

Conf.

Civil Air Transport, Inc. 22

75 ROBINSON ROAD
TEL. 20654
HONG KONG

Incorporated in U.S.A.



CABLE ADDRESS
CLAULT HONGKONG

In reply quote our
Ref. No. _____

30 MAY 1950

To: Lt. Col. Freeman, U.S. Air Attache, Saigon
From: Whiting Willauer, President, C.A.T. Inc.
Subject: Proposal for a Contract Air Transport operation by C.A.T. Inc.
for the French Military Forces in French Indo-China

1. C.A.T. Inc. (Civil Air Transport) is a U.S. corporation owned by U.S. citizens which at present operates under contract with the National Government of China, and is that Government's only remaining airline since the defection to the Communists by the two Chinese airlines.

2. Major General C.L. Chennault, U.S. Army (Retired) is Chairman of the Board of C.A.T. Inc. Whiting Willauer is its President. General Chennault's record during the war in military air work, and since the war in the air transport field requires no further elaboration. The writer, as General Chennault's partner, has worked in the management of our airline since 1946. He has specialized in transportation problems - sea, air and ground - for twenty years. He has worked in the Far East since 1942, and during the war was Director of the U.S. Foreign Economic Administration's Far Eastern Branch handling all lend lease and Economic Warfare problems in that area. C.A.T.'s attorney is General William J. Donovan, war-time head of O.E.S., and there are other prominent personages associated with the company as stockholders.

All of the management and the owners of C.A.T. are clearly identified with the anti-Communist cause. They firmly believe that the fate of Asia and, through Asia, that of the world depends on the success of the present effort of France, assisted by the United States, in stopping Communism from engulfing French Indo-China.

C.A.T. wishes to offer its services to France and believes that it has ready-made for this work equipment and an organization which can be of inestimable value. We further believe that an arrangement with C.A.T. will be much cheaper than any other possible alternatives. Most important is the fact that we are here in the Far East now and can be at work effectively in two weeks from the time when a decision to use us has been reached.

3. C.A.T.'s equipment

- a. Aircraft
 - 28 C-46 Curtiss Commandos
 - 1 C-47 Douglas (Dakota)
 - 4 Cessna 195
 - 1 L-4 on floats

APPROVED FOR RELEASE ☐
DATE: 30-Sep-2009

II. #206

Notes

1. Curtiss Commando

- a) Range 1200 miles with 200 miles reserve.
- b) Payload for 600 mile flight 6 metric tons.
- c) Speed (True Air Speed) approximately 190 miles per hour at 8000 feet.
- d) Comparison with C-47. Each C-46 will do the work of approximately two and one-half C-47's.
- e) Preliminary investigation indicates there are at least twenty airports in French Indochina which can be used by C-46s.
- f) C-46s have doors on both sides making possible 50% saving in air drop time.
- g) As passenger carrier can be fitted with 50 seats. C.A.T. now has one C-46 fully plushed, and two more with seats. The balance are canvas bucket seats. Conversion to fully plush can be made locally in Hong Kong at very small cost as desired.
- h) Safety. Excellent single engine performance. In three and one-half years we have only had one fatal accident, when the pilot omitted to remove elevator control locks. This despite extreme difficulty of China operations, mostly under combat conditions.
- i) Economy of operations. 40% cheaper per ton kilometer than Dakota.

2) C-47 Douglas (Dakota)

- a) Equipped with seats but not insulated

3) Cessna 195

- a) Single engine. Postwar design, purchased new about one year ago.
- b) 5 place (pilot and 4 passengers)
- c) Range 700 miles
- d) Cruises at 150 miles per hour

4) L-4 float plane

- a) single engine
- b) 2 place tandem
- c) Cruises at 75 miles per hour.
- d) Range 250 miles.

b. Communications equipment

- 1) 15 complete stations including homer (1KW to .500 KW); air ground; point to point and necessary power units. Also have some AP12 Radar sets giving positive distance from airport up to 75-100 miles depending on terrain.
- 2) Telephone equipment sufficient to operate approximately 100 extensions, including switchboards, wire etc.

c. Weather equipment

- 1) Highly trained meteorological staff plus equipment for 15 stations.

d. Ground transport and heavy equipment

- 1) Approximately 100 vehicles. Trucks, jeeps, staff cars, station wagons.
- 2) Towing and lifting equipment.

e. Shops

- 1) C.A.T. basic shops are installed on an L.S.T. They cover all aspects of maintenance except engine overhaul, which we do at Jardines Air Maintenance Co., Hong Kong, of which we are 10% owners.
- 2) We are equipped for and have successfully carried out all aircraft overhaul for 2000 hours and 4000 hours.

f) Spare parts

- 1) C.A.T. spare parts depot is installed on a 2000 ton steel supply barge. We have in stock complete stores of spares except for fast moving items which have to be constantly replaced.
- 2) C.A.T. has a full supply procurement set-up in the U.S.A. which has worked well for three and a half years.
- 3) Engines. C.A.T. has in stock 35 spare engines; with Jamco 15 already overhauled; with Jaco 15 50% overhauled; and approximately 70 awaiting overhaul.

