Spring to Fall 1949: The months prior to the exodus

The beginning of 1949 brought along a very contradictory situation: On the one hand, the military and economical situation in war-torn China was worse than ever, causing CAT to shift many of its operational bases to other places and even to start removing its main operating base and head office from Shanghai to Canton. By 1 January 49, CAT’s Peiping station was completely evacuated, leaving Chungking, Ninghsia, Kweilin, Hengyang, Nanking, Kweisui, Hankow, Shanghai, Tsingtao, Canton, Liuchow, Kunming, Sian, Lanchow, and Hanchung still operational as CAT bases.¹ The next CAT base to close its doors was Tientsin: On 4 January the Shanghai press noted that “Communist light artillery fire opened up in Tientsin when a CAT C-46 touched down on the Race Course airfield recently. Two missionary ladies disembarked…” On 10 January 49, a CAT plane was the last civil airliner to leave Tientsin, with Captain Plank taking off from the emergency strip at the Race Court. CAT Station Manager Walt Koenig was trapped with the fall of the city and detained for three months. On 15 January, Tientsin and Hsuchow fell to the Communists.² Yet, other cities like Peiping continued to be supplied by CAT even after the airline’s base had been given up: On 16 January 49, the Shanghai press noted that a “CAT plane, engaged in airlifting food to beleaguered Peiping, had a narrow escape from being shot down by a Red anti-aircraft battery, when the plane was readying to land on the Temple of Heaven airstrip on January 12. The pilot counted between 20 and 30 bursts of anti-aircraft shells, but none hit the plane…” And on 21 January, the opening of the emergency landing field on the Temple of Heaven grounds inside besieged Peiping was officially announced by the Chinese military.³ As CAT’s Arthur Fung notes: “Our planes were among the first few to land at the airstrip near the Temple of Heaven at Peiping, and also at the Race Course strip in Tientsin. Capt. Rousselot, our chief pilot, was at the controls of XT-826 hauling in a full load of much-needed supplies to General Fu Tso-Yi at Peiping.”⁴ At the same time, CAT continued its massive transfer from Shanghai to Canton, and so, in early February 49, Whiting Willauer was busy acquiring a CAT “navy”, that is an LST (Landing Ship Tank), on which the engineering shops were to be installed, and on 15 February 49, CAT leased the “Chung 118” – as the LST was called – from China Merchants. The LST had an overall length of 330 feet and a water-line-to-main-deck-height of about 25 feet, with some 12,000 square feet of clear deck space for installation of the various shops such as the Engine Build-up and Propeller shops, Utilities, Carburetor, Hydraulic, Blacksmith, and others. CAT’s LST arrived at Canton on 17 March 49, tying up in the Whampoa area. Also on 15 February, CAT reluctantly began the evacuation of its station at threatened Tsingtao – reluctantly, because the loss of Tsingtao was to be a catastrophe to Marshal Yen and the defenders of Taiyuan. Finally, still on 15 February 49, CAT’s Sian station moved lock, stock, barrel – and even a Company-owned FIAT car – to Chengtu.⁵

¹ Souder, “Highlights in the history of Civil Air Transport”, p.31.
² Souder, “Highlights in the history of Civil Air Transport”, pp.32/3.
³ Souder, “Highlights in the history of Civil Air Transport”, p.33.
On the other hand, in spite of all these negative news, CAT prospered: Although the CAT pay for similar jobs was the same as salaries paid by CNAC and CATC, many employees of both of these airlines as well as of the Chinese Air Force and various government agencies were looking for employment with CAT so that the government inserted a clause in CAT’s new operating agreement that prevented CAT from hiring any employee of those institutions without first obtaining a written release. Charging 30% less for airfreight than the other Chinese airlines, CAT received a lot of business and – of course – protests from CATC and CNAC; but CAT could do that because it was the only of the 3 airlines that was completely solvent and did not depend upon any government subsidies. CAT’s management even authorized a bonus payment of a month’s pay to all employees who had been with CAT.
throughout 1948 and lesser percentages for those with less time.\(^6\) By 1 January 49, CAT made 3 scheduled flights each week:
- Shanghai-Nanking-Hengyang-Kweilin-Liuchow-Canton (every Tuesday)
- Shanghai-Nanking-Sian-Lanchow (every Wednesday) – and
- Canton-Liuchow-Chungking-Lanchow (every Friday).\(^7\)

At the same date, CAT could look back at having flown US$ 650,380 worth of exportable cargo during November and December 48, and at the highest praise received from the defenders of Taiyuan and Hsuchow: Marshal Yen His-shan said that, without CAT, he would have been unable to continue his defense of Taiyuan, and General Tu Li-Ming, commanding the Hsuchow battle area, praised the efficiency of CAT’s airdrop operations: Indeed, the entire CAT fleet – excepting for the 3 scheduled weekly runs mentioned above – was tied up on airdrop operations for Taiyuan and Hsuchow at that time. Between 23 November 48 and 11 January 49, CAT flew 266 roundtrips to Hsuchow, airlifting or airdropping 37,136 troops, 135 tons of ammunition, 1,496 tons of rice and 5 tons of biscuits to that area.\(^8\) As to Taiyuan, between November 48 and January 49, there had been plans to use 10 P-47Ns to be based at Sian, from which CAT pilots should drop napalm around Taiyuan to support Marshal Yen – Project Demonstration –, but when General Chennault asked for at least tacit approval from the U.S. Government, the answer received on 13 January 49 was negative, and so the plan was dropped.\(^9\) But on 11 January 49, at least night drop facilities were instituted at Taiyuan, on 16 February, another contract was signed, according to which CAT was to airdrop 570 additional tons of food at Taiyuan, and on 5 February CAT was asked to make three airdrops daily over Communist-surrounded Taitung. At that time, a mission from CAT’s major base at Tsingtao to Taiyuan meant 6 hours over enemy territory, without alternate landing areas or navigational aids, but with temperatures well below zero, because the drop doors had been removed.\(^10\) On 10 February operations came to a halt, when Tsingtao ran out of gasoline.\(^11\) After CAT had started to close down its Tsingtao station in mid-February, most flights to Taiyuan originated in Shanghai.\(^12\) When CAT had to evacuate its Tsingtao station on 20 Feb.,

Support flights to Taiyuan (TYN), first out of Tsingtao (TAO), then out of Shanghai (SHA), resulting in flying times of up to 18 hours per day (Page from “Doc” Johnson’s log book kindly supplied by his son James on 14 February 2013)

\(^6\) Souder, “Highlights in the history of Civil Air Transport”, pp.31/2.
\(^8\) Souder, “Highlights in the history of Civil Air Transport”, pp.31/2.
\(^9\) Leary, Perilous missions, pp.56-59.
\(^10\) Leary, Perilous missions, p. 59.
\(^11\) Leary, Perilous missions, p. 62.
\(^12\) Souder, “Highlights in the history of Civil Air Transport”, pp.33/4.
this was a terrible blow to Taiyuan. But nevertheless, on 1 March 49, CAT could say that at that time it was exceeding its Taiyuan quota by 40 %. Required by contract to load 6,390 pounds on each flight, CAT was actually delivering – at no extra charge – 8,400 pounds per plane, so that at that date, CAT was 33 1/3 % ahead of schedule on its overall delivery contract.\textsuperscript{13} In the meantime, flying conditions at Taiyuan had become more than hazardous. Nevertheless, the heroic efforts of CAT’s personnel to support the defenders of Taiyuan cannot be praised enough: On 3 March 49, for example, Capt. Randall Richardson put in 21:45 hours of flying time. On 15 March, “a CAT C-46 made a forced landing in Marshal Yen Hsi-shan’s besieged citadel of Taiyuan with one engine frozen. The landing was made on an emergency strip which is well within range of Communist guns. Thirty-six hours later, the plane flew out with two good engines, completing one of the most unusual, and daring feats CAT’s maintenance men have ever been called on to perform. Pilot of the stranded aircraft was Capt. James B. McGovern. Approaching Taiyuan on routine rice-dropping mission, one engine failed and a forced landing made necessary. A few hours later, Capt. John R. Plank, assistant to Northern Area Manager Lu Burridge, arrived over the city on another rice-drop mission. Informed by radio of the grounded plane, Plank landed his own aircraft safely on the same strip. Capt. McGovern and the crews of the two planes took Plank’s aircraft out, while Plank remained behind. When word of the stranded C-46 reached Shanghai, mechanics began

\textsuperscript{13} Souder, “Highlights in the history of Civil Air Transport”, p.35.
the all night task of removing a good engine from another plane. This, together with rice, was loaded on another plane, which took off for Taiyuan with Capt. Norman Schwartz at the controls at 4 A.M. the following day. A few hours later, Schwartz landed in Taiyuan, depositing his cargo (including four mechanics) and picking up a full load of passengers, mail and empty rice sacks for Tsingtao. On the ground, the four mechanics worked steadily and swiftly all day. Marshal Yen had been asked to cooperate by seeing to it that the Communists did not shell the field during the delicate engine-change operation. His cooperation was 100% effective. At 8 P.M. that evening, in record time, the work was done. Plank took off and, a little later, both plane and personnel were safe in Tsingtao. Greatest credit is due to the four mechanics who carried out their hazardous assignment on an absolutely voluntary basis. Because speed was of prime importance, they acted without waiting for official orders.”

However, on 24 April 49, Taiyuan fell to the Communists. The same day, the London Daily Telegraph correspondent praised the months-long efforts of CAT to support the fallen city: “Quite often the crews were flying 18 hours a day, but it doesn’t seem to worry them and I found more of a wartime combat team spirit among them than among any group I’ve met since the end of hostilities.” On 1 May 49, an article published in Transportation about the siege of Taiyuan underlined: “It must be pointed out, however, that CAT transported far more supplies than the other airlines.”

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CAT’s Status of contracts as of 10 January 1949
(in: UTD/Bisson/B5, microfilm reel no.2)

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15 For more details about the last months of Taiyuan see Leary, Perilous missions, pp.54-66.
16 Souder, “Highlights in the history of Civil Air Transport”, pp.40/1.
New business was also waiting: On 3 January 49, the Governor of Ninghsia, and on 4 January, the Governor of Chinghai wrote a letter to General Chennault asking him to establish as soon as possible a light plane service to their provinces in the Northwest. This became possible, after, on 22 January 49, CAA-MOC, in recognition of CAT’s invaluable service to the Chinese nation, had renewed CAT’s operating agreement for another year, at the same time giving permission for expanding CAT’s fleet of owned aircraft from 18 to 23 large planes, and from 3 to 10 light planes. The contract was signed for CAT by Whiting Willauer at Nanking. Two days later, CAA-MOC approved CAT scheduled flights linking Hinghsia-Lanchow-Hanchung-Chengtu-Chungking-Kunming-Haiphong, that is flight no.400. On 22 February 49, Foreign Minister Georges Yeh named CAT to be official carrier for his ministry’s top-secret mail pouches – an indication of the government’s high faith in CAT’s dependability and loyalty. On 25 February 49, the Governors of all 4 Chinese northwest provinces (Kansu, Chinghai, Ninghsia and Sinkiang) asked CAT to start light plane feeder services in their provinces as early as possible, and the following day, Whiting Willauer presented them a plan for big and light plane services into their provinces calling for westbound flights to carry drummed aviation gas to the interior and to carry exportable cargo and passengers on east-bound runs. Feeder networks using 5-passenger Cessna 195s were to carry officials, technicians and surveyors and regular airmail, airlifting vital parts, machinery and currency, and picking up export commodities like musk, furs or herbs.

