

2 February 1984

Tom,

I am, and am sure you are, disappointed that your project has come to a standstill. Let us hope it is only a temporary hold-up.

If the business is there, and I am sure you have made a satisfactory survey, then it should not be difficult to raise the necessary money. It may not be available in the U.S., but I am sure you would find Japs who would be interested. If that doesn't appeal to you, then there is always this place. There seems to be an awful lot of money around here, which could be put to good use. It would be interesting to see what an advertisement in the local business newspaper would bring forth.

Subject to your approval, I could make enquiries about raising \$500,000, which should be sufficient to cover two aircraft, and minimum spares. Alternatively, we could short term lease the aircraft, until such time as we could show sufficient profit, or potential, to attract the right type of investors. Every time I think of Coral Air I get a little upset - that was a lesson in how not to start an airline!

I presume you have obtained current operating costs, for the CV440, from two or three recent operators. Using the waist of these figures, we need to calculate the break-even load factor.

We would need to have this info, together with a realistic estimate of initial business available, for presentation to prospective investors and ourselves. The CV440 is an expensive aircraft to operate unless you have well trained crews, flight and maintenance, and a healthy load factor. Do you know anything about the operating costs of the YS-11? Its Darts should have an extremely high T.B.O. by this stage of their lives. It might be worth a comparison.

If you believe I could be of help to you, I will come up there for three or four months, to see what we can organise. I could probably find a satisfactory boarding house, at a reasonable price.

I have a friend, who is very anxious that he and I should visit Honolulu this month. He is reasonably wealthy himself, and, I believe, could arouse some interest in a reasonable proposition.

It would be very unfortunate if all your efforts went for nought, because of a nervous partner.

Apart from all other factors I want to move to one or other of the islands, buy myself a small house and spend the rest of my days there.

Let me know what you think - I don't want to get involved in something else while there is a possibility we can get a worthwhile airline started.