4. Value of equipment

- a. C.A.T. expended approximately U.S. \$3,000,000 in purchasing and assembling the equipment we are offering for use.
- b. At present values we estimate it would require at least U.S. \$5,000,000 to reduplicate, and it would take at least a year to accomplish.
- c. C.A.T. does not wish to sell. It believes that if France will use our going concern it will benefit by
 - 1) Saving U.S. \$5,000,000 from allocated aid which France can use for other purposes.
 - 2) Reduction in operational cost by using C.A.T. which will be 40% below any alternative.

5. Utilization of equipment

C.A.T. has operated for three and a half years in China under combat conditions. C.A.T. has long experience in air transport involving:

Memo to Lt. Col. Foyman

- a. Parachutes
- b. Free drops
- c. Carriage of munitions of war
- d. Evacuation of wounded
- e. General cargo

6. Personnel

C.A.T. has a complete roster of personnel at present. This consists of American pilots and engineering and communications specialists. These number approximately 125, all of whom have been selected and adapted to work under Far Eastern conditions. They are completely acclimated and accustomed to work with and direct native mechanics and laborers. Only those who have had long experience in Far Eastern work can appreciate the importance of a well seasoned group of technicians who are willing and able to handle any problems arising in this area.

7. Utilization of personnel

- a. Pilots would be used only until French pilots could be safely checked out in our airplanes. Our check-out procedures are strict, but would not prove difficult to pilots with sound basic training and adequate experience.
- b. The same applies to ground technicians.
- c. We are prepared to keep pilots and ground technicians in the service beyond the check-out period if so desired; but we do not insist on permanency of this personnel beyond the point where our equipment can be safely flown, adequately maintained, and efficiently utilized.

8. Operating arrangements

- a. C.A.T. makes available a package of 10 Curtiss Commandos with all supporting equipment and personnel within two weeks of coming to an agreement.
- b. Within one month thereafter C.A.T. builds this up to a total of 20 Curtiss Commandos. Descent liaison planes can be supplied as required.
- c. Ultimately (after the fall of Formosa) the balance of our fleet can be made available.
- d. C.A.T. enters into an operating contract on terms mutually agreeable with the French Military Forces in Indo-China. The contract can be as long or as short as desired by the French. C.A.T. has no ambition to build a future air operation in Indo-China after the period of the present emergency.

9. Cost

a. Capital

No capital investment required from France or the United States. This means that available defense funds can be used to the extent of U.S. \$5,000,000 for purposes other than air transport.

b. Operating

- 1) This is difficult to estimate without more knowledge of the buying power of the piastre in French Indochina. However we believe that the following figures are a sound basis for further negotiation.
- 2) Fully utilized we believe that the program of 20 Russian Commandos will be the equivalent of 50 Dakotas, and that the true operating costs will be 40% less whether 5, 10, 15 or 20 Commandos are used.
- 3) If fully utilized, 20 Commandos should furnish 3,500,000 Ton-Kilometres per month. We believe that with full utilization the monthly cost would not exceed piastres 20,000,000.
- 4) Fewer planes or less utilization would reduce the total to any amount desired.

10. Miscellaneous points

- a. C.A.T. would be proud to fly the French flag.
- b. Any personnel who do not fit into French requirements will be subjected to disciplinary measures, including discharge if necessary, under rules to be agreed upon.
- c. Housing.
C.A.T. will either base its personnel in non-congested areas or supply housing with a ship, or through other means.
- d. Foreign exchange.
These requirements will only apply to spare parts and home allotments. They will be kept to a minimum, and will certainly not exceed the foreign exchange cost of any alternative air transport plan.

11. Work to be done.

- a. This will include any form of military air support activity.
- b. Assuming that the average distance to be covered one way on a flight is 350 Kilometres, 10,000 metric tons monthly could be handled at maximum utilization.

President C.A.T. Inc.