The new agreement with CAA-MOC finally allowed CAT to increase the number of its aircraft. Three additional C-46s were rebuilt from CAT’s ghost fleet of reserve planes still present at Canton’s Tien Ho airfield. The earliest official fleet list of Civil Air Transport
available, that is the CAT Maintenance Manual of 24 April 50,\(^{22}\) gives them as follows:

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Type</th>
<th>Serial Number</th>
<th>Former Service Number</th>
<th>New Service Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>XT-832</td>
<td>C-46D</td>
<td>msn 32878</td>
<td>ex USAF 44-77756</td>
<td>later to N8418C</td>
</tr>
<tr>
<td>XT-834</td>
<td>C-46D</td>
<td>msn 33132</td>
<td>ex USAF 44-77736</td>
<td>later to N8419C</td>
</tr>
<tr>
<td>XT-836</td>
<td>C-46D</td>
<td>msn 33153</td>
<td>ex USAF 44-77757</td>
<td>later to N8420C</td>
</tr>
</tbody>
</table>

It is evident that the identity of XT-832 refers to 2 different aircraft, as C-46D msn 32878 would be ex USAF 44-77482, while former USAF 44-77756 would be msn 33152.\(^ {23}\) Both aircraft belonged to CAT’s “ghost fleet”, and the CAT Maintenance Manual of 24 April 50 notes for XT-832: “Manufacturer’s data plate missing from airplane. Manufacturer’s serial number obtained from previous CNAC or CAT records and therefore maybe in error.” As the former USAF serial was probably still visible on the aircraft when it was stored at Tien Ho airfield, the correct identity of XT-832 is believed to be msn 33152 ex USAF 44-77756. Apparently, neither the CAA of China nor the US FAA saw the problem, however, and so in official documents, the identity of this aircraft always appears as msn 32878 – see the US documents of January 1950 published below. C-46D’s XT-832 and XT-834 were already rebuilt in September and October 1948\(^ {24}\) – as a replacement for the loss of C-46 XT-822, which had crashed on 29 July 48 –, and XT-832 was reported to have participated in the Shanghai-Hsuchow airlift on 30 November 48.\(^ {25}\) C-46D XT-836, however, was rebuilt only in February 49,\(^ {26}\) but all three of them were painted dark gray with white CAT titles on the fuselage and a white CAT emblem on the stabilizer.

\(^ {22}\) CAT Maintenance Manual of 24 April 50, at: Whiting Willauer Papers, Box 7: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library.

\(^ {23}\) See Davis/Martin/Whittle, *The Curtiss C-46 Commando*.

\(^ {24}\) Leary, Manuscript, p.62, in: UTD/Leary/B18F16.


\(^ {26}\) On 14 April 49, General Chennault wrote to the Foreign Liquidation Commission that 22 of the 25 C-46s once bought for CAT by UNRRA “have now been totally dismantled and sold for salvage. […] Of the other three C-46’s, two have been recommissioned and the third is now in flying condition” (Leary, Manuscript, note 165, in: UTD/LearyB18F16).
1 March 49 saw an expansion of scheduled flight no.400, which, that day flown by Captain Hayes, for the first time ran Kunming-Haiphong-Kunming-Chungking-Chengtu-Hanchung-Lanchow-Ninghsia and then back Ninghsia-Lanchow-Hanchung-Chengtu-Chungking-Kunming-Haiphong. On 6 March 49, CAT began another new regular scheduled run, Flight no. 500, that is Canton-Kweilin-Kweiyang-Chungking-Chengtu, leaving Canton each Sunday. Return trips, known as flight no.501, left Chengtu on Monday, arriving at Canton via the same cities.27 The aircraft used on these early passenger flights were of course cargo aircraft, in which people had to sit down not on seats, but on the floor – parallel to the side of the cabin, with their carry-on luggage between their feet. At the same time, however, CAT started efforts to “plush” its service, as passenger flights became more and more important. CAT’s first aircraft that was “plushed up” as a real passenger aircraft was C-46 XT-810: Once used to transport things like goatskins or industrial machinery, the aircraft was outfitted with 50 comfortable seats by June 1949.28

![Image of early passenger flight](image_url)

(CAT Bulletin, vol. III, no.2, 1 December 49)


Other activities that CAT was engaged in during the months of March and April 49 included VIP flights for the Government of China, Search and Rescue work, more airdrops to beleaguered cities and aerial DDT-ing. On 7 March, CAT flew the scattered members of the Chinese Control Yuan to an important meeting at Nanking. On 30 March, the Governor of Hainan Island selected a chartered CAT plane to travel from Canton to Haikow. On 9 March, a CAT C-46 began a search of the Formosa seas, seeking a lost crane worth US$100,000. During the second half of March 2,000 tons of food were airdropped at Hsin Hsiang north of Kaifeng, and on 14 April 49, a CAT C-47 carried out an aerial DDT-ing of Canton, so that Mayor Lee of Amoy asked CAT to do the same thing to his city. There were also other achievements: On 17 March, CAT’s LST arrived at Canton with CAT pilot Felix Smith aboard as a navigator. On 21 March, a new taxi strip and parking area was put into service for

CAT at Canton’s White Cloud airfield. And on 23 March, Captain Doug Smith and his C-46 XT-810 made CAT’s first night landing at Lanchow. But there was also a loss: On 17 March 49, CAT C-46 XT-814, piloted by Captain Al Davis, crash-landed at Lanchow after losing an engine on take-off. There were no passengers aboard, and the crew suffered only minor injuries, but the plane was demolished. On 10 June 49, a CAT C-47 DDT-ed Canton for the second time. The job was carried out in cooperation with the city government and the ECA (U.S. Economic Cooperation Administration). Six trips were required to dump 5,000 gallons this time, and a third DDT-ing of Canton took place on 1 July. The same day, Dr. Q. T. Chu, Canton health Commissioner, said that CAT’s DDT-ing had already resulted in 50% falling off of typhoid and dysentery compared with the 1948 period.

In April 1949, three new things appeared for the first time in CAT's history: A) CAT listed its northern area of operations as including Shanghai, Tsingtao, Nanking, Hanchung, Lanchow, Hankow, and Ninghsia,\(^{32}\) and on 4 April, President Chennault received a warm welcome in Lanchow, Ninghsia, and Sining, where he talked to the governors of the provinces and even reviewed troops. On 15 April, Ninghsia's airfield was being lengthened by Governor Ma Hung-kwei’s order to allow CAT’s C-46s to land there. But during the same month of April 1949, first Nanking and then Hankow had to be evacuated.\(^{33}\) B) By mid-April, CAT had 10 scheduled flights – nos. 100, 101, 200, 201, 300, 301, 400, 401, 500 and 501 – and as Wuchang airfield, which had been closed for many months for repair, was reopened at that time, flight nos. 100, 101, 200 and 201 stopped over at the Wuhan cities. On 5 April, CAT started to put a flight attendant on all their scheduled flights. C) On 15 April 1949, CAT officially ceased to operate from Tien Ho airfield of Canton, which was the military airfield of the city, and from then on, White Cloud airfield of Canton became CAT’s new operational headquarters. This was right in time, as on 1 May, Hungjiao airfield at Shanghai, CAT’s old operational headquarters whose close down had slowly been prepared since 15 November 48, came under Communist attack. So CAT shifted limited operations to Shanghai’s Lungwha airfield, where Captains Burridge and Green and CAT Treasurer Earle Willoughby lived for some time aboard CAT’s standby plane,\(^{34}\) which was also used as a ticket office. When shortly afterwards, Captain Burridge was named to head a new operational area centering on Amoy, Captain Green remained in charge at Shanghai. At that time, CAT’s former Head Office at 17, The Bund was almost deserted.\(^{35}\) Before Shanghai fell to the Communists on 27 May 49, the Nationalists had already blown up all former CAT buildings at Hungjiao airfield to prevent them from falling into enemy hands.


\(^{33}\) Leary, Manuscript, p.70, in: UTD/Leary/B18F16.

\(^{34}\) This was CAT C-46 XT-46; see Maya Freeman, “Exodus from Shanghai”, in: \textit{CAT Bulletin}, vol. II, no.15, 1 May 1949, p.6.


After the loss of Taiyuan and of most of the northeast of China, CAT was looking for new business in the northwest and in the southeast. By 1 May 49, four out of six US$ 15,000 Cessna 195 aircraft had already arrived at Hong Kong, and two of them were even ready to go...
to work.\textsuperscript{36} These aircraft had already been ordered in November 1948\textsuperscript{37} and were destined to

Cessna 195 XT-885 at Hong Kong 1949, assembled, but not yet painted in CAT’s colors (photo no. 1-DH64-7-PB4 in: UTD/Hickler)

CAT Cessna 195s XT-884 and XT-887 at Canton on 3 May 49 (UTD/Kirkpatrick Slide Box A1, color slides no. 1KP-A1-SC1003 and –SC1004)

augment CAT’s Northwest service and were assembled at Hong Kong within a couple of days, so that on 4 May 49, three CAT Cessnas made an inaugural flight to Sining, where an excited crowd welcomed CAT personnel at the airfield. The following day, two CAT Cessnas made an inaugural visit to Ninghsia, where they were even welcomed by a military parade. On 9 May 49, CAT Captains Felix Smith and Sterling Bemis started aerial service to Sining with the new Cessnas, handing over the first sack of mail to Governor Ma Pu-fang at Lanchow that very same day.\textsuperscript{38} CAT had an agreement with the Governor to buy and ship without interference all Sining wool.

