

The Birth of Temco

Founded in 1945

This is a short article about the founding of Temco aircraft, with the information taken from a Temco Aircraft corporation booklet titled "Our first Decade".



This picture shows Robert McCulloch, founder of Temco aircraft, and Leota Gilbert, organizer of the Temco retiree events. This picture was taken at a Texas Swift fly-in, 1993 or 1994

A near miss for the Swift:

The article talks about how the Globe bankruptcy left 329 unfinished Swifts and nearly bankrupted Temco. In the end Temco finished the 329 partially completed airframes and built 200 more.

1945

HARNESSING A WHITE ELEPHANT

Plant and machines were already on hand when the organization of TEMCO first was considered 10 years ago. Needed, was someone to put them to use.

Built in Dallas in 1941 at a cost of more than \$34 million, the plant turned out 24,000 aircraft during World War II under North American Aviation operation. But its usefulness seemed ended with the end of the war. The day following the Japanese surrender, the plant was deactivated and some 25,000 workers were dismissed.

Few knew the plant and its capabilities better than Robert McCulloch and H. L. Howard. McCulloch, a veteran N.A.A. executive, had been general manager of the plant during the last year of the war. Howard had served throughout the war as the plant's comptroller. Both men were concerned about the dissolution of a great manufacturing organization and its facilities. Together, they outlined the plan that produced TEMCO.

RFC HEARS PROPOSAL

While automobile, kitchenware, refrigerator and prefabricated house manufacturers appraised the plant and rejected it as too large for a peacetime facility, McCulloch and Howard approached RFC with a different proposal. They would start small, lease only a portion of the plant for diversified manufacturing, and expand as business increased. Jobs would be provided for idle aircraft workers, and the government would derive some rent from a facility that already seemed doomed to "white elephant" status.

RFC leased approximately 550,000 square feet of the plant and about \$800,000 worth of equipment to the two men. McCulloch and Howard meantime, had elected to organize as a limited partnership and had secured capital of about \$250,000.

The lease enabled McCulloch to acquire a contract from Fairchild Aircraft Corporation for production of subassemblies for the C-82 "Packet" transport. Contract and lease were finalized within two days of each other, about Nov. 15, 1945. Several weeks later, the partnership's capital became available, and there was activity again in the big government-owned plant.

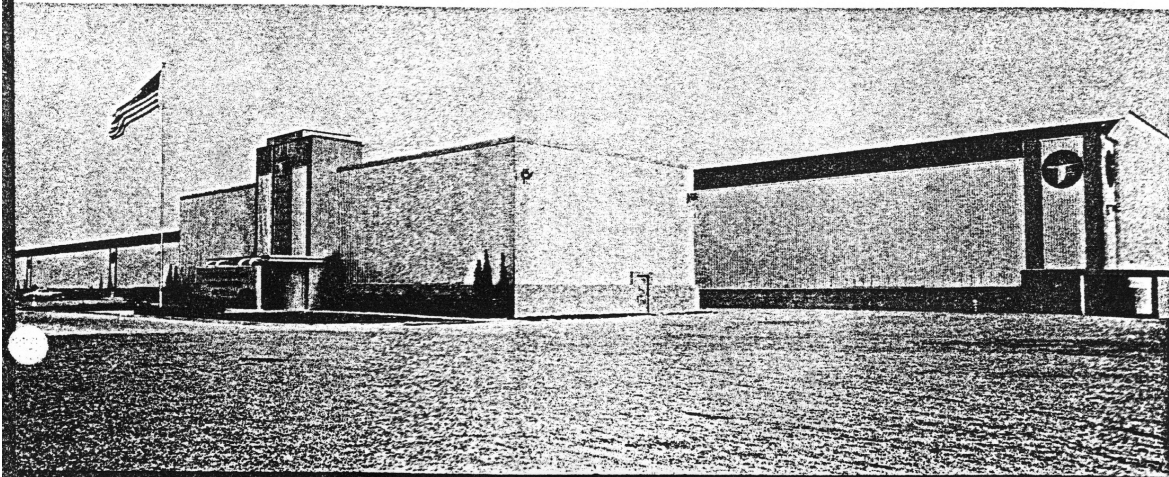
HIGH-CALIBRE CADRE

McCulloch, now TEMCO's president and general manager; Howard, now executive vice-president and treasurer, and other TEMCO organizers selected the cream of N.A.A.'s Dallas Division production team to form the new cadre.

