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Date: 18 June 1958

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To: Vice Chairman of the Board

Mr. Kirkpatrick has just returned from a trip to Southeast Asia, during which he called on our customers at Vientiane, Bangkok, Phnom Penh and Saigon. He got contracts signed for (1) the Apache at Phnom Penh, (2) services to MAC at Bangkok, (3) services to the Thailand Border Police at Bangkok.

He tells me the customers at Vientiane stated they were well pleased with the services being provided by CAT and were particularly pleased with the services we provided recently in the rice drop and in the furnishing of assistance to the U. S. Air Force in their operation with C-130's in Laos. They were especially pleased with our prompt response to their call for additional services. I have cabled you separately about desires on the part of USOM Vientiane for Apache services similar to those now being set up for USOM Phnom Penh. Privately, I think this might be something like the case where a person gets a new blotter for his desk and everybody in the office wants one like it. ICA Headquarters might not be too receptive to the idea of every one of their missions in Southeast Asia having small airplane services. However, if they are receptive, and providing we can come out whole on the deal, I suppose you and Excom would find it acceptable additional business.

Mr. Barrows, Director of USOM Vietnam expressed rather mild interest in an Apache for Vietnam upon learning that USOM Cambodia was getting one.

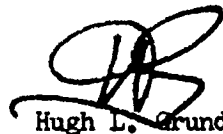
At Saigon Mr. Kirkpatrick and SZSCN received a request that we place a second C-47 there under the existing USOM contract. The plane now assigned flies roughly

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140 hours per month. Since that is too much flying for one crew, we are faced with the necessity of putting another crew there anyway. Although USOM has not guaranteed minimum usage for the second airplane, they indicate they will be able to use it for 60 hours per month, for sure. Once a plane is available they may use it more than that. Utilization of the airplanes is not good, of course, for it is limited by the fact that USOM is only interested in daylight operation. Considering daylight operation only, utilization is quite good. In a conference this morning Management decided we would place another C-47 in Saigon providing they will give us a letter requesting it, which they promised to do. Incidentally, the main user of the second plane will be Johnson, Drake and Piper and Capital Construction. It is ironical that where a little while ago we were worrying about losing the contract altogether, we are now bothering about upping services from one to two aircraft.



Hugh L. Grundy

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