\textsuperscript{37} Leary, \textit{Perilous missions}, p.73.
\textsuperscript{38} Souder, “Highlights in the history of Civil Air Transport”, pp. 41/2; Leary, \textit{Perilous missions}, p.75.
CAT pilots Felix Smith and Sterling Bemis handing over the first sack of mail to Governor Ma Pu-fang at Lanchow on 9 May 1949
(© Felix Smith – with kind permission from Felix Smith)

On 15 May 49, a CAT Cessna 195 piloted by Sterling Bemis made the first Cessna flight from Ninghsia to Lanchow. On that flight, Madame Ma, the Governor’s wife, was a passenger. Other Cessna flights were made in Southeastern China. On 20 May 49, CAT pilot Harry Davis completed the evacuation of a group of English missionaries from Changting in western Fukien Province using an Amoy-based Cessna 195. In June 49, CAT’s Cessna 195 service in-
cluded Sining, Ninghsia, Pingliang, Wuwei, Siaho, Shantau, Tienhsui, Dinyuangning, Shansah, and Lanchow, using 4 of the 6 Cessnas. One Cessna was then operating from Amoy, another one from Taipei. CAT’s Cessnas were also used for inspection flights, like the one on 6 June, when a Cessna was chartered to make a series of inspection flights over the dykes in the Tungting lake area. But soon, CAT lost one of their Cessnas in a fatal crash. On 19 June 1949, an unidentified CAT Cessna 195 was caught in a sudden sandstorm in the Northwest and crashed outside Lanchow, killing pilot Eddie Norwich and 2 Chinese passengers.39

The identities of only four out of CAT’s six Cessna 195s are known from CAT’s Maintenance Manual of 18 May 50 preserved at Princeton University Library.40 They are the ones whose manufacturer’s serial number (msn) is indicated below without a (?):

<table>
<thead>
<tr>
<th>Cessna</th>
<th>msn</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>XT-884</td>
<td>Cessna 195</td>
<td>7296</td>
</tr>
<tr>
<td>XT-885</td>
<td>Cessna 195</td>
<td>7292 (?)</td>
</tr>
<tr>
<td>XT-886</td>
<td>Cessna 195</td>
<td>7297</td>
</tr>
<tr>
<td>XT-887</td>
<td>Cessna 195</td>
<td>7312 (?)</td>
</tr>
<tr>
<td>XT-888</td>
<td>Cessna 195</td>
<td>7314</td>
</tr>
<tr>
<td>XT-889</td>
<td>Cessna 195</td>
<td>7313</td>
</tr>
</tbody>
</table>

Cessna XT-885 appears in the photo above. A photo of XT-887 exists in the National Archives.41 One of these two was the Cessna 195 that crashed on 19 June 49, which is only 6 weeks after its delivery. All of these Cessna 195s were test flown as N11B,42 and the msn’s of the remaining 2 are given as 7292 and 7312.43 The fate of the second Cessna 195 that did not

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40 CAT Maintenance Manual of 18 May 50, at: Whiting Willauer Papers, Box 7: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library.
41 A copy was kindly sent to the author by Clarence Fu on 30 January 2011.
42 XT-888 was also N4392V before N11B and XT-889 was N4391V before N11B (Burnett/Slack/Davis, South-East Asia Civil Aircraft Registers, p.36).
43 Burnett/Slack/Davis, South-East Asia Civil Aircraft Registers, p.22.
survive to 1950 is unknown. It may have been abandoned during the hectic evacuation of Canton on 11 October 49, where CAT lost much equipment, or it may have been broken up for spares.

Yet, in spite of the loss of many Chinese cities that had fallen to the Communists in the meantime, CAT was still quite optimistic: On 15 May 49, fifteen new American crew chiefs started arriving at Canton from the US. On 16 May, CAT opened a training school at Canton, offering the opportunity to Chinese personnel to learn new skills and to increase their incomes. While CAT continued to transport things like medical supplies – on 25 May, ECA (U. S. Economic Cooperation Administration) chartered CAT to airlift 200 tons of them from Canton to Chungking in 10 days –, CAT planes now were often used to transport money to points in the interior: On 15 May, the Chinese Army chartered 30 CAT flights monthly to airlift silver dollars to Tsingtao, Shanghai, Lanchow, Chungking, and Hengyang for troop payments. On 25 May, the Canton Garrison Command chartered a CAT plane to fly payroll cargo to Kanchow. On 1 June 49, a CAT C-46 made a charter flight to Tihwa, Sinkiang, for the Central Bank of China. On 25 August, the Suiyuan Provincial Government signed a contract with CAT to airlift 3 loads of silver dollars from Canton to Paotow. On 6 June, CAT inaugurated a daily service between Canton and Chungking, and all CAT flights scheduled from Canton to inland points doubled in frequency, so that during the first 2 weeks of August, CAT made over 80 Canton-to-Chungking flights. At the same time, in spite of this optimism, CAT began to move their Engineering Shops from Canton to Hong Kong to operate under JAMCO. Already in June 1948, CAT had acquired a 20% participation in JAMCO or Jardine Aircraft Maintenance Company of Hong Kong, and in 1949-50 the JAMCO shops would be crucial for CAT’s survival.

The first shop actually to become waterborne aboard CAT’s CAT LST in Hong Kong


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44 Souder, “Highlights in the history of Civil Air Transport”, p.50; Rosbert (The pictorial history of Civil Air Transport, p.79) notes that the Cessna 195s were taken to Canton, when the Communists overran the north.

45 Already in May 49, CAT’s new Chief Meteorologist John Fogg had made a familiarization flight to northwestern China: “The trip to Tihwa was far beyond the fuel range of the C-46, so a large part of the cargo was 55-gallon drums of gasoline. The pilot, Stu Dew, landed at Wuwei, refueled from the plane’s cargo, and proceeded to Suchou where a second plane, piloted by Doug Smith, delivered additional drummed gas. On to Tihwa via the ancient walled city of Hami, where some of the gas was left for the return trip. The group stayed with the American Consul in Tihwa. […] It was fascinating to be at the end of the line in the far reaches of northwest China on one of the last stops on the old Silk Route from Peking to the Middle East. Arrival back in Lanchow was without incident. That one round trip had covered over twenty-five hundred miles!” (Rosbert, The pictorial history of Civil Air Transport, pp.69+70).

LST was the Machine Shop.⁴⁷ Indeed, much of CAT’s flying now was either for the Chinese military or the Chinese government. On 20 June, CAT airlifted factory machinery, equipment and personnel for the Chinese Air Force from Kunming to Liuchow and Taichung (Island of Formosa). The final evacuation was not made until November and December 49, when CAT carried out 37 flights for the Chinese Air Force, removing their Kunming and Tating (near Kweiyang) aircraft factories to Taichung.⁴⁸ On 1 August 49, CAT signed a contract with the Combined Services Command to airlift 40 tons of arms and ammunition from Chungking to Canton. On 15 August 49, CAT flew large tonnages of uniform cloth for the government from Canton to Lanchow, and on 26 August, the Combined Services Command chartered CAT, CNAC and CATC each to airlift 18 metric tons of ammunition from Chungking to Sining during the next 4 days – CAT was the only airline virtually completing full delivery before the city fell. As to flights for the government, there were, on the one hand, several VIP flights: For example, on 20 June, the Governor of Kansu used a CAT plane to fly from Lanchow to Canton. On the other hand, there were also some “E Mission” flights, that is flights destined to evacuate government personnel. On 8 August, a series of “E Mission” flights started to evacuate government personnel from Canton to Chungking; this series of 3-5 flights daily was completed on 25 August 49. On 27 August, a second series of “E Mission” flights began. And there was even a VIP flight that had nothing to do with the civil war in China: On 13 July 49, the first Panchen Lama in history to fly took to the air at Lanchow, when CAT Captain Bill Wingfield gave the 14-year-old boy a joy ride over Lanchow in CAT C-46 XT-818.⁴⁹

While the military situation in the north and in the northwest of China became more and more critical – on 6 August CAT evacuated its station at Hengyang, moving personnel to Chungking –, CAT prospered in the south: On 1 July 49, CAT opened new stations at Taipei, Tainan, and Swatow, and in early August, the Taiwan Provincial Government asked CAT to establish regular light plane service to the Island of Formosa. In late August, CAT provided frequent service between Amoy, Swatow, and Changting using Cessna 195s, but by 1 September, CAT’s station at Amoy had to be evacuated. As after many months of patient work, CAT was finally able to start their tin airlift from Menglże to Haiphong on 22 June 49, an average of 4 planes per day were kept busy on the Menglże-Haiphong Tin Shuttle in mid-August.⁵⁰

Nevertheless, the end of CAT’s operations in mainland China began in late August 1949.

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Lanchow fell to the Communists on 26 August 49, Sining on 2 September, and Ninghsia on 28 September. CAT was the only airline able to airlift 18 metric tons of ammunition from Chungking to Sining from 26 September onwards before Sining fell, but on 28 August, CAT evacuated Mohammedan Governor Ma Pu-fang and $1.5 million in gold bars from Sining, where he had retreated from Lanchow, and on 1 September, CAT had to make 2 emergency flights to evacuate 70 high officials from Sining, probably including Governor Ma Hung-kwei of Ninghsia and his treasury. The same day, 2 JCRR employees living at Chingtai, 65 miles north of Lanchow, reported that – prior to the fall of Lanchow – they used to commute to work daily using a CAT Cessna service to Lanchow; the roundtrip by air cost 6 silver dollars, by jeep, 12 dollars. Some CAT stations in the southeast had also been evacuated by 1 September 49: Foochow, Amoy, and Hengyang. On 1 September 49, General Hu Lien, commanding the 12th Division, chartered a CAT Cessna 195 for a series of inspection flights – apparently around Quemoy in the southeast. In the meantime, more and more CAT planes visited Hong Kong – 45 landings and take-offs during the last 5 days of August 49, and 135 visits between 1 and 17 September; CAT C-46 XT-828 arriving that day from Liuchow was the 10,000th plane to land at Hong Kong’s Kai Tak airport in 1949. CAT’s flights now concentrated in the south: On 19 September, CAT opened their own booking office at Taipei, and CAT’s Cessna 195s, once serving in the northwest, were now mostly operating on the Island of Formosa. On 24 September, one of them – Cessna 195 XT-889 piloted by E. V. Wong – flew missionary John Muilenburg from Taipei to Amoy with a vial of serum badly-needed to save the life of Muilenburg’s ill son. Muilenburg had procured the serum at Hong Kong, but couldn’t return the way he had come, because in the meantime the Communists had reached the outskirts of Amoy and all shipping companies had cancelled their sailings to Amoy. CAT landed there, although the airfield was under a state of siege. In early November 49, “our operations center around scheduled flight #200, leaving Taipeh every Monday, Wednesday, and Friday for Hongkong, Liuchow and Chungking. These flights return to Taiphe on Tuesday, Thursday and Saturday.” In late September, CAT’s Engineering functions were all in the south – at Kunming for the Tin Shuttle, and at Hong Kong, where JAMCO as well as CAT’s men on the LST did the job. Although most of the northwest was lost, CAT still maintained a shuttle between Chungking and Ninghsia for hard-pressed Governor Ma Hung-kwei, until that city, too, fell to the Communists.

