

How CAT Almost Died Before It Was Born

By October, 1946, General Chennault and his partner, Mr. Whiting Willauer had obtained an operating franchise and the original nucleus of CAT's staff was either employed or lined up. The Company's resources were dwindling fast and it was clear that ~~at least three months~~ ^{it would be at least three months} would have to lapse before any planes would be available from which to earn the Company's operating expenses. Money was needed to send pilots and crew chiefs to Manila and Honolulu to pick up the aircraft waiting there and to put the planes in condition for the trip to China; and money was needed to hire the new personnel the Company had lined up and to expand into an organization which could handle future business.

The General and Mr. Willauer had figured that it would take about \$250,000 of working capital to tide the Company over until CAT could support itself and that is why the General and Mr. Willauer and Stateside associates had long before made a deal for financial support from the Flying Tiger Line the president of which was Bob Prescott, an ex-Flying Tiger under General Chennault.

Manila Hotel
Louis Prescott, Bob's brother, was sent to China to survey the situation and to act as comptroller of the funds when furnished. ^{while quartering at a hotel} ~~En route to China,~~ Louis Prescott was killed by a stray bullet meant for someone else, while he was quietly reading a newspaper in the lobby of a Manila hotel, and his tragic death almost collapsed all the plans General Chennault and Mr. Willauer had made to form CAT. There was no one else in the Flying Tiger organization to take Louis Prescott's place; ~~and~~ therefore the line backed out of its commitment.

The news of the withdrawal of the much-needed financial support, greatly shocked the CAT partners. They were left with an airline franchise, and airline equipment

but only enough money between them to carry on as they were and to pay their loyal employees for about a month and a half longer. At the end of that time, all would be wasted.

In 35 days of intense negotiations, with Chinese bankers, the partners raised the necessary funds. Their esteemed friend, ex-Chairman Wang Wen-san, and their friend, Mr. L. K. Taylor, worked with the partners night and day until this was done. *the funds were raised.*

To quote Mr. Willauer: "Looking back on it all now, General Chennault and I are glad that it happened this way, except for Louis Prescott's sad and premature death. For through our association with the Chinese banking group, CAT became a truly Sino-American venture, and it is basically because of this partnership with our Chinese associates that CAT grew and now holds a permanent place in commercial aviation as 'The Orient's Own.'"

by: Whiting Willauer, CAT Bulletin Vol. 5,
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