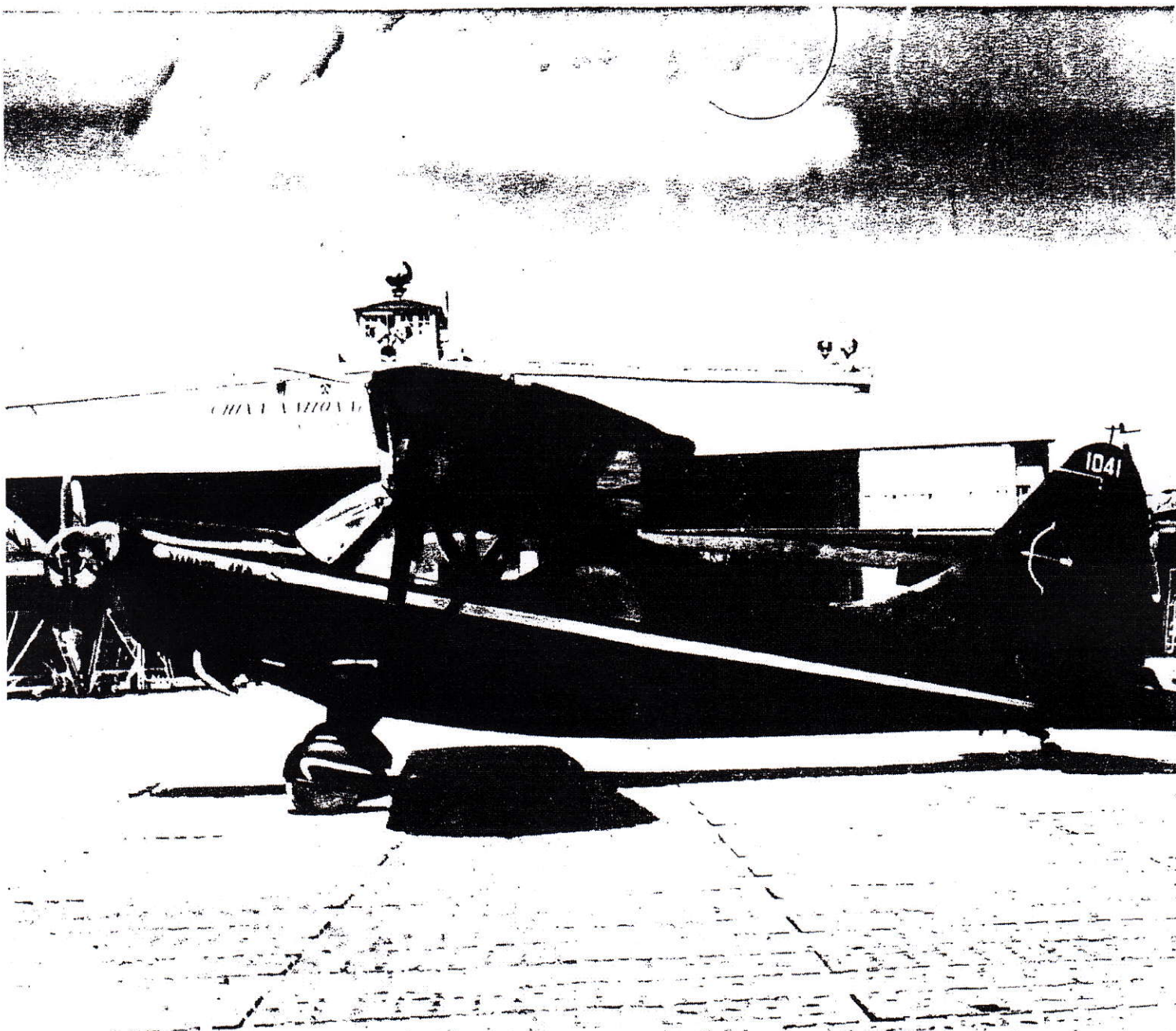


VALERI,

A CLUTCH OF RANDOM PAPERS, A COUPLE REQUESTED & PROMISED BUT ONLY NOW BEING OFFERED....YOU ASKED FOR A PHOTO OF MY STINSON TAT YOUR DAD FERRIED FROM SHANGHAI TO HONG KONG FOR ME WHEN I WAS SO BUSY WITH EVACUATING CNAC. HE LATER GAVE ME VALUABLE FLYING LESSONS IN IT AT KAITAK....AS EARLIER HE HAD GIVEN ME AEROBATIC LESSONS AT SHANGHAI IN CNAC'S AT-6 TRAINERS. TOM ASKED FOR MY PHOTO AND I ASK THAT YOU PASS IT ON TO HIM. A MFEW OF THE OTHER PAPERS RELATE TO CNAC, OTHERS ARE RANDOMS POSSIBLY OF INTEREST.