A new blow to the Company came on 11 October 49, when CAT had to begin a very hectic evacuation of their headquarters at Canton. CAT Bulletin reports: “CAT’s original plans, based on early military reports, called for evacuation of Canton during the week of October 17. Then came the Nationalist withdrawal from the key Canton defense point of Kukong on October 9. The Communist flood swept almost unimpeded toward the Kwangtung capital ninety miles away. From there, we shall tell the story of CAT’s departure from Canton as seen through the eyes of our Executive Vice-President, Whiting Willauer, who directed and participated in the operation. By Tuesday, October 11, the situation in Canton was tense. Mr. Willauer, in Hongkong on business, telephoned through the CAT officials in the falling city and it was decided to begin the evacuation the following day. The Canton Story was not a

52 Leary, Perilous missions, p. 80.
54 Souder, “Highlights in the history of Civil Air Transport”, p.49.
new one as evacuations go. With news of CAT’s imminent departure swiftly making the rounds, field coolies and guards immediately ‘struck’ for exorbitant termination pay. Not only did they refuse to work the airplanes, but they also held as hostages Reese Bradburn, CAT Personnel executive, and Arthur Fung, Traffic Director. The Company had no alternative but to accede to their demands. Since insufficient funds in Hongkong currency remained in Canton, it was necessary to secure the money from the Colony. Jim Brennan, CAT finance expert, was permitted to leave in order to get money from Hongkong. Back in the Colony, Mr. Willauer was faced with two problems: first to estimate the amount needed (since the coolies’ demands were changing hourly), and secondly to locate the large sums needed on minutes’ notice. Jim Brennan wished to return to Canton with the money but, due to the menacing attitude of the field coolies, Whitey ordered him to remain in Hongkong. While Jim started to work of rounding up Hongkong dollars in quantities ranging to six figures, Mr. Willauer boarded CAT C-47 805. Since the Colony authorities do not permit airlines to operate their own communications and all public communications facilities were hopelessly jammed, he decided to fly over Canton using aircraft radio facilities to ascertain the exact demands of the coolies. He wisely refrained from actually landing since, had the coolies been able to add him to their bag of hostages, their extortion rate would have climbed astronomically.

A CAT C-46 at Hong Kong in November 49
*(CAT Bulletin, vol.III, no.2, 1 December 49, cover)*

“Having been informed of the amount of money demanded, Mr. Willauer flew back to Hongkong. Meanwhile, pilots of other evacuation planes were reporting new and higher totals. Whitey joined Brennan in the search for funds. By now, it was early afternoon and most of CAT’s key personnel, on stern order from Willauer, had evacuated Canton. Bradburn and Fung remained as hostages. Aside from the fact that they were being closely watched by the coolies, Brad and Art were not anxious to get away until considerable quantities of company equipment, lying behind at the field, could be safely flown away. Meantime, the necessary funds had been obtained from a number of sources, and Willauer set out on his second flight to Canton at 5:30 P.M. By now, in so far as remaining personnel and equipment were concerned, he was forced to work against a rapidly-approaching deadline: the fact that Hongkong’s Kai Tak airfield would close at 7:15. Over Canton, Willauer ordered Bradburn and Fung to get out immediately, regardless of what equipment had to be left behind. Obeying those orders, the pair got away on the last plane with the last group of CAT employees. Over 80 were jammed into the C-46 which reached Hongkong exactly two minutes before the
deadline, or at 7:13 P.M. Later events proved the wisdom of Mr. Willauer’s decision. An hour after the last CATs were safely away, the coolies returned to the field to loot the several truckloads of communications and other equipment which had had to be left behind. When a CAT guard, still loyal to the Company, attempted to stop them, he was shot and killed. Mr. Willauer has pledged his efforts toward contacting the family of that murdered guard in order that they may be duly recognized and recompensed.”

To sum up: A lot of equipment was lost on that occasion, but CAT managed to fly all of their personnel – that is hundreds of refugees – safely to Hong Kong, where Executive Vice-President W. Willauer even found housing for them. CAT now concentrated on flying in the south: On 15 October, they inaugurated an inter-city Cessna service in Taiwan with 2 Cessna 195s, but only one pilot – E. V. Wong – and as Willauer had announced that “as long as there is a non-Communist China in which to fly, CAT intends to devote its entire equipment and personnel to the extent that they are needed to the service of China’s rehabilitation”, the Chinese CAA-MOC extended the CAT licence to operate thru 1950 on 21 October 49.

In December 49, 2 of CAT’s Cessna 195 were keeping up inter-island service on Taiwan, while the other 2 – still at Hong Kong for maintenance – were expected to join them on Taiwan shortly afterwards.

But of CAT C-47 XT-805 was the first aircraft to arrive at Hong Kong with refugees (CAT Bulletin, vol. III, no.1, 15 Nov. 49, p.10)

left: CAT Cessna 195 “Tienshui” being prepared at Hong Kong for the ferry flight to Taiwan, and right: Cessna 195 XT-889 at Hwalien, Taiwan, probably in December 49 (CAT Bulletin, vol. III, no.3, 1 January 50, p.21, and vol. III, no.7, 15 April 50, p.20)

Two views of CAT Cessna 195 XT-884 on Taiwan in late 1949 (CAT Bulletin, vol. III, no.9, 1 July 1950, pp.9 and 25)
course, once CAT had seen days that were much better – as the map below reveals...

(Map reveals extensive routes that have been flown by CAT.)

(CAT Bulletin, vol. III, no.9, 1 July 1950, p.9)
November 1949 to January 1950: exodus and exile

With JAMCO’s maintenance shops available and CAT’s LST anchored at Hong Kong, the British Colony’s Kai Tak airport had become CAT’s new home, after the former Company headquarters at Canton had to be evacuated in October 49. As early as May 49, General Chennault had tried to convince various U.S. Government institutions – the Department of State, the Senate, and their committees – to create an anti-Communist resistance network in the Pacific by sending a military mission to China, whose military advisers would train the Chinese armed forces, and by sending all kinds of logistical support to the Chinese military. But neither the Department of State nor the U.S. Senate were interested. There was, however, still another address General Chennault turned to: the CIA. In early May 49, “General Chennault [...] met with CIA Director Admiral Roscoe Hillenkoetter and others; and a CIA employee, Paul Helliwell, recommended to Frank G. Wisner, Assistant Director of the Office of Policy Coordination (OPC), that contact be established with General Chennault as a possible asset for clandestine operations in China. [...] Chennault met with OPC officials, who were impressed, and on 24 May 1949 a paper bearing Wisner’s signature (drafted by Alfred R. Hussy of OPC), incorporating many of Chennault’s ideas, was transmitted to the State Department as part of a plan to ‘save China’”.60 During the summer and autumn months of 1949, Chennault tried to convince the Agency that it should restrain the extension of Communist power in Asia and offered the use of CAT aircraft for this task, hoping that, in this way, the CIA might subsidize the airline. Finally, after many talks and debates in various US Government committees, the decision was made to use CAT aircraft for CIA operations in Asia: In early October 1949, Alfred T. Cox, selected by the CIA to head the China projects of their Office of Policy Coordination (OPC) division, arrived at Hong Kong, just in time to see the closure of CAT’s base at Canton. On 10 October 1949, CAT began to fly for the OPC supporting projects of covert assistance to anti-Communist elements in China: CAT would give priority to Agency cargo and personnel for one year. On 1 November 1949, CAT and the CIA signed an agreement by which the CIA promised to subsidize CAT by an amount of up to $ 500,000.61 This was the beginning of a long cooperation between CAT and the CIA that was to last until the end of the Company in 1976, when CAT had become Air America since many years.62

60 Declassified summary of material from the History of Air America, from the official “secret” history prepared by the CIA, pp.1-2, in: UTD/Fink/B22F12.
61 “Emmett D. Echols, of the Office of Finance of C.I.A., signed for the United States; Thomas H. Corcoran signed for CAT; Lawrence Houston, General Counsel of C.I.A., approved as to form. [...] This was a general agreement under which C.I.A. agreed to expend up to $500,000 to finance a base for CAT and underwrite deficits incident to execution of hazardous missions directed by C.I.A. In return for the $500,000 [...] CAT agreed to give first priority to carriage of C.I.A.-designated cargoes and persons for one year at rates to be agreed upon” (Declassified summary of material from the History of Air America, from the official “secret” history prepared by the CIA, p. 2, in: UTD/Fink/B22F12).
62 Leary, Perilous missions, pp.66-99; Robbins, Air America, pp.52/3.
A CIA memorandum dated 2 January 1952, in which CIA Inspector General Stuart Hedden describes, how an agreement was reached at Washington on 20 December 51 between CAT (Willauer Trading Corporation, represented by Mr. Corcoran) and the CIA (represented by Messrs. Wolf, Houston, and Hedden) regarding financial claims against each other that were still open at that time, begins with a small summary of CAT’s relations with the CIA: “In the summer of 1949 when General Chennault was in this country, the heads of our then Far Eastern Division, [blank] and Col. Stilwell, sought out the General, and through him met Mr. Corcoran, to see if CAT would be available to help in the support which Agency policy was then giving to Nationalist troops on the Mainland of China. Our men were informed that CAT could do this job but that General Chennault and Mr. Corcoran had decided that it would be necessary to liquidate CAT because so much of its flying territory had been occupied by Communists that it was no longer possible to run the line at a profit. We urged them to hold the airline together because of the potential usefulness to this country of its fleet of planes, its trained pilots and its capabilities from an operational point of view. Col. Stilwell and [blank] report that they got an enthusiastic and cooperative response from General Chennault and Mr. Corcoran and that in their opinion these men were animated primarily by a desire as good Americans to help the country, the Agency and the Chinese Nationalists. Through summer and early fall, they therefore held the airline together although its losses were substantial. On 1 November 1949, an agreement between the Government of the United States and CAT was entered into, signed by [blank] as a contracting officer of the Government and by Mr. Corcoran as agent for CAT. This agreement was negotiated by Col. Stilwell and approved as to legal form by Mr. Houston. It had two purposes: (1) to subsidize CAT by underwriting its operating losses so that it would be available for Government use and (2) To finance the establishment of a new operating base at Sanya Basin on the southern end of Hainan, a site chosen by Government.” So as it seems, Gen. Chennault did not have to push the CIA that much, and the selection of Sanya Base as an alternate base had been made in Washington. The CIA memorandum also states: “It should be noted, however, that at this time CAT was fighting a war. Its principal activity was supporting the retreat of the Nationalist Armies. Its bases, offices and records were being moved from place to place as the battle line retreated. Also, in order to provide essential cover for the Government agents and hide the American participation in the Chinese war, records obviously could not be kept in the usual way.”

