

CHAPTER 11

ENTER THE BUTTERFIELD & SWIRE HONG – 1948

Cathay Pacific's accident to *Nikki* at Macau caught the attention of an Australian entrepreneur. On November 30, 1947, Eric McIlree and another crew flew two Avro Ansons into Kai Tak.

This was of personal interest for these planes I had ferried to Camden, a private airfield near Sydney, from RAAF disposal units in Australia. This was a splendid time to buy aeroplanes. Eric paid £250 Australian for each Anson and then spent over £1,000 Australian modifying the centre-sections to civil standards.

Eric's brochure described the Anson as a de luxe 10-place feeder-liner. Farrell and deKantzow were in the market for a plane with short-field capability.

With a maximum load Eric left Kai Tak the next day landing at Macau with space to spare. He topped up his fuel tanks and at maximum take-off weight returned to Kai Tak. This impressed Cathay yet deKantzow demanded further tests at Macau. Finally, deKantzow closed the deal making one further stipulation – that Eric meet the full cost of ferrying the planes to Rangoon, Burma. They agreed and the Ansons came on the Hong Kong Register as VR-HDU (VH-BFK) on January 5, and VR-HDX (VH-BFL) 16 days later.

The Ansons were not a success in Burma. On February 9, VR-HDX came to grief when *Morrie* Lothian wrote-it-off at Sandoway, an airfield on Burma's western coastline. The other Anson, VR-HDU, became the property of Major A. S. *John* Cannon in November 1950 and is an ever-green adventure story – the famous *midnight-flit!*

Meanwhile, Cathay Pacific remained interested in Macau, and the gold charters came from this interest. Besides renting office space to Cathay Pacific the P. J. Lobo company acted as agents for the Banco Nacional Ultramarino.

Then an agreement existed between the International Monetary Fund and signatory countries. The agreement controlled the importation and dealing in gold.

Several countries refused to sign the Bretton-Woods, New Hampshire agreement. Macau was one of them. With no constraints the Lobo company and Farrell and deKantzow's Cathay formed an alliance to handle the precious metal. Roger (now Sir Roger) Lobo tells of the early *gold-runs*:

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"We made the first delivery with a Dakota flying along the Macau racecourse. With no horses since the Pacific War it was a light aircraft training field and unsuitable for bigger planes – shown when *Betsy* hung her landing gear on the reservoir wall.

"With landing gear extended and half flap we approached low and slow. On a pre-arranged signal we shoved 50-pound bags of gold through the rear door on to the muddy field. The plan was not a success! The bags burst on impact – we spent days digging our loot out of the mud.

"We then tried sealing our load in 44-gallon gasoline drums. This seemed the solution until on the second run we almost squashed some of our bank coolies. This was too dangerous to continue.

"Then we considered fitting floats to a Dakota, a proven method in Canada and Alaska. This appeared to suit our purpose until we learned how floats would restrict our payload, so we abandoned that as well. These setbacks led us to the splendid Catalina PBY/5A amphibious planes."

Cathay's first Catalina was PI-C258 and entered on the Register as VR-HDS on July 30, 1947. The next was the ill-fated VR-HDT that began Cathay service on December 5, 1947. The CAD registered the third VR-HDH in February 1948.

My first flight on the *gold run* was January 24, with Don Teeters as skipper. We left Kai Tak for Saigon using VR-HDS. A Banque de l'Indo-Chine official supervised the loading of 30 wooden boxes containing gold bars. They were about 14 inches long by nine wide and nine deep. The next day we landed in the breakwater at Macau, taxied up the abandoned PanAm slipway, and off loaded our cargo. We were back at Kai Tak just as the sun set. Other gold charters took us to and from Djakarta.



THE MACAU GOLD-RUN – JANUARY 24, 1948

Macau Bank officials supervise unloading the gold boxes from Saigon into a truck – heavily armed! The location is the erstwhile PanAm site. A U.S. bombing raid demolished the site during the dying days of WW II – a girl sits among the rubble. Captain Don Teeters and F/O Chic Eather rest under the fuselage.

(Photo: Ken Wolinski, CPA Radio Officer)

In January, the CAD again reminded Cathay Pacific that allocation of official franchises was approaching. If Cathay expected consideration it must reduce its American interest to 10 per cent. Farrell and deKantzow, the main shareholders, began looking for a British company to buy out the American interest.