1948--Grumdys Stinson, in front of a CNAC hangar at Lung Hua Airport in Shanghai, China. Grumdy was Chief Engineer of CNAC.



Tom -

The Stinson ended up
in the waters/seas off of/near
the airfield - A typhoon hit and
blew the plane off of its tie downs.
It's still there.

Should you need to e-mail
Grandy - use 14-16 pt type -
his vision is failing

CNAC-1
MCC-13957

THE REPUBLIC OF CHINA
MINISTRY OF COMMUNICATIONS
NANKING, CHINA



AIRMAN CERTIFICATE NO. 225

This certifies that **HUGH L. GRUNDY**
has been found to be properly qualified to exercise the privilege of **A PILOT**

This certificate is valid for a period of 6 (six) months unless the holder hereof is otherwise notified by the Competent Authority within such period, and it shall continue in effect thereafter until otherwise specified suspended or revoked.

AIRMAN RATING RECORD
Ratings with Limitations.

Single Engine Land 0 - 300 HP

*OK
J.M.*

Date of Issuance 1/7/49 By direction of the C.N.A.C. as authorized by
Memorandum No. 13957 dated Oct. 22, 1946 from the Ministry of Communications, the Republic
of China.

E. M. Allison
Examiner

This certificate is not valid unless accompanied by a Medical Certificate evidencing compliance
with physical requirements prescribed by the Competent Authority.

Any alteration of this certificate is punishable by a fine or cancellation, or both.

Signature of Holder: *Hugh L. Grundy*

REPUBLIC OF CHINA
MINISTRY OF COMMUNICATIONS
ADMINISTRATION OF NAVIGATION

AIRMAN CERTIFICATE NO. 43

This certifies that Hugh L. Grundy is properly qualified and is physically
able to perform the duties of mechanic under the following ratings:

Airplane

Airplane Engine



By direction of the Authority vested by The Ministry of Communications, Directive
No. 1705 of the Republic of China. Per MCC communication No.
13957 dated October 22, 1946.

E. M. Allison
Authorization

E. M. Allison, O.M., C.N.A.C.

April 15, 1948.
Date of Issue

Hugh L. Grundy
Signature of Holder

Address

COCKPIT STORM IN THE ARABIAN DESERT

I don't remember the exact date, but it must have been around late 1943. I was a Captain in the US Army Air Corps or the Army Air Force...I also don't recall the date of change to AAF....stationed in Khartoum in the Sudan where I was Deputy Wing Engineering Officer of the Central African Wing of the Air Transport Command. A B-24 bomber en-rout to the China-Burma-India war theater had made an emergency landing in the Saudi Arabian Desert south west of Riyadh. The aircrew had been recovered, but I had to go inspect the aircraft and decide whether we should undertake repair and fly-out, or abandon it.

Arrangements were made with the British Command at Aden (British had military control in the area then) for an aircraft to fly me to Riyadh, then a military ground escort to the B24. Upon arriving at Aden, I was assigned a Blenheim bomber with it's British Officer Pilot. I was assigned as Co-Pilot, although I had only piloted American aircraft and was completely unfamiliar with this particular aircraft type. (I did have some quite limited familiarity with British Hurricane and Spitfire fighters and Fleet Air Arm aircraft).

During our preflight briefing, when it became evident that I was not carrying the usual GI Colt 45 sidearm, the briefing Officer issued me a British service revolver with instructions, that if an unforeseen emergency forced us down in the desert between Aden and Riyadh we risked falling into the hands of Bedouins, who would consider us Infidels to be disposed of in their customary manner....castration, sewing the testicles into our mouth and leaving us to a torturous death in the desert.... and so, upon such encounter we should just put the barrel in our mouth instead and pull the trigger, for a quicker and easier exit. He estimated the chances of timely rescue from any remote area would be low. Not a pleasant prospect, but neither was war and this was part of it !

With that, we boarded our aircraft, I was given a brief....too brief as it would turn out...cockpit rundown of operating procedures, we fired up, taxied out and took off on the sand runway. Suddenly, about a hundred feet, or less, in the air the cockpit hatch cover blew off and all the sand, sand dust (like flour) dirt and debris that had collected in the aircraft from day one was in our faces as it was sucked out that hatch "venturi" over our heads. We were flying blind for the fortunately brief period it took to regain some sight ! We were at a dangerously low altitude for this situation, but the pilot managed to maintain a satisfactory flight attitude during the "blackout". After regaining orientation and wiping the sand and dirt from our eyes and faces we landed, a replacement hatch cover was located and we taxied out again for takeoff....both of us making sure this time that the hatch was secure!