What Cox could do in October 49 was to arrange for a shipment of arms and ammunition to General Pai Ch’ung-shi who wanted to establish a defense line in Southwestern China running from Kwelins to Nanning, then to Liuchow peninsula and to nearby Hainan Island. In mid-October, Cox and CIA man Malcolm Rosholt flew two large wicker baskets full of Hong Kong dollars from Hong Kong to Kweilin in a CAT C-46, handing them over to General Pai as a financial support coming from wealthy Americans who felt a great friendship for Free China. Indeed, in October and November 49, Nanning in the very southwest of China, was even the destination of a new scheduled service (no. 700), established by CAT only a couple of weeks before the city fell to the Communists on 5 December 49. But after

63 Memorandum dated 2 January 52, i.e. document no. c05261065 published online on the website of the CIA at http://www.foia.cia.gov/sites/default/files/document_conversions/15/c05261065.pdf.
67 Cox, Civil Air Transport, I, pp.30-35 (paper), at: http://libtreasures.utdallas.edu/xmlui/handle/10735.1/1789
68 For CAT’s Nanning station and scheduled service see CAT Bulletin, vol. III, no.3, 1 January 50, p.20; for the history of Nanning see http://www.international-relations.com/cm4-l/Nanningwb.htm.
Kweilin had fallen on 22 November, Pai moved to Liuchow peninsula and Hainan Island, where CAT established a base at Sanya on the island and began to transfer personnel and equipment from Kunming.\(^{69}\)

\[\text{CAT at Nanning} \]

Kunming – in the meantime – was no longer considered to be secure: As the governor of Yunnan Province was considered to be an opportunist, on 2 September the Chinese Ministry of Communications had issued secret orders to CAT to evacuate Kunming within 48 hours. After CAT had completed the evacuation, the Company received instructions to return on 5 September 49, but nobody believed any longer in the stability of China’s Southwest.\(^{70}\) Indeed, when CAT’s C-47 XT-805 lost an engine on 8 November 49 while en route from Menglze to Haiphong with a load of tin concentrates, the aircraft crashed into the jungle killing Captain Norman R. Jones who stayed in the aircraft until his crew had bailed out. But hostile tribesmen beheaded radio operator K. V. Chin so that only co-pilot M. H. Kung parachuted into safety.\(^{71}\) November 49 brought the evacuation of a lot of CAT stations: On 20 November, CAT evacuated Chinese President Li Tsung-jen from Nanning to Hong Kong in C-46 XT-836. On 24 November, a single CAT plane evacuated the Hanchung office. On 25 November, CAT completed the evacuation of JCRR personnel from Chengtu to Taipei. The same day, Kunming was reduced from CAT Class A to Class C base, when most personnel shifted from Kunming to Sanya on Hainan Island. There were only 3 Class A bases left at that time: Hong Kong, Taipei and Sanya, and the heaviest operations were between Hong Kong and threatened Chungking.\(^{72}\)

As to Sanya, it was completely unprepared and overcharged by the steady flow of aircraft that now staged thru Hainan Island. Malcolm Rosholt, who was at Sanya in December 49, describes the situation there as extremely adventurous: “That removal from Kunming to Sanya was some operation. By gad I thought it was terrific. Guys were working day and night. I did not see how it was handled at the Kunming end but sure got a taste of it in Sanya. On the night of Wednesday, December 7, we were sitting around the small fire pot at the north end of

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\(^{69}\) Leary, Perilous missions, pp.88/9.

\(^{70}\) Leary, Perilous missions, p.80.

\(^{71}\) Souder, “Highlights in the history of Civil Air Transport”, p.50; Leary, Perilous missions, p.91.

\(^{72}\) Souder, “Highlights in the history of Civil Air Transport”, p.51.
the concrete taxi strip and it was already 10:30 and Mervyn Able Growold asked Joe Rosebush how many-in-hell airplanes more were coming in from Kunming that night and Joe said ‘At least five’. And shortly the drone of an airplane could be heard from the west and Asole the police dog let out a big howl and Caribou King said ‘Shutup you dawg, it’s only an airplane’ and pretty soon it came down. [...] Dave Lamphard climbed down from the plane and strolled up to the fire. [...] ‘Rocksalt, whatinhell you doin’ here?’ he roared, and everyone laughed because no one felt sorry for anyone even though he might have been flying through hell and back because that’s the way it is when big events occur which quicken the imaginations, strain the nerves and tax the bodies of men. Next morning, hours before I awoke, Lamphard had taken off for Kunming. And that’s the way it went day after night as one pilot after another walked up to the fire and just as quietly walked away to take off on another flight to Kunming. Men flopped on camp cots in the open or in their airplanes, or under the wings. And all the while one crew of coolies after another works desperately to unload the airplanes. [...] We slept in a group around the tons of gear and impedimenta brought down from Kunming and it was not until the 6th day that tents were finally erected. But luck was on our side. It didn’t rain and the moonlight made night operations a little easier. [...] As we walked down the line to our airplane I noticed a pilot sleeping on a cot under his airplane with his jacket thrown over his face. I couldn’t make out who it was but I wanted to wake him because he was sleeping directly under the starboard cowling and the oil was dripping on his jacket, dripping…dripping…dripping…”

CAT at Sanya in December 49
(all pictures from CAT Bulletin, vol. III, no.4, 15 January 50)

During the final days of Chungking in late November, CAT was the only airline left for

evacuation and so had to charter additional planes from POAS, Hongkong Airways and CPA. Chungking was evacuated at the very last minute on 29 November before the city fell to the Communists on 30 November, and the last three planes out were CAT C-46s XT-814, XT-828 and XT-52 with Captains Henninger, Johnson and Doug Smith at the controls. Bill Severt, in charge of the evacuation of that CAT station, reports: “E-Day for Chungking was November 29. I think there were about 25 of us to get out that last day. Among others, our Chungking personnel included Bill Murray of Engineering, Chang Cheng, our base manager, and K. T. Tseu, business manager. XT-814 and Capt. Doug Smith were designated to act as our evacuation link, with plans calling for our move to be made to Chengtu: an hour’s flying time northwest of Chungking. In addition to 814, XT-828 and XT-52 also were in Chungking that day. George Henninger and M. D. Johnson were the pilots. Although we had known for several days that Chungking could not last very much longer, that afternoon of the 29th we had no idea the end was to come so soon. In fact, the worst part of the old evacuation story, aside from cold and fatigue and sometimes downright misery, was the continual uncertainty. Our information on military events was invariably contradictory and just as invariably incorrect. It was a Colonel Yang of the CAF who told me during the afternoon that we should plan to vacate Peishiyi by nightfall. Peishiyi, a wartime 14th Air Force field, lies across a range of hills from Chungking and was the airfield CAT always used. Fortunately, we’d already gotten out 3 full plane loads – 15 tons – of CAT equipment. When the final plane left, only two beaten-up jeeps and a generator remained behind. During the afternoon, car after car of high officials appeared at the field. A number of Chinese Air Force planes took off loaded to the gunwales. The Generalissimo’s plane was still on the field, as were around a dozen CAF transports. None of us had had any rest for 48 hours but we had to work harder than ever that afternoon. Before nightfall we had our three planes all loaded up and ready to go at the drop of a hat. As we were working we saw a terrific flash, followed by a big explosion, on the mountains between us and the city. We were told that the Communists had blown up a tunnel on the road between Peishiyi and Chungking, their hope thereby to trap the Generalissimo in the city. The Gimo however was staying at a place on the Peishiyi side of the tunnel, so the Red maneuver didn’t work. Finally night fell. It was pitch dark and the damp cold of a Chungking winter was more penetrating than ever. Off over the hills we saw the frequent flash of guns and heard the rattle of fire. Then, at 8:30 P.M., we saw a whole stream of vehicles pouring onto the field from across the runway. It was the final exodus and we had a new worry: that the last-minute flood of refugees might try to rush our planes. It was our signal to get going. The only reason we hadn’t left before this was because we still had no certain information that Peishiyi would not hold a day or two more. There were still two planeloads of Nationalists silver dollars on the field and we were hoping to be able to get a couple of

74 “Following the defection of CNAC and CATC, CAT found its fleet inadequate to cope with Nationalist China’s tremendous demand for airlift. To help ease the jam, CAT chartered two four-engined C-54s, one the property of POAS, the other CPA. Additionally, CAT chartered 2 C-47s from Hongkong Airways and another from Air Carriers Ltd. Flight crews are supplied by the owners, with CAT providing all ground facilities, navigation aids, etc…” (Dave Hickler, “Kuming reduced to Class C Base”, in: CAT Bulletin, vol. III, no.3, 1 January 50, p.2). The identities of these aircraft may only be guessed, but POAS (Pacific Overseas Airways Siam) had C-54 HS-PC204 (msn 18368), CPA (Cathay Pacific Airways) had C-54 VR-HEU (msn 10310), Hongkong Airways had C-47s VR-HDN (msn 12019), VR-HDO (msn 11907), and VR-HDP (msn 11921), and Air Carriers Ltd had C-47s VR-HES (msn 11780) and VR-HET (msn 19895) at that time (see: Burnett/Slack/Davis, South-East Asia Civil Aircraft Registers, passim, and Steve Darke, Civil Aircraft Register of Thailand, at: http://www.thai-aviation.net/registra4-PAA-SZZ.htm ).

75 This was not the original XT-814 (msn 22347), which had been destroyed on 17 March 49, but C-46 XT-814 (no.2), one of 5 C-46s acquired from CNAC in November 49, whose identity is given as ex 43-47356 (making it msn 427), which after USAF service became “131”, then XT-T41, and then XT-138 with CNAC; after XT-814 (no.2), it became N8372C with CAT in January 1950 (CAT Maintenance Manual of 18 May 50, at: Whiting Willauer Papers, Box 7: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library).
planes in to take the dollars out. We shut down the radio station in jig time, loaded the final items of gear aboard, then climbed on ourselves. Among our passengers was Spencer Moosa, Associated Press correspondent who had done an excellent job of covering Chungking’s final days. The three CAT planes took off at 9:15 P.M., one right after the other. The city, that is the airfield, fell just twelve hours later. The Generalissimo didn’t get out, we heard, until 4 the next morning. An hour after take-off, Doug Smith put us down in Chengtu.”

James Johnson, son of “Doc” Johnson, notes from this father’s log book: “My father was flying XT-52, and just looking at the logbook for the last 2 days in Chungking, he made 12 flight cycles in and out of Chungking for those 2 days. His logbook shows on 28NOV1949, he flew 5 flight cycles HKG-CKG-CTU-HKG-CTU-CKG. On 29NOV1949, 7 flight cycles CKG-CTU-CKG-CTU-CKG-CTU, ending in Chengtu.”

