

隊運空轄直局空航用民部交

CIVIL AIR TRANSPORT *Download*
by wall street

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IN REPLY PLEASE QUOTE

OUR REF. NO.

Whitehead 4-0100

13 October, 1948.

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

Mr. H. L. Richardson,
C.A.T.,
WASHINGTON.

Dear Doreen and Rich,

Since my return from the States I have given a lot of thought, and so have all others concerned in our Organization out here, to the problems involved in our spare parts procurement program and we now have a suggestion which we wish you to investigate and recommend upon.

At a recent meeting of the Board of Directors of Jardine Air Maintenance Co., in which C.A.T. has an interest, the problem of their procurement of parts for the engine overhaul shop in Hongkong was gone into very thoroughly by a group of men who have a tremendous experience of long standing in the problem of remote control of procurement for the China market. The members of that Board consisted of the head man of the wellknown firm of Jardine Matheson Co., which has as you know an extensive interest in industry in China and other places in the Far East, and a large Export/Import business. Other Representatives included the Hongkong Shanghai Banking Corporation which is clearly the leading foreign bank in the Far East; Messrs. Wheelock & Marden, who likewise have had extensive experience in foreign procurement in connection with their shipping service; and the writer.

In the case of handling JAMCO's procurement it was decided that the best possible technique was to retain the firm of Balfour Guthrie & Co., with offices in New York and the West Coast, as general procurement agents and to attach to Balfour & Guthrie technical experts whose job would be to find the equipment required and pass upon its technical suitability. It would be the function of Balfour Guthrie to actually purchase on the best possible terms and to take all responsibility for documentation and export. Balfour Guthrie has been used by Jardines for many years for all types of procurement and whereas they are not technical specialists in the Aviation procurement business, there can be no doubt as to their having a tremendous knowhow on the correct technique of purchasing and exporting.

APPROVED FOR RELEASE □ DATE: 29-Sep-2009

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It is our thought here that we should seriously consider following the same plan in our own procurement program and attach Rich and any other technical people to Balfour Guthrie for this purpose.

At this writing I have not heard whether or not Balfour Guthrie have agreed to do this service on behalf of Jardines but the chances are 90% that they have. I wish both of you, (and probably also Whipple), would call upon Balfour Guthrie and explore with them the possibility of handling the business in this way; developing such questions as the rate to be charged for their services and working methods which would prevail as between the technical experts and themselves. I would like to have your recommendations and findings as soon as possible.

This plan in no way excludes the possibility of working with Slick, particularly for co-operative ventures such as the manufacturing of spare parts.

So far as Balfour Guthrie's loyalty to our interest is concerned I will take care of that through the use of Jardine's influence with them and you need not concern yourselves about that particular problem.

I do not wish you people to feel that the advancing of this suggestion is a criticism of the good work you are doing and I hope you will look at it as an attempt to pass over to others, i.e. Balfour Guthrie, a lot of the work which you people are having to do but in which you are, of course, not specialists as they are. It takes a lot of experience, sometimes of a very expensive nature, to learn the tricks of buying, and a lot more to handle export problems in routine fashion.

If we go into this venture I hope it will be that Rich and other technical people would be completely free from office routine, thus having more opportunity to work on things of a technical nature for which they are particularly qualified.

In the case of Doreen it is my hope to free her from the worry as to keeping accounts of funds earmarked for procurement and of all the detailed paper work involved in the process of purchasing and exporting; with a view that Doreen could devote herself exclusively to high level trouble shooting on worrison problems of procurement or other matters

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where her personality and connections are most useful; and also to handle the other numerous miscellaneous affairs of C.A.T. in the States.

I would like to receive your recommendation if possible by 1 November.

I believe you will find that Balfour Guthrie have heard of us and of the possibility in this connection from a cable sent by Mr. Landale of Jardine Matheson, Hongkong.

With best regards.

Sincerely,



WHITING WILLAUER.