"It was an opportunity you wouldn't expect again in 100 years," recalled a TEMCO veteran who had a hand in the picking. "I needed 25 men for maintenance, and I could choose from 1,200 men who had handled maintenance for North American. It was that way in all departments. We had the privilege of hand-picking about 300 men out of 25,000.

Every man in this TEMCO nucleus had a common specialty: aircraft. But to avoid discouraging customers for other products, the new company adopted a name that would be a catch-all for any manufacturing business that came its way — Texas Engineering and Manufacturing Company, Ltd.

Needed in 1945: an occupant for this 1,200,000-square-foot facility.



1946

A FLYING START

Business was good — and varied — from the start. Fairchild contracted TEMCO to manufacture 200 F-24 personal aircraft in addition to the C-82 assemblies already ordered. There were orders for conversion of military C-47s and C-54s into airliners and C-45s into small executive transports. Customers included Braniff and other airlines in the United States, Norway and South America.

In April, 1946, Globe Aircraft Corporation in Fort Worth contracted TEMCO to build 1,500 Swift personal aircraft. TEMCO added slightly to its leased area and incorporated under Delaware law. Then the company landed a contract to produce 14,000 popcorn vending machines, an order that later was increased to 27,000 units.

By August — only nine months after the company was formed — TEMCO employed 2,500 persons. The company daily was turning out one F-24, 15 Swifts and more than 100 popcorn machines — and additional business was pouring in. There was a new order for C-82 bottom panels, cockpit enclosures and fins. Trans-World Airline awarded TEMCO a million-dollar contract for the modification of 12 military C-54s for passenger use. Thirty aircraft conversions of all types already had been delivered, and there was a backlog of orders for 51 more.

GENERAL PRODUCTS DIVISION

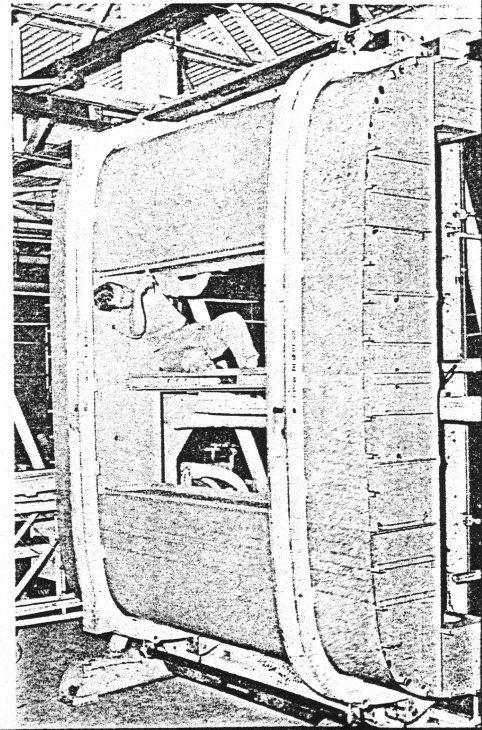
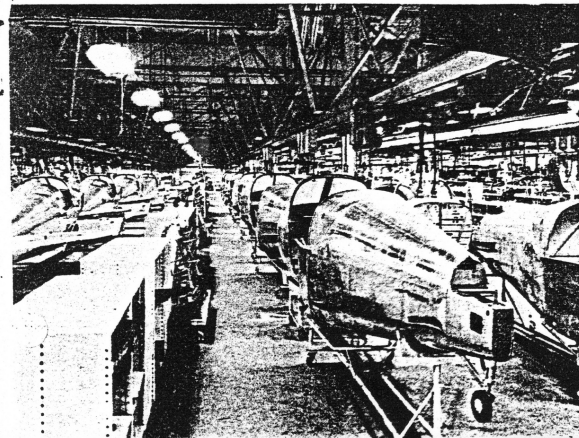
The company organized a General Products Division for handling production of such items as mail boxes, venetian blind clips, metal window frames and vending machines.