The Chairman of Skyways Limited, Brigadier-General Critchley, had previously approached deKantzow on this matter. Skyways had interested the Far East Aviation Company in a mutual bid for Cathay Pacific. Critchley arrived in the Colony expecting to find a despondent deKantzow ready to sell his assets for a pittance. He found a man confident and aware of the value of his business. They came close to a sale but Critchley's bully-boy tactics and deKantzow's brassy temperament prevented further negotiations.

The Skyways' manager was M. H. Curtis, who operated from the Jardine Matheson & Company building. Skyways, in the autumn of 1947, transferred its agency from Jardine to Butterfield and Swire. When Curtis got a *seat* in Cathay's office he disclosed particulars of Skyways' negotiations with Jardines.

Soon John Swire and Sons, the parent company of Butterfield and Swire, began discussions in London with Skyways. Their talks centred on starting an air repair company at Kai Tak and reopening discussions with deKantzow.

In February 1948, a period of intense negotiation began with Cathay Pacific when John Kidston *Jock* Swire arrived in Hong Kong. These negotiations culminated in a *Basis of Agreement* initialled on 5 May. The agreement was the formation of a new Hong Kong company to be called Cathay Pacific Airways (1948) Limited. This led to a company called Cathay Pacific Holdings Limited filing for registration on 5 May – it had a nominal value of HK\$10,000,000.

The Swire Group confirmed the Agreement on 1 June. Although operations started on July 1, they did not register the company until 18 October. They dropped the 1948 portion and retained the original name.

John Swire & Sons had realised its ambition of entering *Air* in Hong Kong for the value of Cathay's assets. They made no consideration for goodwill. The new company took over seven DC3s for HK\$1,462,621 and one Catalina – the *Miss Macau* – for HK\$173,400.

When the Swire influence bought Cathay Pacific Airways there were two segments making high profits. One was the Burma operation that they continued. The other was the gold charters. The latter made Swire's uncomfortable and they would have no part of it. This led to the entry of Macau Air Transport (MATCO) on 8 July.

The Civil Aviation Department, anticipating an increased work-load, began recruiting more expatriate staff. This proved a wise precaution when on 10 January Hong Kong Airways started a twice daily service to Canton.

On March 19, BOAC extended the United Kingdom-Hong Kong flying-boat service to Iwakuni, Japan. BOAC transferred the Japanese terminal to Tokyo on 20 November.

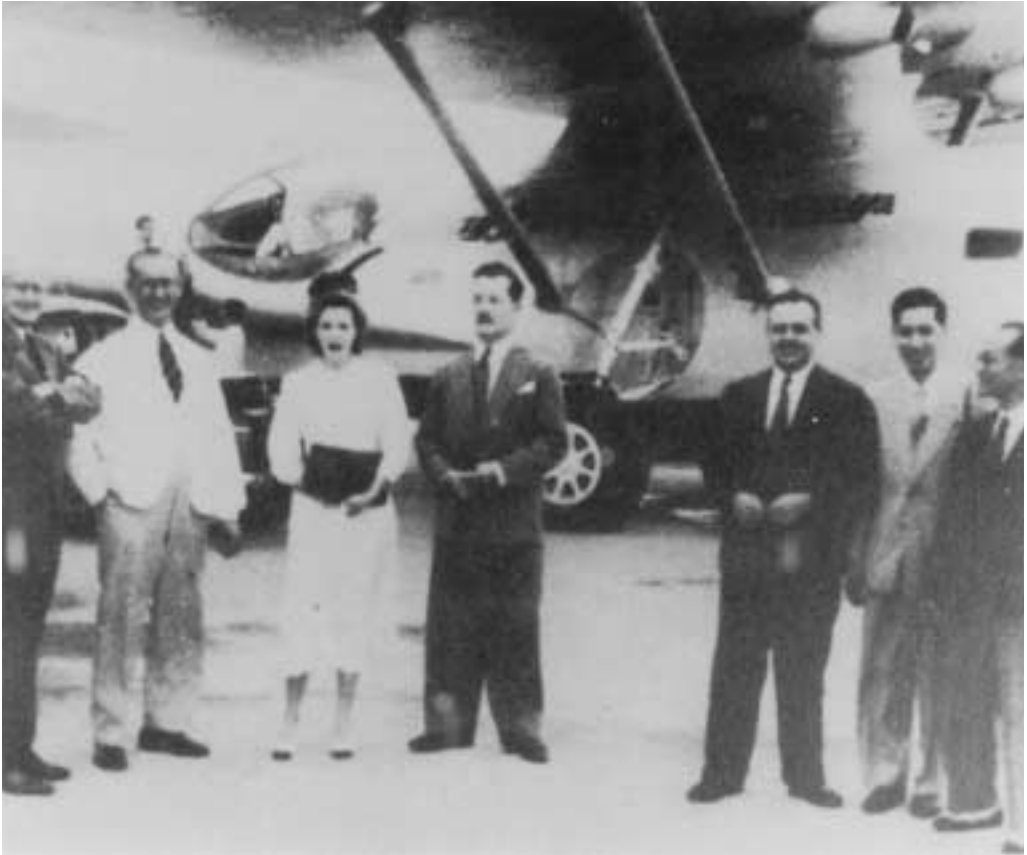
Meanwhile some newly appointed Civil Aviation Department (CAD) staff arrived. Frederick Richard John *Fred* Lillywhite reported for duty on 19 January, followed by Ronald Stanley *Tommy* Tomkins, on 9 February. James Fleming *Pip* Pickering joined them on 3 August. These splendid men had RAF training and joined as Air Traffic Control Officers, Class II.

