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CNRRA AIR TRANSPORT

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IN REPLY PLEASE QUOTE

OUR REF. NO.

3439

5 July, 1947.

Mrs. Doreen Lomborg,  
Suite "B",  
Washington Hotel,  
WASHINGTON, D.C.

Dear Doreen,

I received your letter No. 7/47 to the General and me dated June 25 and agree that you have something to get mad about. I apologize but I cannot promise not to let it happen again. I have asked Earle to prepare and attach to this letter the following information:-

- (a) Date of commencement of operations;
- (b) Ton miles flown monthly, showing breakdown of ton miles;
- (c) Monthly percentage of business done for CNRRA out of total Ton Miles;
- (d) Number of planes operating each day during each month;
- (e) A study showing types of cargo carried.

UNRRA China has been fully informed as to our problems and I confer at least twice weekly with Colonel Thorpe who is in overall charge of our program. Accordingly there is no reason why UNRRA Washington should not be informed if they want to be.

We now have in China eighteen operational planes consisting of 15 C-46's and 3 C-47's. All of the 25 planes purchased for cannibalization were reconditioned and delivered to China without accident and carried with them full loads of spare parts from the Leyte project. These planes have all been demobilized and are currently being cannibalized. They are all located at our base in Canton.

We have encountered a number of difficulties in operations but these appear now to be all straightened out after many hard battles. Some of the highlights are as follows:-

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- (a) The original concept under our contract was that we would operate fairly regularly from seven points, to wit:

Shanghai, Hankow, Nanchang, Kweilin, Henyang and Liuchow.

As I told you when you were here on your trip arrangements for regular operations and for carriage of full cargoes for CNRRA were completed and we had started operating, concentrating on this area. At that point UNRRA, China, decided that the situation did not require that amount of concentration and requested us to move North of the Yangtze and fly to various miscellaneous points not named in our contract. (You have a letter from General Edgerton on this subject in the file you took back). UNRRA's theory at the time was that the trouble was over in South China. CNRRA feared further trouble but gave in to UNRRA and we embarked on a strictly non-scheduled basis, flying all over the country.

It has now proved that CNRRA was right and UNRRA wrong. There has been a very serious flood in Kwangtung and there is famine, disease and every thing else that goes with it. We are currently setting up an air dropping mission and the General and I are leaving today taking with us L.K. Taylor's Piper Cub loaded aboard our C-46. The Cub will operate on pontoons and will be used to send out personnel to receive air dropped supplies and as soon as these personnel are established we will go into our air dropping program.

As soon as we started on the North of the Yangtze non-scheduled operations we ran into trouble with the Ministry of Communications and the Chinese Air Force who set up an unworkable and elaborate procedure whereby every time we make a flight we had to give the plane number, the name of the crew and an exact description of the cargo, whereupon the authorities in question would think about it for about a week and decide if we could go on the flight. It would take another week to send out the necessary notifications to the airfields. You can imagine trying to run an operation that way. Almost every day some of our planes would be impounded because the necessary instructions had not been received locally. We have finally gotten that matter straightened out but we have lost several hundred plane days in the process.

UNRRA's delays in approval of the cannibalization program and the Leyte project and in furnishing funds for carrying on these projects have seriously hampered our spare parts position. We are all right now for spare parts but it has only been during the last week that the matter has gotten itself straightened out.

In spite of this you will see from the operational figures that our Ton Miles are growing day by day by leaps and bounds.

Here are some of the high spots of our operations which may be of interest to UNRRA:-

- (a) We successfully delivered 600 specially imported sheep to Lanchow and Peiping. The sheep had been in China for several

months cooped up in Shanghai and Nanking and were dying of various diseases.

- (b) Our return cargoes have 98% for Government Agencies and to date the export goods carried will yield China nearly one million dollars of Foreign Exchange which she so badly needs to stabilize her economy.

We have just concluded all arrangements to carry export cargoes of Tin and Wolfram to the sea coast and return cargoes for Government Agencies and this cargo alone will probably be worth about a million dollars of foreign exchange per month.

- (c) We have carried on an extensive program of transportation of missionaries and their supplies.
- (d) CNRRA cargoes have been spread all over China. We have gone to the following points in China with CNRRA cargoes:-

Hainan Island, Canton, Shanghai, Liuchow, Kweilin, Henyang, Kunming, Hankow, Tsingtsao, Tsinan, Weihsien, Taiyuan, Lanchow, Peiping and 4 or 5 other minor points.