By September, 1946, TEMCO was expecting an additional order for 1,000 Swift aircraft from Globe. In October, the year-old organization invited the public to an open house.

Less than two months after the open house, Globe Aircraft Corporation went into bankruptcy. Collapse of its top customer left TEMCO with obligations amounting to about \$1,800,000. The company's large Swift inventory, including 329 Swifts in various stages of completion, was frozen. Suppliers began pressing for money that TEMCO couldn't collect.

In '46, a new order for C-82 bottom panels.

The company turned out 15 Swifts daily.



1947

CRISIS AND COMEBACK

"It was tough trying to operate in those days," a materials man remembered. "All our supplies were shipped in COD, so we worked on a day-by-day basis. Every day, we'd ask production how much material they'd need for the next day's operation. Then we'd draw a check for that amount and go to the freight yard to pick it up."

Metal scrap barrels were combed for usable material, and a payroll was met in January, 1947, by selling all inactive lead and Kirksite dies the company owned to a salvage yard.

CREDITORS COOPERATE

TEMCO officials finally convinced creditors the company could pay off its obligations only by staying in business. An agreement was reached on a system of installment payments to creditors, and TEMCO obtained a substantial bank loan and sold preferred and common stock with which it purchased unencumbered assets of the bankrupt Globe concern.

This purchase gave Swift rights to TEMCO and allowed the company to begin liquidating Swift inventories. TEMCO then established a Swift Sales and Service Department which eventually disposed of the 300-odd Swifts on hand at the time of Globe's failure, plus 200 more which later were manufactured.

New business was brought in to wipe out obligations as speedily as possible. On April 1, officials

announced at the company's first stockholder's meeting that \$1,180,000 of the \$1,800,000 obligation incurred five months before had been liquidated. In addition, the company had a backlog of orders for overhaul or conversion of more than 100 multi-engine aircraft.

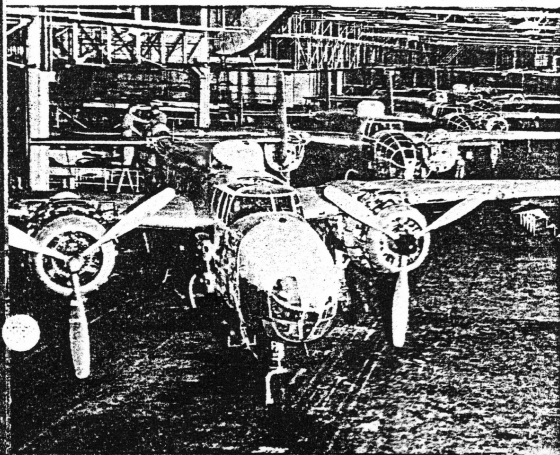
FIRST MILITARY ORDER

The bulk of this backlog was an Air Force order for overhaul of 68 B-25 bombers — the first work TEMCO was to do for a military customer. The company also contracted to convert a C-47 into a luxury airliner for the president of Chile.