April continued to bring rapid changes. On the 9th, a Friday, Macau's Governor Albano Rodrigues de Oliveira greeted Cathay Pacific's inaugural Catalina passenger service. Syd deKantzow ended his speech with a toast to the Governor, who broke a bottle of champagne against the hull of VR-HDT the *Miss Macau*. The fare was HK\$40 single or HK\$75 return.

April also removed an irritant. The Royal Navy's HMS *Flycatcher* withdrew from the airport. The CAD rented the vacated area to two aircraft maintenance organisations. These

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CATHAY'S INAUGURAL CATALINA FLIGHT TO MACAU APRIL 9, 1948



The Miss Macau waits at Kai Tak for her inaugural passenger flight to Macau. The Miss Macau was a Catalina PB5A registered VR-HDT. The official party – L/R: Fred Gallian (Proprietor of Macau Electric Company Ltd.); Mr Ian Grab Grabowsky (General Manager, CPA); Mrs Angela deKantzow; Captain Syd deKantzow; Mr Fletcher (Manager, Macau Water Works); Mr Y. C. Liang (Banker) and Mr P. J. Lobo (Banker/Tycoon).



The Miss Macau touched down in the Macau breakwater. She slowly taxis to the old PanAm slipway. Macau's Governor Albano Rodrigues de Oliveira led the welcoming party.

(Photos: Courtesy Cathay Pacific Airways)

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were Pacific Air Maintenance and Supply Company Limited (PAMAS) and Jardine Aircraft Maintenance Co. Limited (JAMCO).

JAMCO purchased en bloc its overhaul shop from the States. Zigmund Sol Soldinsky arrived in the Colony with 12 American aviation engineers.

The late Harry Smith, a HAEC executive, remembers the Soldinsky group with affection. They were a gregarious lot forever holding parties in their Humphrey's Avenue mess in Kowloon. Their propeller specialist was Eddie Walsh, a teetotal non-womaniser, whose main interest was photography.

Horsing around one evening his mates slipped him a *Mickey Finn*. They stripped him, called in a local *pro* and photographed them in compromising positions. Sol called Eddie into his office, tossed the revealing snaps on to the desk, and demanded an explanation. Sol, up to his eyebrows in the scheme, gave him a stern lecture on morality, adding if he didn't change his ways he would be shipped-out. The words were prophetic for it wasn't long before they all left the Colony.

Sol Soldinsky had gained respect as CNAC's chief mechanic in China. His reputation became enhanced when he fitted a DC2 wing to a bomb-damaged DC3 at Suifu in 1941. The result was the legendary DC2½.

The man who flew the DC2 wing from Kai Tak to Suifu was Captain Harold A. Sweet. He was a CNAC pilot who flew civilians from Kai Tak in unarmed transports as the Japanese approached. With 16,000 hours flying time and aged 43 years he collapsed and died on a golf course on April 11, 1948.

The Civil Aviation Department (CAD) occupied their new Kai Tak premises on 31 May. This was a Nissen hut, with brick walls, 125 feet long by 36 feet wide. This centralised Area



PACIFIC AIR MAINTENANCE & SUPPLY CO. LTD.

PAMAS was incorporated 4 November, 1948. This photo was taken in 1949.