UNRRA's Seed Program would have been a rather dismal failure if it had not been for C.A.T. Many of the seeds arrived late for the planting season and we had to airlift them to various points to get them planted in time.

We have flown out hundreds of refugees of the Civil War from Taiyuan and are currently flying into Taiyuan, flour to prevent mass starvation.

We have had no accidents to date which caused injury to cargo or passengers. We had one small bit of trouble on one of our C-47s on the ground when it developed a gas leak during warmup and burned part of a wing. The authorities here acknowledge that this was not C.A.T.'s fault but was the fault of the Chinese Air Force Control Tower operator whose duty it was to warn our pilot in such a case so that preventative measures could have been taken earlier.

Now about this man Brown's story of the money. Mr. Brown seems to forget that it was UNRRA's obligation to buy and deliver the planes and equipment to C.A.T. That is quite clear in the contract if Mr. Brown will take the time to read it. UNRRA China fully recognizes that fact. I believe that you will find that the original cable on the Delivery Contract, some time in December, from UNRRA China Office points out that C.A.T.'s working capital is supposed to be used for operating C.A.T. and not for carrying out UNRRA's obligation. In the case of the Honolulu operation we were willing to assume some of the expenses and did

so because C.A.T. got certain benefits by way of transport of its personnel. In the case of Manila everyone out here recognizes that this was an entirely different situation. Chennault and Willauer (Noted as not C.A.T.) agreed to do this job on a cost basis. We prepared a budget which was approved by UNRRA, China, and UNRRA, Manila. We asked to obtain a contract. The Legal Counsel here agreed to provide a contract but we have now completed the entire operation but have never had a contract defining what items we are going to pay and what items UNRRA should pay - this in spite of the fact that I have called on the Legal Counsel about one a week to try to get the contract.

Now as to the Foreign Exchange - I think that this is all right at the present moment but it is a long story which I will tell you. We now buy \$ 60,000 a month of Foreign Exchange to cover our payrolls and to purchase things on our master requisition which UNRRA failed to supply to us due to their dilatory tactics. In February we obtained an agreement from the then Premier, Dr. T. V. Soong, furnishing us a monthly adequate allotment of Foreign Exchange. Before this could be implemented T. V. Soong fell from power and the new Administration was almost a month in getting organized. During this month nothing could be done to obtain action by anyone in the Government because there literally was not a Government. After the formation of the Government, early in April, General Chennault personally went to the Generalissimo and obtained his strong recommendation that we be furnished with Foreign Exchange on a regular monthly basis. As a result we got \$60,000 of Foreign Exchange the next month but were then cut to \$ 30,000 rather arbitrarily. We think we have not got that matter cleared up because we have been able to prove to the authorities the value of C.A.T. for carrying export cargoes, as discussed above.

Our Foreign Exchange position was not aided by the fact that UNRRA did not recognize its obligation to pay all the expenses of delivery and I assume that we have expended to date over \$50,000 of Foreign Exchange for items which I think ought to be paid by UNRRA.

The C.A.T. Program is probably the outstanding success of the entire Relief and Rehabilitation picture here. Everyone out here agrees that it is well operated and that we are performing invaluable service. Everyday in the papers here you can read criticism of the Fisheries Program, the Waterways Program, the Highways Program etc. but there has not been one word of criticism on C.A.T. I think your friends in UNRRA, if they are sincerely desirous of helping China, ought to point to C.A.T. with pride as an outstanding example of one thing at least which has been made to work.

I hear rumors that the UNRRA people are afraid of Congressional investigation. I certainly would like to have a chance to tell Congress about this particular show of ours.

5.

I know of course that Mr. Juan Trippe of Pan American and his well organized lobby have been making a lot of fuss in Washington. It is very interesting that an organization as big as Pan American should spend the time and trouble fighting us. I again think of no better proof that they must think we are pretty good. To date unlike Pan American's subsidiary C.N.A.C. we have not suffered a series of air disasters.

Perhaps this letter sounds a little bit as if I am mad and I am, but not with you Doreen. However I am plenty mad at all the politicking and inefficiency of UNRRA. I think you should tell them quite frankly after consulting our other friends in Washington and take the offensive. Tell them that we think it is about time they changed their attitude and recognized that C.A.T. is something they can be proud of.

My very best to you and other friends.

  
WHITNEY

P.S. Here's a newspaper cutting I thought might interest you.