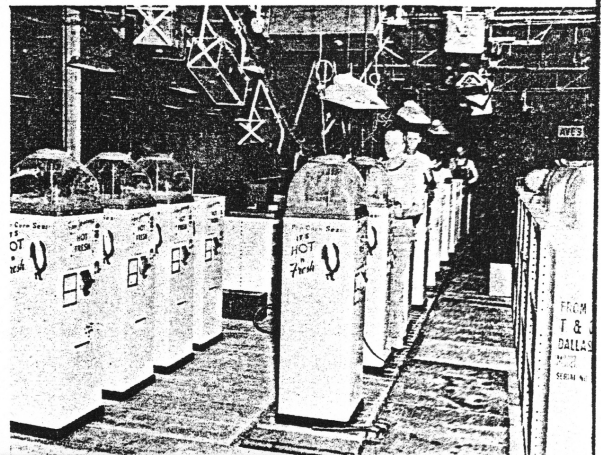
In the general products line, there was at this time an unusually wide variety. Aluminum suitcases, popcorn machines, minnow buckets and a three-seat water bicycle were in production. And in September, TEMCO acquired a \$1,500,000 contract for the manufacture of soft drink dispensing machines and contracts for production of 600 bodies for Coca-Cola trucks.

By December, bank indebtedness was erased, an amount of \$808,199 having been paid to the bank during the year. Accounts payable during the strenuous year had been reduced from \$875,536 to \$101,213. In addition, the Navy, which had assumed control of the Dallas industrial facility from RFC, gave TEMCO a five-year lease on the entire "A" plant.

*TEMCO's first military order:
B-25 overhaul for the Air Force.*



*Popcorn machines were major items
in TEMCO's general products program.*



1948

TEMPELHOF TO TEMCO

Overhaul and conversion work put TEMCO on the list of large-scale military contractors for the first time in 1948.

A large number of aircraft servicing contracts which the company acquired in 1947 carried over to 1948. There were new orders to modify Martin 202s and rehabilitate F-51s and F-47s. Then the Air Force gave TEMCO the first of a series of orders for reconditioning C-54s flying the Berlin Air Lift.

Beginning in June, overhaul for the Air Lift was the hub of company activity. Initial delivery schedules were doubled, then tripled. Before the end of the year, the company was turning out reconditioned C-54s at a rate of 25 a month.

ROUND-THE-CLOCK SCHEDULE

For technicians and supervisors working 'round the clock, a catnap in an aircraft litter or in an office chair often was the only break between one day and the next.

"I hadn't realized how hard we'd been working," a superintendent recalled, "until my wife brought the kids to the office one day. 'They just wanted to see what you look like,' she told me."

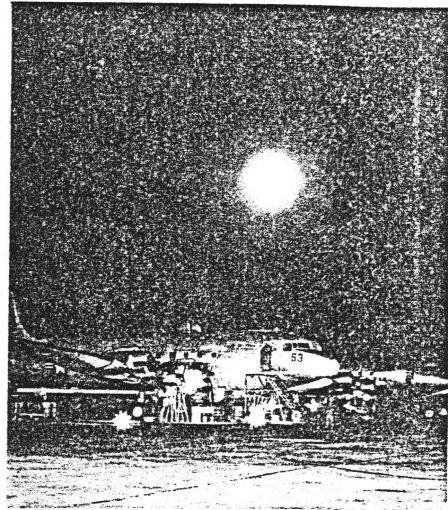
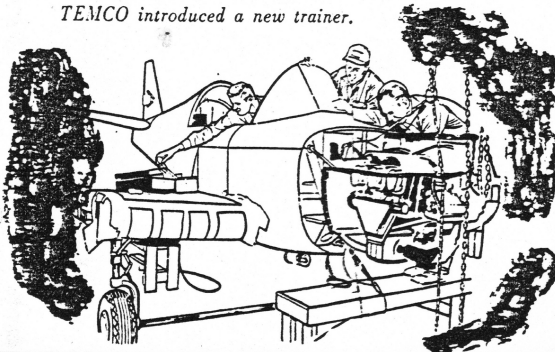
TEMCO heard the story of the Air Lift direct from the crews who were flying it. "It made us feel right in the thick of things," said a mechanic. "We worked like our own food depended on it."

When Air Lift statistics were compiled, it was revealed that TEMCO had reconditioned more than half of the Air Force transports that were processed by non-military organizations.