(Photo: Harry Smith, HAEC Archives)

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Control, Flight Information, Aeradio Services, Meteorological Services and Administration for the first time.

The CAD built a new Control Tower on the roof of the Jardine building. It provided better airport coverage than the old RAF Tower further to the East. The complex occupied the site where once stood the *tent city*.

An invitation found Hong Kong represented at an International Civil Aviation Conference for the first time. Other Asian countries had finally recognised the emergence of a strongly controlled local authority. This important event was in New Delhi with *Papa Moss* and *Ben Hewson* representing the Colony.

In early June, Cathay Pacific took part in a crucial South-East Asian event. The *Miss Macau* left Kai Tak on 6 June under the command of Captain *Dick Hunt*. His principal passenger was Ex-Emperor Bao Dai of Annam to witness a provisional agreement granting independence to the French Indo-China possessions.

About two hours later they landed beside a French cruiser in the Baie d'Along, near the city of Haiphong.

On November 4, Pacific Air Maintenance & Supply Co. Ltd. (PAMAS) incorporated. With a registered office in the Butterfield & Swire building it began with a capital of HK\$5,000,000.



CATHAY PACIFIC'S FIRST ENGINEERING STORE – 1947

The Union Jack flutters above Cathay's first engineering store. Bill Hokum Harris, Chief Engineer, proudly surveys his kingdom.

(Photo: Author)



CATHAY PACIFIC'S FIRST HANGAR – 1947

Workshop facilities – a canvas awning was strung between two Japanese revetments to provide protection from the elements and sea spray. Ground engineer Geoff Arnold leans against his bike. His assistants changed over to PAMAS when it was established in November 1948.

(Photo: Bob Smith)

The original site of Cathay Pacific's engineering facilities was on the southern side of runway 07/25. It occupied an area between the road and the seawall – just left of the current threshold of runway 13.

Cathay maintained its planes from *Hokum* Harris's flag-poled Quonset hut. Geoff Arnold and his men worked on engines protected from rain and sea-spray by a dirty tarpaulin strung between old Japanese revetments. With no hangar facilities all other work had to be done on the hard-standing. The Swire interest moved most of this Spartan installation, including the aircraft spares, to the new PAMAS site. They sold the Quonset hut for HK\$5,717.

The spares that helped established PAMAS came from a Manila aviation *dump* that Roy Farrell bought in January. Several of us wandered around with Farrell that day. It was a treasure trove of aeroplane parts. There were dozens of aviation engines that had not run since their static check. Scattered around were complete Curtis Commandos and Dakotas that only needed the engines uninhibited and fuelled to fly away. There also were hundreds of angry black snakes. One plump sleek reptile showed an unnatural interest in me. Even when I put myself behind others she ignored them and pursued me! My *friends* were beside themselves with delight until Farrell blew her head off with the hand-gun he packed.

This was the year a band of aviation enthusiasts revived a name that had fallen into disuse following the Vaughan Fowler fiasco of the early thirties. The Hong Kong Flying Club Limited reactivated with the purchase of a Piper Super Cruiser Cub registered as VR-HDZ on 15 September. They bought a Tiger Moth, VR-HEL, the following year.

On November 14, a Dodwell employee left Kai Tak in FEFTS's Piper L4J registered VR-HDY. Above the fishing village of Aberdeen pilot Cedric Slater's engine stalled. He dived hoping to catch the engine with an impact start but failed and ditched in Telegraph Bay. A launch rescued pilot and passenger just as the plane slipped beneath the surface. They salvaged the plane but sea-water immersion led to its deregistration.

Soon after I arrived in Hong Kong I met, and liked, the aeronautically dedicated Bill Dudman. My offer to instruct in an honorary capacity found Sel Halls checking me out on the Piper and Ryan on 11 December.

On December 21, Bill Dudman assigned me a Chinese pupil named Wong G. Bun. This was his first flight and I climbed above the airport to show the *effect of controls*. We had departed in reasonable visibility but in a few minutes conditions had clamped in. The Tower controller, Roy Downing, advised me to land on the old pre-war field at Pat Heung (later called Sek Kong). Approaching Pat Heung the weather seemed no better, but directly overhead appeared a well-defined break. I spiralled down to a landing. Wong Bun and I had a hair-raising ride back to Kai Tak with a taxi driver who operated solely by Braille. Years later Val Penlington, in her splendid manuscript about the HKAAF, called that circular break in the clouds the *Sek Kong Duty Hole*.

