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February 6, 1946

Mr. George W. Burgess
Assistant to the Assistant Secretary
Department of Commerce
Room 5840 Commerce Building
Washington 25, D. C.

Dear Mr. Burgess:

Confirming our conversation of February 4, we would like to ask if your office could furnish us with some approximate estimates of the capital expenditures likely to be made over the next five years for the development of foreign commercial air transportation.

In considering several loan requests now before us, it would be most helpful to our Board of Directors to appraise in some general approximate terms the total amount of financing for which the Bank may be called upon. The extent to which the Bank may have to restrict equipment for which its funds could be used as well as the extent of limitations on individual applicants would depend considerably upon the total capital which may be required.

With this in mind, any estimates that you could give us along all or any part of the following lines would be helpful:

1. Total capital expenditure requirements for the next five years to develop all foreign routes now anticipated.
2. Percent of total capital expenditure requirements divided as between aircraft and related spares on the one hand, and for ground installations, including shops, hangars, tools, radio installations, etc., on the other. If you can sub-divide this at all, it would be helpful.
3. Your estimate of the total capital expenditure requirements divided by American flag carriers and foreign flag carriers.
4. Your estimate of percentage division of total expenditures of foreign flag carriers by countries likely to furnish the capital, including U. S.

5. Your estimate of breakdown of the U. S. capital requirements for American and foreign flag carriers separately, which might be expected to come from
 - a. U. S. private capital
 - b. Export-Import Bank
 - c. Other sources (foreign or domestic).
6. Any other information which you feel would be pertinent.

We realize any estimates of this kind will be rough. We feel at this stage the estimates had best be prepared from information now available to you. Possibly at some later time further new data might be gathered.

We will of course regard your information as confidential, though we would like your permission to use some portion of the same in discussion with members of the National Advisory Council, established by the Bretton Woods Act, with whom we consult on policy matters.

Sincerely yours,

Richard M. Johnson
Assistant to the President