But Chengtu did not survive for a long time: On 9 December, CAT made 13 evacuation flights to Chengtu, on 10 December CAT’s station had to be evacuated by CAT C-46 XT-828 with Captain Doug Smith at the controls. Bill Severt, who was at Chengtu at that time, reports: “We arrived in Chengtu on the night of November 29. We evacuated the city on the morning of December 10. In between we were operating a busy station. Besides 13 Government ‘B’ missions, CAT carried out 3 evacuation flights for the Central Bank of China and 4 flights of our own. During the last three days we lived at the airfield and put in another 48-hour stretch without sleep. Everything was quite orderly up until the 6th. That morning a bunch of military police came over to our area and started rolling away our precious drums of avi-gas. That gas was vital to us if we were to continue our evacuation flights on behalf of the various government agencies. Fortunately Gen. Chien who is, I believe, Vice-Minister of Defense, was at the field at the time and, with his help, we managed to stop the MPs from stealing any more gas. Apparently about this time large groups of soldiers decided that, if their government wouldn’t evacuate them, they’d evacuate themselves. They commandeered trucks and cars wherever these could be found and relied on gas stocks such as ours to provide the fuel for their contemplated journeys. Although the MPs let our gas alone for the moment, they then immediately seized one of our trucks. Our driver was lucky he wasn’t commandeered too. The MPs had in mind a drive to Sichang. Meantime, in downtown Chengtu, our station manager, P. K. Yuan, was having his troubles, too. A group of Marshal Yen’s guards grabbed his CAT truck out from under his nose and, only after long argument were they prevailed upon to turn P. K. loose. There were no further incidents during the morning and afternoon. But that night a truckload of soldiers drove up and promptly helped themselves to 30 drums of gasoline. Gen. Liu who was the government’s liaison man for our ‘E’ flights was powerless to stop them. That was our cue to get going again. At the time, 5 of our planes were on the ground in Chengtu. There was XT-810, XT-828, XT-836, XT-824 and XT-802. Pilots standing by included Norm Schwartz, George Henninger, ‘Pappy’ Hayes, Doug Smith and George Kelley. We loaded up four of the planes and dispatched them that night. Again Doug Smith stayed behind, with 828, to pilot the last flight out. During the night, a very agitated General Liu asked me to divert our final flight to Hsinching, 45 kilometers southwest of Chengtu. He wanted to go there. I said it might be arranged if he could guarantee some place for us there. He couldn’t guarantee anything so we had to disappoint him. But we did get him aboard 810 just before it left, so the General reached safety if not Hsinching. Marshal Yen was another to leave Chengtu that day, the Gimo following the next day. Hu Tsung-nan was about the only V.I.P. left, I guess. At dawn we broke down the radio station and took off at 7:15. All CATs – a total of 19 – came out on that direct flight to Hongkong. In addition to the personnel, we had a full load of CAT equipment. Left behind were 7 trucks, 2

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77 E-mail dated 5 September 2012, kindly sent to the author by James Johnson.
78 Souder, “Highlights in the history of Civil Air Transport”, pp.51/2; Leary, Perilous missions, pp.89/90.
busses, 1 generator, a small safe, some flare pots and a few other minor odds and ends. Speaking of evacuations, I might add here for the record that CAT evacuated its Hanchung station to Chengtu on November 24. It required just one plane with Capt. Johnson, I believe, at the controls of same. There were no mishaps, and no accidents.”

But there was still one more occasion for CAT to fly to Chengtu, because on 12 December 49, CAT evacuated government officials from Chengtu to Taipei using a C-54 chartered from POAS.

And there were more Communist forces than that in the area: When CAT C-46 XT-812 had to make an emergency landing on Liuchow peninsula on 5 December 49, there were no injuries thanks to the skill of Captain James B. McGovern, but Communist soldiers captured the entire crew. At the end, Kunming also fell to the Communists: In the early morning of 10 December, defecting provincial soldiers occupied Kunming’s airfield trapping 4 of CAT’s C-46s and their crews. But after General Chennault had telegraphed to Governor Lu Han, the aircraft were released, and the last of them – C-46 XT-54 piloted by Captains Green and Buol – picked up US Vice-Consul LaRue R. Lutkins and his staff plus USIS official Clyde Knowlson. Captain Var M. Green told CAT Bulletin the following story: “Still there was no hint of any real trouble that evening of December 9th when Bob Buol (Chief of Operations), and I set out to attend a dinner party being given by Governor Lu Han. […] Some weeks before, in seeking CAT’s continued air service for his communications-poor province, the Governor had faithfully promised General Chennault that, should real trouble ever be in the offing, he would personally undertake to see that CAT personnel and equipment would be allowed to leave and given ample warning. Lu Han had many times proven himself a man who kept his word. […] So, as we left the party, everything looked fine. All CAT’s heavy equipment and most of our personnel had already been evacuated; only odds and ends of turn-around stuff remained. About two planeloads was my figuring.

Vice-Consul Lutkins (facing the camera) and Clyde Knowlson after landing at Hong Kong (CAT Bulletin, vol. III, no.4, 15 January 50, English cover)

80 Souder, “Highlights in the history of Civil Air Transport”, p.52.
81 Souder, “Highlights in the history of Civil Air Transport”, p.52; Leary, Perilous missions, p.91, gives the date as 5 December 49.
“Well, lightning struck at midnight. We got back to the airfield to find that soldiers had taken over the airfield. To signify that they belonged to the defectionist elements, they altered their uniforms by the simple expedient of wearing their caps inside out. These airfield troops stubbornly refused to clear any aircraft for departure. They told us our curfew passes were invalid and confined all of us in the operations compound. […] Quite a gang of CAT’s American personnel were held prisoner at the field that night. I may forget some names, but I do recall Marsh, Bigony, Sturgess, Stone, Kaffenberger, Fogg, Buol, Dexheimer and Aubry. Jim Boring and Jim Berry were in town and we worried about them, too. And late that evening our numbers were added to when a POAS C-54, under charter to CAT and co-piloted by CAT Capt. Stu Dew, came in. At this point there were 14 aircraft sitting on the ground: 9 CAF C-46s, 1 TAA C-47, the POAS DC-4 and 3 CAT aircraft (XT-801, XT-826 and XT-54). Kaffenberger had brought 801 in that afternoon having completed evacuation of all CAT personnel and equipment at Sichang (CAT’s westernmost base, in the province of Sikang). Both 801 and 54 needed gassing before any possible departure for Hongkong.

“At around 6 A.M., for reasons I still can’t figure out, all the guards suddenly disappeared. At the time we figured they’d finally received orders from Lu Han and were going to leave us alone. And, believe me, we wasted no time. 57 of our Chinese personnel made a bee-line for the C-54. Bigony boarded 826, Kaffenberger 801 and Dexheimer 54. Meanwhile Marsh worked at getting the refueller started so that planes needing it could be gassed up. Soon the roar of engines shattered the peace of Kunming’s cold night air. Kaff had 801’s props spinning and so did Big in 826. Big’s windshield had a big crusting of ice and frost so, as the engines idled, he turned on his cockpit heater to melt it off. Meantime, the DC-4 had rolled out onto the runway and, gathering speed, taken off. About this time, Big got his first glimpse out the window of 826 as the ice melted from a section on the co-pilot’s side. Said he: ‘That sight was quite a shock. Running toward us with guns aimed and pointed were a whole group of soldiers. Walking ahead of them was Bill Sturgess and his hands were really reaching the sky!’ Big noted that Kaff had already shut off 801’s engines and he followed suit in a hurry. What Big hadn’t known there in his iced-in cockpit was that, as soon as all the engines started up, the guards started back on the run. […] Big says now he’s glad he shut off the engines and didn’t try making a run for it, for he was heavyloaded, and his wings were still badly iced-up. Well, the POAS plane was gone anyway. […] Our guards were plenty burned about the POAS job getting away. Now we weren’t even allowed in the compound, but had to stay within the confines of a small room. And just to make doubly sure we didn’t try again they began de-gassing the remaining planes. All this happened at about 6:30 in the morning.

The South China Morning Post of 11 December 49 gives the identity of this C-54 as HS-PC204 (Clipping in: Whiting Willauer Papers, Box 5: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library).
“By 8:40 A.M. our night guards were replaced by a new bunch. I finally managed to see their commander. His attitude was a big improvement; he told me that Governor Lu was going to keep his promise and that we were to be allowed to go. The night guards having degassed our planes gave us the No.1 job of gassing ‘em up again. This we did and Bigony, Dexheimer, Marsh and Stone got away in 826 for Hongkong without further incident at noon. Kaffenberger, bound for Sanya in 801, followed an hour later. We still had a couple of problems to solve before clearing off in 54. Boring and Berry were still in town and further, we had promised to take U.S. consular personnel out with us. […] Finally we were all together and ready to go. Although CAT planes had been cleared, the CAF C-46s were still being held and we had a good idea some of their crews would try to sneak aboard our ship. Sure enough, just before take-off, we looked into the baggage hold and hauled out 7 of them. What we didn’t know was that there were still 8 more stowed away in the belly! Well, they got their free ride to Hainan. I’d hate to guess how much weight we grossed on that last takeoff from 6,200-foot Kunming. I don’t think we had much over 100 feet of runway left when ol’ 54 finally dragged herself into the air. But the trip to Sanya passed uneventfully and we landed in Hainan at 1:30 A.M., coming on to Hongkong later that same day. […] Not one CAT or member of a CAT family who wanted to leave Kunming was left behind. I should know. I was there.”

To house the flood of CAT families coming to Hong Kong from Kunming, CAT chartered a ship, the *Yen Men*, for use as a floating hotel, where every square-inch was filled up by CAT’s refugees. Plans called for most of these people to go to Sanya in southern Hainan Island, CAT’s new Class A Base.84

Also on 10 December 49, Captain Randall Richardson evacuated all CAT personnel from Mengtze.85 Capt. Var Green reports: “Mengtze lies in the rich tin-mining southern region of Yunnan. For months, CAT airlifted tin concentrates and bars from here to the port of Haiphong, French Indo-China. Mengtze was evacuated on the same day as Kunming: Saturday, December 10th. It probably enjoys the dubious distinction of being the last Chinese mainland city so evacuated. At that, we were lucky everything and everyone got out OK. The defectionist leaders in Kunming had telephoned to the commander of the 26th Army, which was garrisoning Mengtze, telling him to impound all equipment still at the airfield and to prevent any further outbound flights from occurring. But the commander was only human. Among the people to be evacuated on the CAT plane were members of his own family. He just sort of forgot he’d ever received that call. Without incident of any kind, Capt. Randall Richardson flew in from Sanya, gathered up all of our exclusively Chinese personnel and

various equipment, then returned to Sanya.\textsuperscript{86} Whenever a CAT plane definitely left a Mainland China airport, it was normally mobbed by Chinese who wanted to get aboard in order to leave the country before a Communist takeover.\textsuperscript{87}

The fleets of CNAC and CATC at Hong Kong in November 1949
\textit{(CAT Bulletin}, vol. III, no.3, 1 January 50, p.22)