Meanwhile a CNAC Skymaster approached Kai Tak with all souls marked for death. That morning Captain Charles Sunby's plane had departed Shanghai with a crew of seven and 28 passengers.

Captain Sunby made an early descent over Bias Bay for a contact approach to an airport where visibility was low and decreasing by the minute. Picking his way past sampans an island appeared out of the murk. This was the remote Basalt Island, about 11 miles east of Kai Tak.

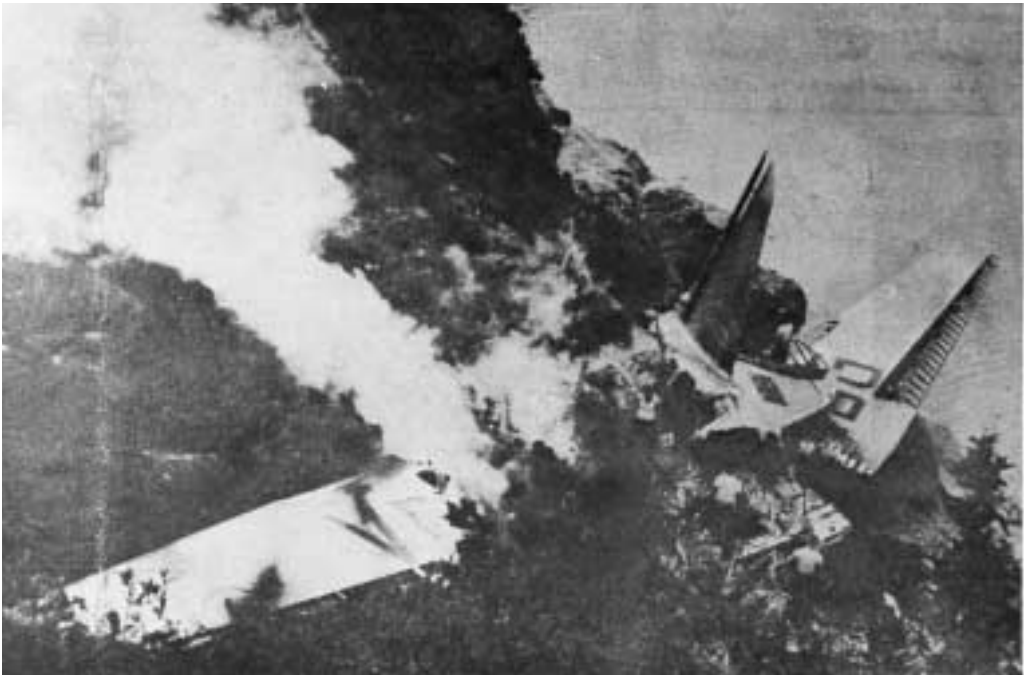
Although the media dutifully published the names of the victims they concentrated on the newsworthy Quentin Roosevelt. He was CNAC's vice-president, grandson of the late United States President Theodore Roosevelt, and son of the late Brig-General Theodore Roosevelt, Jr.

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FAR EAST FLYING TRAINING SCHOOL LIMITED



The FEFTS's sleek Ryan ST-M VR-HDK. The Ryan ST-M was a splendid plane for a trained pilot yet difficult for a trainee to handle. This photo is matchless – the Sacred Hill fills the background. (Photo: Hew Kui Watt, FEFTS – Director & Vice-Principal)



The FEFTS's installation. This photo was taken in 1956 from the crest of the Sacred Hill and shows preliminary dredging work for the new runway, also some early demolition activity on the Sacred Hill site. (Photo: Fred Lillywhite, CAD)

The 30-year-old Quentin's ashes are buried on Basalt Island. This follows the family tradition that a man should stay where he met death.

The crash had an aftermath of pathos. Roy Downing tells this story.

"Mrs. Anna *Eleanor* Roosevelt, widow of the 32nd President of the United States, served with the UN Human Rights Commission. The duties associated with this body frequently brought her through Hong Kong. She always asked the PanAm captain to circle Quentin's grave. Basalt Island is in a Prohibited Area but we never refused her Captain's request. Mrs. Roosevelt followed this ritual until her death in 1962."

A few days later BOAC began a Hong Kong-Shanghai service using the Plymouth flying boats. It was a short-lived service for political difficulties forced its withdrawal.