The flight to Riyadh and the ground journey to the B-24 were uneventful, the B-24 was determined to be reparable and later was repaired and flown out.

Hugh Lee Grundy

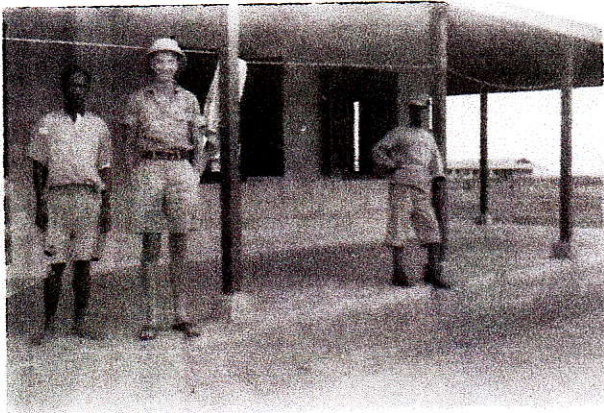


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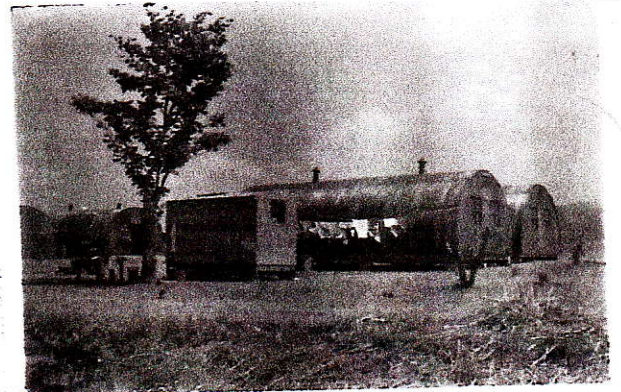
←
1942
GIZO PYRAMID
THE GIZO
PYRAMID
YEAR CAMP
NOT ALLOWED
NOW



44



17



24

Grundy, Africa, 1941-1942

46 & 44. Giza pyramid, 461 feet tall. Climbing the rugged stone corners was difficult, slow and dangerous. No assists or safety gear. Wouldn't be allowed in later years.

111. An African ant (termite) hill at Freetown, Sierra Leone. It knocked the gunner's tail section off a ground looping B-17 during landing. Only scratched the ant hill !

17. PAA barrack at Accra, British West Africa. Wood is mahogany.

24. PAA camp at airfield, Freetown. Barracks, mess, stores shops. Grundy / one assistant erected Nissen hut kits borrowed from British Royal Fleet Air Arm, and local mahoganv.

HUGH GRUNDY

CALIFORNIA, 1939

FLYING AN ARROW "SPORT" OPEN COCKPIT, TWO PLACE SIDE BY SIDE, LOW WING MONOPLANE, POWERED BY A KINNER B5 RADIAL ENGINE, WHILE HE WAS FLYING WITH, AND WORKING FOR, PLOSSER AIR COLLEGE AT GRAND CENTRAL AIR TERMINAL, GLENDALE (THE INTERNATIONAL AIRPORT SERVING LOS ANGELES).

CONCURRENTLY, GRUNDY WAS ALSO ATTENDING CURTISS WRIGHT INSTITUTE OF AERONAUTICS AT THE SAME AIRFIELD.