Already on 10 November 1949, the general managers of China National Aviation Corp. (CNAC) and Central Air Transport Corp. (CATC), two airlines that had been based at Hong Kong since about May 1949, had defected to Peking with 12 fully manned aircraft,\textsuperscript{88} leaving behind at Hong Kong 71 transport planes – Convair 240s, DC-4s, C-46s, and C-47s. Communist authorities promptly claimed the aircraft as the “sacred property” of the Chinese People’s Republic. A byproduct of this defection was that the “St. Paul”, the C-47 (msn 19932) owned by the Lutheran World Mission, which had formerly flown in the colors of CATC as XT-543 under charter as a CATC aircraft, was transferred to CAT, so that beginning on 10 November 49, the aircraft flew under CAT registration as XT-811 and in CAT colors.\textsuperscript{89} As a Communist take-over of the former CNAC and CATC aircraft would give

\textbf{NEWEST “ADDITION” TO CAT FLEET: The “St. Paul” owned by the Lutheran World Mission and now operated under the CAT flag.}

\textbf{CAT / Lutheran World Mission C-47 XT-811 at Hong Kong in November 49}
\textit{(CAT Bulletin}, vol. III, no.3, 1 January 50, p.25)

them a large transport capacity enabling them to assault Taiwan and, so, could place the final resistance of Chiang Kai-shek on Taiwan in great danger, Willauer flew to Taipei on 10

\textsuperscript{87} Leary, \textit{Perilous missions}, pp.10-66; Robbins, \textit{Air America}, pp.42-52.
\textsuperscript{88} Souder, “Highlights in the history of Civil Air Transport”, p.50; Leary, \textit{Perilous missions}, p.91.
\textsuperscript{89} Springweiler, \textit{Pioneer aviation in China}, pp.185/6.
November, obtaining from Chiang Kai-shek that CAT could act as agent for the Nationalist government with full authority to take any action necessary to forestall Communist take-over of the transport aircraft and, as it was hoped, to deliver them to Taiwan. On 13 November 1949, Col. C.C. Tso, Director of the Nationalist Civil Aeronautics Administration-MOC in Taiwan, informed the Director of Civil Aviation at Hong Kong that they had cancelled the pilot licenses of all CNAC and CATC pilots and had suspended the registration certificates of all CATC and CNAC aircraft – with the exception of C-47 XT-543, which was owned by the Lutheran World Mission.

CAA-MOC, Taiwan telex dated 13 November 49, sent to the DCA, Hong Kong (copy of the document, in: Proceedings of the Supreme Court of Hong Kong, p.253, in: UTD/Bisson/B5, microfilm reel no.5)

But not all of CNAC’s aircraft were at Hong Kong or in Communist hands, when the Communists took over the country: 5 C-46s happened to be somewhere else, and a letter by the MOC, Chungking dated 23 November 1949, was understood by CAT as “turning over CNAC planes then in the hands of Free China, to Civil Air Transport”. They were:

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>MSN</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-46F XT-132</td>
<td>msn 22451 (formerly 44-78628, then “134”, then XT-T15)</td>
</tr>
<tr>
<td>C-46F XT-134</td>
<td>msn 22449 (formerly 44-78626, then “125”, then XT-T16)</td>
</tr>
<tr>
<td>C-46A XT-138</td>
<td>msn 427 (formerly 43-47356, then “131”, then XT-T41)</td>
</tr>
</tbody>
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90 Leary, Perilous missions, p.92.
92 CAT Maintenance Manual of 18 May 50, at: Whiting Willauer Papers, Box 7: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library.
93 Msn officially given as “2558-CU”.
94 Msn officially given as “347356”.
Apparently, the 3 C-46s that CNAC had leased from the CAA-MOC since May 48, had also escaped to “Free China” and were also handed over to CAT in November 49. They were.\textsuperscript{95}

| C-46D | XT-156 | msn 33372 (formerly 44-77976) and |
| C-46D | XT-158 | msn 32950 (formerly 44-77554) |
| C-46F | XT-30  | msn 22379 (formerly 44-78556) |
| C-46F | XT-36  | msn 22465 (formerly 44-78642) |
| C-46F | XT-38  | msn 22500 (formerly 44-78677) |

Letter dated 23 November 49, by which the MOC of China assigned 7 former CNAC aircraft to “use by CAT”

(in: UTD/Bisson/B5, microfilm reel no. 2)

\textsuperscript{95} CAT Maintenance Manual of 18 May 50, at: Whiting Willauer Papers, Box 7: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library.
For 7 of these 8 aircraft, CAT describes the circumstances as follows: “With defection to the Communists of CNAC, the Nationalist authorities have turned over to CAT for our operations 7 CAA-owned aircraft previously operated by CNAC. One’s a ‘plush-job’. All are C-46s. One was picked up at Chungking, another at Kunming and five at Taipeh.” The 3 new C-46s marked above with a ▲ even received new Chinese registrations when they were repainted in dark gray CAT colors in late November 49. These new registrations were:

- C-46A XT-138 (msn 427) became XT-814 (no.2)
- C-46D XT-158 (msn 32950) became XT-822 (no.2)
- C-46F XT-36 (msn 22465) became XT-56

On 16 November, CAT personnel guarded and immobilized the aircraft at Hong Kong airport by letting all the air out of the tires to prevent removal. But the local authorities at Hong Kong removed the CAT guards on 17 November and were prepared to hand over the aircraft to the People’s Republic, as soon as Great Britain officially recognized the Red Chinese government. Now, the only way to save the aircraft was to transfer them to US ownership. With the help of CIA man Alfred Cox it came out the US Government favored the idea, but did not want the USA to be involved. So, CAT’s Washington assistant Thomas Corcoran put together a very complicated organizational structure that was to look for the US Government like a private Panamanian enterprise and that was to look for the Hong Kong authorities like a US American owner: “At the top of the table of organization stood C.A.T., S.A., incorporated under liberal Panamanian laws that afforded tax, secrecy, and other desirable benefits. Civil Air Transport, Inc. (CATI) was then incorporated under Delaware laws to act as C.A.T., S.A.’s nominee in the legal battle to follow. Because ownership of the disputed aircraft must appear American, the relationship between C.A.T., S.A. and CATI was kept secret.” Then negotiations began with the Nationalist Government on Taiwan, who insisted on a purchase price (on paper) equal to the fair value so that on 5 December 49, Chennault and Willauer offered the Minister of Communications to pay US $ 1,500,000 for

96 By Western Union Telegram dated 7 January 50 (kindly submitted to the author by Martin Best on 3 July 2009), CNAC claimed ownership of 7 of these C-46s: XT-30, XT-36, XT-38, XT-132, XT-134, and XT-158. The 8th aircraft – XT-156 – may have been seized later.
98 CAT Maintenance Manual of 18 May 50, at: Whiting Willauer Papers, Box 7: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library.
99 Leary, Perilous missions, p.92.
100 Leary, Perilous missions, p.94.
the CATC assets and US $ 2,000,000 for the CNAC assets. On 12 December 49, the Executive Yuan of China at Taipei accepted that offer and transferred the titles of the aircraft to the Chennault / Willauer partnership, so that on 12 December 1949, the Chennault / Willauer partnership acquired the entire fleets of CATC and CNAC from the Nationalist government in Taiwan. But there was one more obstacle: The Chinese Government had owned only 80 % of CNAC, the remaining 20 % of CNAC belonged to Pan American Airways, whose vice-president William L. Bond had little desire to cooperate with Chennault and Willauer. But with a little pressure from the US Department of State, on 19 December 49 he agreed to sell Pan American’s interest in CNAC for US $ 1,250,000 to the Nationalist Government, who passed the debt on to Willauer and Chennault. “As a result, Willauer signed – on behalf of Chennault and himself – personal promissory notes for $ 4.75 million. Although the notes were later made the obligation of a corporation, ‘that was a pretty scary time for me,’ Willauer recalled, ‘because I didn’t have $ 4,750,000.’”

With nowhere else to go, CAT moved its base to Taipei on 16 December. This was only the center for flight operations, with dispatching weather, and chief pilot’s offices at Sungshan airport. CAT’s other offices remained at Hong Kong until mid-April 1950. On 19 December 1949, General Chennault and Whiting Willauer, in their capacity of private individuals, that is the Chennault / Willauer Partnership, reregistered all former CATC and CNAC aircraft to Civil Air Transport, Inc. (CATI), 317-325 South State St., Dover, Delaware.

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101 Chennault / Willauer, Letter dated 5 December 49 to the MOC, copy in: Proceedings of the Supreme Court of Hong Kong, pp.232-34, in: UTD/Bisson/B5, microfilm reel no.5.
102 Leary, Perilous missions, p.95, who quotes Willauer from a taped memoir of 1 December 1960.
103 South China Morning Post of 16 December 49 (Clipping in: Whiting Willauer Papers, Box 5: Public Policy Papers, Dept. of Rare Books and Special Collections, Princeton University Library) reports: “The Civil Air Transport, under the management of Major-General Claire Chennault, attempted to send all of its 16 aircraft at Kai Tak to Taiwan yesterday. However, as flying hands were short, only eight of them eventually left for Taiwan. It was later learned that the remaining eight would be flown out to-day.”
104 Leary, Perilous missions, p.100.
Bill of Sale dated 19 December 49, by which the fleets of CATC and CNAC were transferred from the Chennault/Willauer Partnership to CATI

(coppy of the document, in: Proceedings of the Supreme Court of Hong Kong, pp.245-47, in: UTD/Bisson/B5, microfilm reel no.5)

“Within hours, the CAA waived airworthiness inspection requirements and granted American registration to the aircraft in Hong Kong.” Aircraft registered between N8300C and N8342C were former CATC aircraft, while aircraft registered between N8343C and N8387C as well as N8389C and N8392C were former CNAC aircraft. But not all of the aircraft listed in this document were at Hong Kong’s Kai Tak airport in late 1949. The list also includes aircraft known to have defected to the Communists in November 49 like former CATC Convair 240 XT-610 (given here as Convair N8305C) or former CATC C-47 XT-525 (given here as Douglas N8333C). The list also includes the five former CNAC C-46s that had gone to CAT in November 49 (given here as N8369C, N8370C, N8372C, N8379C, and N8380C), the 3 CAA-MOC owned C-46s formerly operated by CNAC (given here as N8388C, N8390C, and N8391C), a C-47 that seems to be a C-54107, plus some 15 aircraft that were never heard of again – apparently including the other aircraft that had defected to the Communists.