BOAC's subsidiary, Hong Kong Airways, continued to press its advantage with the Ministry of Civil Aviation. A series of proving flights to Manila led to the grant of schedule rights to the Philippine capital.

Jardine, Matheson & Company spent most of the year negotiating with BOAC to purchase the controlling interest in Hong Kong Airways Limited. They succeeded towards the end of the year.

Meanwhile, the Hong Kong Government manfully supported Cathay Pacific, now a 90 per cent British-owned company. Yet found its hands tied! It made a partial solution by offering unofficial schedules renewable periodically. It would be two years before Cathay received sanctioned routes.

The year slipped away as one of Hong Kong's more eventful ones. Yet, an event that made the front page of almost every newspaper in the world, remains to be told. It was the first air piracy for monetary gain ever recorded.

The pirating of Cathay Pacific's *Catalina* developed in the minds of three villagers of Nam Mun, in the Seong Chao region near Macau. They were Chio Tok, Chio Kei Mun and Chio Cheong. Tok, the leader, would take control of the *Catalina* when they subdued the pilots. He had learned to control flying-boats when he lived in Manila. Kei Mun, an opium addict, proved a liability and Tok replaced him with Chio Choi. Tok then approached Wong Yu, a rice farmer. Wong was to choose a secluded bay where the passengers could be held during ransom negotiations.

Then Cathay's *Catalina* was on charter to MATCO with schedule departures twice a day. Captain Dick Hunt commanded the morning flight but was developing an ear infection. The dispatch officer called the standby to take the afternoon flight.

The Macau service had proved a bonanza with every seat booked. One was the late Alan Marshall, author of *I Can Jump Puddles*. Cathay had commissioned Alan to prepare a brochure on the flight and his round-trip was for local colour. Sitting at the departure bar he cancelled his trip, pleading that his crippled legs were causing him severe pain. Our Sales and Traffic Manager, Robert Lowich *Bob* Frost grabbed his seat. *Bob*, a new bridegroom, was at a loose end. His wife was at the hairdresser.

At 1724 hours on 16 July the *Catalina Miss Macau* left Kai Tak for Macau. The captain was Dale Cramer, an American, with Australian co-pilot Keith Stewart *Ken* McDuff and Delca da Costa the hostess.

Dale chose the fair-weather route that passed on the west side of Lantau Island crossing Chek Lap Kok Island. He climbed to 1,000 feet for the short hop and within 30 minutes the *Catalina* bobbed at its buoy inside the Macau breakwater.

The 23 return passengers entered through the port blister. There was no seat allotment on the short hop – passengers sat where they liked. It was a normal takeoff and a shallow turn headed the plane towards Hong Kong. McDuff unfastened his seat-belt to climb the *tower* – the engineer's post when we carried one. This was the only point where the wing-floats could be raised or lowered. As he stepped from the flight deck he found two Chinese

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CATALINA PBY5A – VR-HDT

The Miss Macau makes a smooth landing on Runway 31 on February 6, 1948. The white buildings form the Administration part of the RAF complex. In one section was the Medical Officer authorised to handle flight crew licence renewals.

(Photo: Ken Wolinski)



CATALINA PBY5A – VR-HDT

The distressing remains of the once beautiful Miss Macau following the air piracy of July 16, 1948.

(Photo: Papa Moss)

men holding guns on him. One then ordered Cramer to surrender his command – Cramer refused. During this short altercation McDuff struck one pirate with the light-weight flag staff. This had practically no effect but caused the man to reel and bump into the one accosting Cramer. The man's finger pressed the trigger and Cramer slumped over the controls putting the *Miss Macau* into a fatal dive that ended in the muddy Pearl River estuary.

A fisherman who had seen the crash hastened to the scene and rescued a man clinging to a seat cushion. There were no other survivors. He took Wong Yu to the Saint Januario Hospital at Macau.

Cathay Pacific raised the wreck and barged it to Macau. During inspection they found spent shells and bullets. The Macau Commissioner of Police, Luis Augusto de Matos Paletti, Captain of Infantry, questioned the survivor who revealed nothing. Then Paletti installed a spy in the next bed to Wong Yu. The spy after gaining Wong's confidence learned the details of the scheme.

Hong Kong and Macau lacked legislation that dealt with air-piracy. Neither authority could try Wong Yu. The Macau Government held him without trial for three years. On release he returned to China where he died in a contrived accident.

The Chinese authorities detest piracy in any form – aerial or otherwise!