10% on cost for this service but their discount on a big order with the suppliers was even greater and

we get the benefit of this. Actually all costs have recently risen, everything is rising in price here. These orders for material were the last, before the increase so that the arrangement to get our initial stock from North American will be the cheapest as well as the most convenient. They will ship to our order any time after May so that deliveries are ensured.

I am now beginning to turn my attention to the engine problem and my next letter will be written from New York or Hartford.

I expect to get most of the details of the engine license settled here but we will have to finalize in New York I imagine as there is some doubt as to whether all the details of the accompanying schedule can be supplied here.

Well, I must end off now. Everything is going well. I would like to hear how the factory is going.

Give my best wishes to the Directors and to Harrison and accept same for yourself.

Yours sincerely,
By W. B. Lewis

News clippings
& remarks

HEAVY AIRCRAFT SALES REPORTED

WASHINGTON, March 4. (AP)—State Department statistics disclosed today that foreign nations had placed more than \$3,000,000 worth of orders with American aircraft manufacturers last month.

They showed that foreign purchases of military and non-military aircraft, engines and equip-

ment amounted during the month to \$3,495,434.

Argentina was the largest purchaser — spending \$703,793, of which \$376,000 was for military aircraft.

Great Britain and Northern Ireland, with expenditures of \$610,622, was the second largest.

SAN FRANCISCO'S
Finest Moderately Priced Hotel

China Keeps Lead as Aero Customer

WASHINGTON, March 5. (AP) The Commerce Department, reporting total exports of aeronautical products at \$23,055,761 last year, said China maintained its position as the best market for American aircraft.

China led in purchases of American planes, engines and aeronautical accessories for the successive year, sales last year totaling \$7,185,556. The next best customer for United States aircraft was Argentina, with purchases totaling \$2,269,914.

Our License with N.A.A permits us to sell in China. There is a market there
Note that Great Britain bought over \$600,000 of American Aircraft during ONE MONTH

Army Bomber Bids Disclosed

Air Corps Engineers Prepare to Submit Recommendations

DAYTON (O.) March 5. (AP)—Army Air Corps engineers today prepared to submit to Army officials at Washington recommendations for the purchase of bombing planes, based on bids submitted by the Douglas Aircraft Corporation of Santa Monica and the North American Aviation Corporation of San Diego.

The twin-motored Douglas bombers were offered the air corps for \$63,977 each if fifty are ordered and the North American bombers for \$122,600 each for the same quantity.

Bids of the two concerns show, Army officers said, that engines for the ships will be in addition and will average about \$20,000 for each plane, with an extra \$17,000 per plane for other needed equipment.

In the event 250 planes are ordered the Douglas company will build the planes for \$55,917 each or a total of \$13,979,250, as against \$91,600 each for the North American planes or \$22,900,000 for the

The discrepancy in the bids is due to the N.A.A Bomber being much larger and more powerful than the Douglas

Confidential information from the Army and round the works shows that the new N.A.A bomber is the most powerful military weapon yet produced anywhere. It can carry 7000 lbs of bombs for 3000 miles, ^{with} ~~at~~ over 250 MPH maximum or 220 cruising.