Front-page headlines on 19 December 49 often quoted the story filed by Art Goul for United Press. This text is also quoted by CAT Bulletin in its article “Chennault, Willauer buy CNAC, CATC Assets”.108 “Major General Claire L. Chennault (CAT President) and Whiting Willauer (CAT Executive Vice-President), in their capacity of private individuals, have purchased the Chinese government’s interest in CNAC and CATC planes, equipment and other operational properties, and have served notice on the United States, British and Hongkong authorities that they expect protection and the release of planes now grounded at Kai Tak. The United Press learned that the Nationalist government has notified the State

106 Leary, Perilous missions, p.96.
107 N8351C is given as msn 10699, which would make it a C-54 ex USAF 42-72594, but this was later corrected: “The Application for Registration form for N8351C dated Dec. 19, 1949, signed by Thomas G Corcoran, refers to ‘Make: Douglas, Serial No. 10699’, whereas that dated December 20 1949, signed by Whiting Willauer, gives ‘Make: Douglas C-47B, Serial No. 16099’. The Certificate of Registration, dated Dec. 19, 1949 (always) uses data on the first Application, i.e. s/n 10699. Thus one might say that data in the FAA file is contradictory, confusing and inconclusive” (e-mail dated 28 March 2011, kindly sent to the author by Martin Best). So this was C-47B msn 16099/32847, as the CNAC C-54s had different serial numbers.
Department in Washington and the Foreign Office in London that the contested planes and equipment have been sold outright to Gen. Chennault and Mr. Willauer. The two Americans made the deal separately from their positions as president and executive vice president of Civil Air Transport. It was learned that they have arranged a long-term amortization which will be financed by revenue bonds if and when the transaction is recognized by the British and Hongkong authorities and the planes are released for operation. Official Chinese sources – in the light of developments since the planes were grounded late in October following the defection of the Chinese directors and staff of the two airlines – see the transaction not only as a business deal but as a challenge by the two Americans to Communist efforts to gain control of millions of dollars worth of aircraft and equipment. It is also interpreted as an appeal to the U.S. State Department to protect American-owned interests by intervening in the current litigation in Hongkong courts, in which both the Nationalist government and the Communists are seeking legal title to the property of the two airlines.”

The article in *CAT Bulletin* then reproduces some of the questions regarding the purchase that were asked by newsmen at a press conference held on 20 December 49, and the answers given there to these questions by Gen. Chennault and W. Willauer. Among them were: “Q – Why did you make the purchase as individuals rather than in the name of Civil Air Transport? A – CAT flies under agreement with the MOC-CAA of the Chinese Government and under the Chinese national flag. It is our intention to register former CNAC and CATC aircraft as American citizens under the United States flag. [...] Q – What about the dozen CNAC-CATC planes already in Communist China? A – We consider them to have been stolen. We consider ourselves the rightful owners.”

After this announcement made by Gen. Chennault and Whiting Willauer, the Government of Hong Kong released the following statement, also published in the *CAT Bulletin* article: “General Chennault’s and Mr. Willauer’s claim to have purchased aircraft and other assets of CNAC and CATC needs to be related to the fact that claims to ownership and control of the same property is at the present time sub-judice before the Supreme Court by reason of the fact that injunctions have been obtained by two other parties. It seems, therefore, on the information available at the present time, that claims by General Chennault and Mr. Willauer to ownership and control will similarly require to be established before the Court.”

On 3 January 50, General “Wild Bill” Donovan, former wartime head of OSS in China, arrived at Hong Kong to join the “airlines battle”. His first step was to go to Hong Kong Governor Sir Alexander Grantham and to insist that the American planes be handed over to him immediately. But the Hong Kong authorities remained intransigent: The new owners were not allowed access to the aircraft and on 5/6 January 1950 at midnight, London formally

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recognized the Communist regime. Pressed by the US Consul at Hong Kong to protect American property and threatened by the Communists to seize British-owned properties in Shanghai, the Hong Kong authorities did not want to endanger the safety of Hong Kong. But the Chinese Communists attacked in a more bureaucratic way: On 1 February 50, the Civil Aeronautics Administration of Communist China issued new Certificates of Aircraft Registration, and on 22 February 50, Col. C. L. Chen, resurrected Managing Director of CATC, Canton informed the Director of Civil Aviation, Hong Kong that new Certificates of Aircraft Registration had been issued to all former CATC aircraft and that the former Certificates, which had been suspended by the Nationalist Government, were no longer valid, since the Central People’s Government of China had taken office at Peking on 1 October 49. To the Hong Kong authorities, things were clear: On 23 February 50, the Hong Kong

Letter by Col. Chen to the Hong Kong DCA; Specimen of new Certificate of Registration; CATC fleet of February 50, indicating the new Communist Cof R’s (copies of all documents in: Proceedings of the Supreme Court of Hong Kong, pp.253-55, in: UTD/Bisson/B5 microfilm reel no.5)

court ruled that the aircraft were the property of the People’s Republic of China. By mid-

112 Souder, “Highlights in the history of Civil Air Transport”, p.53; Leary, Perilous missions, p.96.

113 Civil Aeronautics Administration of Communist China, Specimen of new Certificate of Registration; Letter by the Managing Director of CATC (Col. C. L. Chen) to the Hong Kong DCA; CATC fleet of February 50, indicating the new Communist Cof R’s; copies of all documents in: Proceedings of the Supreme Court of Hong Kong, pp.253-55, in: UTD/Bisson/B5 microfilm reel no.5.
March 50, the first shipment of 1,000 tons of spare parts left Hong Kong for mainland China. At the same time, the red flag of Communist China was painted on the aircraft to demonstrate that they were now the property of the People’s Republic of China. The Nationalist Government sent agents to Kai Tak airport to sabotage the planes, and on 2 April 50, time bombs damaged 7 CNAC aircraft – 3 C-47s (XT-111, XT-119, and XT-127) and 4 C-46s (XT-112, XT-116, XT-136, and XT-120). As a consequence, the People’s Republic of China hastened their departure from Hong Kong, creating equipment for shipment and loading the crates on trucks and then on ships. The CAT Bulletin noted on 15 May 50: “Within a few days of the Court’s decision, the Reds – who retained physical possession of

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114 Leary, Perilous missions, p.97.
the airline properties throughout the months’ long legal proceedings – shipped some three-million dollars’ worth of parts and supplies via a British freighter to Red China. “Nevertheless, it is very unlikely that this also included former CNAC PBY XT-147 depicted above, whose identity and fate are unknown. As XT-147 was not included in the CATI-deal, CNAC had probably only leased the aircraft so that it was later returned to its owner. Severe diplomatic pressure exercised by Washington on to the British Government finally moved them to issue an Order-in-Council on 10 May 1950, instructing Hong Kong officials to retain possession of the disputed aircraft until the question of ownership had been fully decided. By then, the aircraft detained at Hong Kong were already painted black, still “wearing the five-starred Communist flag.” What followed was a legal war that lasted several years, during which the aircraft remained at Kai Tak airport suffering from the humidity of the tropics and salt air and partly also from removal of instruments, tires, propellers or even engines. It was not until on 28 July 1952 that the former CATC aircraft were awarded to CATI by decision of the London Privy Court, followed on 8 October 1952 by the decision of the Hong Kong Supreme Court, which awarded to CATI all former CNAC aircraft. After the elapse of 6 weeks given by the court for any appeal against the judgment, the 31 ex-CNAC aircraft – 5 DC-4s, 18 C-46s, 7 C-47s, and 1 AT-6 – were handed over to CATI at Hong Kong on 19 November 52. Not only this transaction, but also the lawsuit that was to last until 1952, meant enormous financial expenses to CAT, which, as early as January 1950, faced bankruptcy. After the loss of all of its routes in Mainland China, CAT had followed Chiang Kai-shek in exile and settled at Taipei in December 1949, but just before leaving Hong Kong, Willauer had hired former CNAC chief engineer Hugh L. Grundy as director of maintenance. This meant that CAT now had the capabilities to set up an efficient Engineering Department, but there was very little

117 In: CAT Bulletin, vol. III, no.9, 1 July 1950, p.1. “The order came into effect as the Communists moved rapidly to get the planes out of Hongkong. Communist mechanics had removed wing surfaces and rudders and painted most of the aircraft with a coat of rust-resistant black tar.” (ib., p.8).
flying business. And of course, many people feared that the Communists, having established their power over all of Mainland China, might also take Hong Kong or even the Island of Formosa. This fear of being chased away even from Formosa, the wish not to be in the middle of a dispute between Taipei and Peking about who had the right to issue XT-registrations, is the fear that CAT’s fleet, too, might somehow be appropriated by Communist China if it remained under XT-registry, and probably also the idea that new business for CAT had to be sought outside China and perhaps worldwide, inspired the owners of CAT\textsuperscript{120} to transfer their own fleet of aircraft to US registry. Indeed, in documents of the US Department of Commerce recording the Bill of Sale of the aircraft, the entire fleet of Civil Air Transport appears as sold by “C. L. Chennault & Whiting Willauer / dba Civil Air Transport, Hong Kong, China, to C.A.T. Inc, 317-325 South State Street, Dover, Delaware, on 5 January 1950.”\textsuperscript{121} C.A.T. Inc. – not to be confused with CATI, the registered owner of the former CNAC and CATC aircraft detained at Hong Kong, which had exactly the same address at Dover, Delaware as C.A.T. Inc. – later changed its name to Willauer Trading Corporation.\textsuperscript{122} What is interesting in this document is that it does not only list the aircraft that were really owned by Civil Air Transport, but also the 6 C-46s that had been leased by CAT from the Nationalist CAA-MOC at Chungking and that still belonged to Nationalist CAA-MOC, which was resident at Taipei in the meantime: N8400C, N8401C, N8402C, N8403C, N8404C, and N8405C: Possibly, this was meant to protect them from claims by the CAA of Communist China. With this big fleet of US-registered aircraft already owned and claimed by lawsuit, Civil Air Transport had very few places where it could go, and so, in January 1950, CAT – now in exile on the Island of Formosa – faced bankruptcy.

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\textsuperscript{119} Leary, \textit{Perilous missions}, pp.100-12; Robbins, \textit{Air America}, pp.53/4.

\textsuperscript{120} In his excellent book about the early history of Civil Air Transport, professor Leary only speaks of “CAT’s owners” – for example when dealing with the negotiations that Willauer and Corcoran made with the CIA in February 1950 (Leary, \textit{Perilous missions}, p.104). In August 1950, the ownership was as follows: Rio Cathay (28.88 %), Willauer (17.64 %), Chennault (14.46 %), Brennan (8.46 %), Wang Wen-san (8.315 %), L. K. Taylor (8.315 %), Yunnan People’s Development Corp. (8.11 %), and Shensi Provincial Government (5.86 %) (p.111).

\textsuperscript{121} Copies of the documents kindly sent to the author by Martin Best in his e-mail dated 15 July 2009.

\textsuperscript{122} See Memorandum dated 19 April 1954, in: UTD/Bisson/B5 microfilm reel no. 2.
Civil Air Transport’s fleet reregistered in the USA in January 1950. Copies of documents supplied by Martin Best and published here with kind permission from Martin Best

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