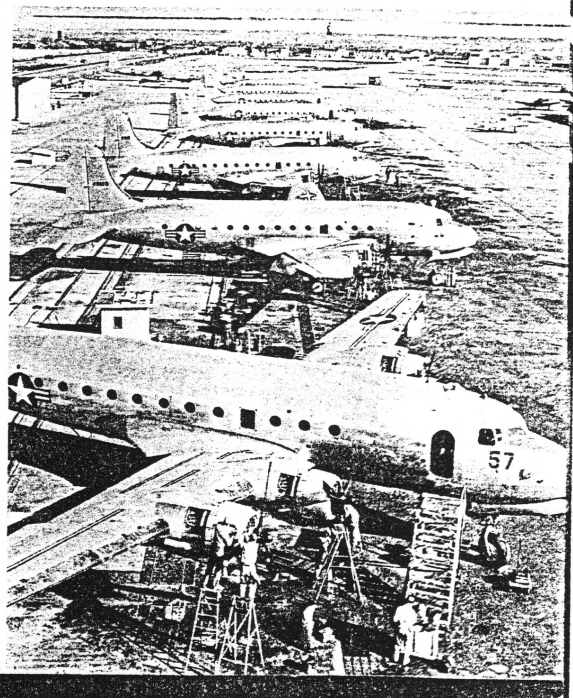
BUCKAROO DEVELOPED

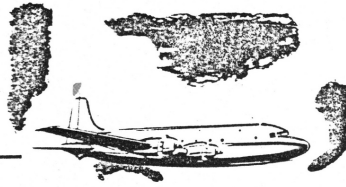
Overhaul and conversion was TEMCO's biggest 1948 business, but the company's introduction that

TEMCO introduced a new trainer.



Working day and night during 1948 and 1949, TEMCO reconditioned Berlin Air Lift C-54s at a peak rate of 25 per month.





First Flight
2/20/53

year of the TE-1A "Buckaroo" military primary trainer had significance of a different sort.

Until development work began on the Buckaroo in 1947, TEMCO's aeronautical engineers worked exclusively on aircraft modification and conversion. Ten engineers constituted the entire department at the beginning of 1947, and these 10 took a two-week leave of absence late in January because of scarcity of work.

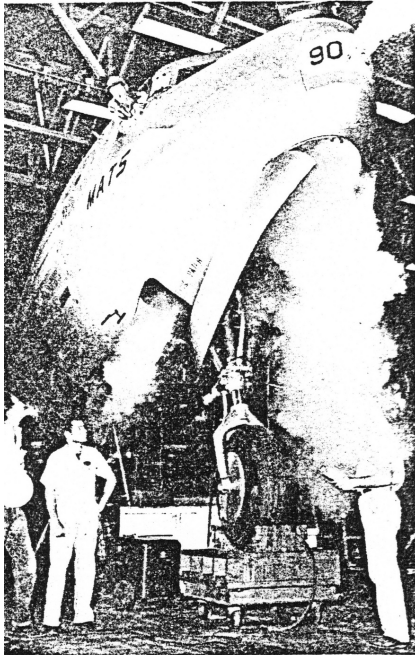
Development of the Buckaroo represented a new emphasis on engineering. It indicated the company's growing interest in the design of complete aircraft and its readiness to undertake military development work at its own expense.

ECONOMICAL TRAINER

Though it served as a springboard for subsequent development work, the Buckaroo was produced only in limited quantities, primarily for the Saudi Arabian Air Force. Developed as an economical flight trainer and armed scout aircraft for small foreign nations, the Buckaroo was making its demonstration debut abroad when hostilities began in Korea. TEMCO sidelined Buckaroo activities to devote full attention to subcontract work on first-line combat aircraft.

The company continued to solicit general product manufacturing business during 1948, and a contract to assemble 2,000 farm tractors was acquired. But general products were beginning to appear out of place in the plant that had become associated around the world with aircraft know-how.

TEMCO technicians took personal interest in Berlin Air Lift success.



Summaries showed TEMCO reconditioned more than half of the Air Lift C-54s processed by non-military organizations.