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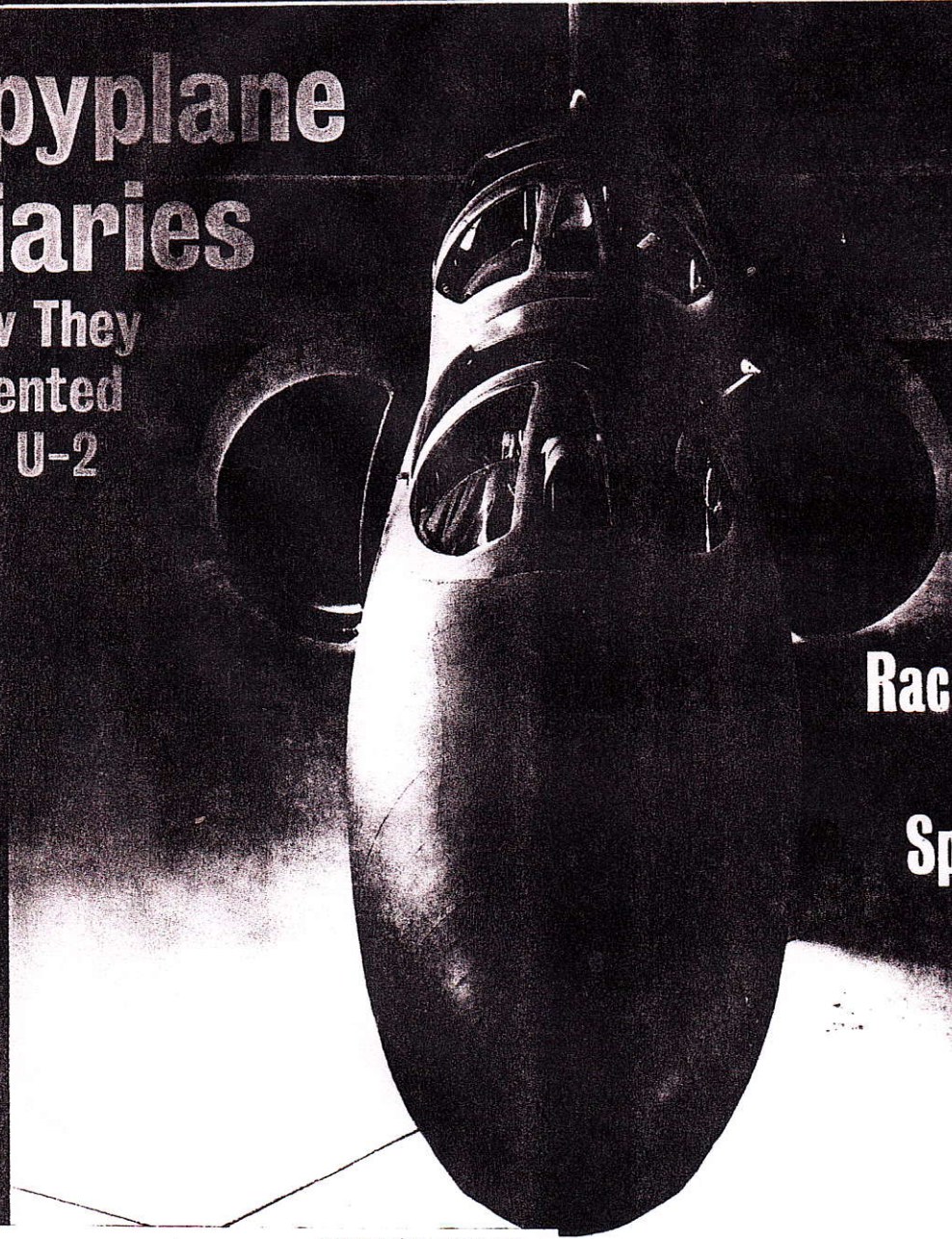
DETAILS INSIDE

AIR & SPACE

Smithsonian

Spyplane Diaries

How They Invented the U-2



Race to Mach 1

Space Station Startup

p. 52

HUGHL GRUNDY
VALLEY HILL PLANTATION
SPRINGFIELD, KY 40069

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Allie's Choice

by Nancy Allison Wright

Captain Ken Colthorp had come back into the cabin of the airplane to check on his three passengers: his wife, my mother, and me. "Do you see those puffy little clouds below us?" he asked me. I peered out the window and nodded. "The Communists are firing at us," he said.

It was December 16, 1948. That October, Chiang Kai-shek had lost 400,000 of his best troops at the battle of Shenyang (formerly Mukden), a massive defeat

that marked the turning point in China's Communist revolution. By November, the Red Army had occupied Suzhou (Hsueh), the currency had collapsed, and Chiang had hurried to complete the transfer of his Nationalist government to Taiwan. My father, Ernest M. "Allie" Allison, then operations manager of China National Aviation Corporation, moved the company's main base from Shanghai to Hong Kong, and my mother and I were evacuated in a

CNAC C-46. We left everything but two suitcases behind.

CNAC was China's largest airline, jointly owned by Pan American Airways and the Nationalist Chinese government. I didn't know at the time that my father would attempt to save it for the very people who were shooting at us. I was 11 years old and didn't understand much about the civil war that surrounded us or Dad's plans for the company.

After we arrived in Hong Kong, Moth-

To Ernest Allison, the Chinese were neither Communists nor Nationalists. They were potential passengers, and he wanted to give them an airline.

er and I settled into a two-room suite at the Hotel Miramar in Kowloon while Dad flew back and forth to Shanghai, evacuating equipment and personnel. In the first week of our arrival, Quentin Roosevelt, CNAC's 30-year-old vice president and a dear friend of our family,

Matters didn't settle down. On October 1, Mao proclaimed the birth of the People's Republic of China, and CNAC's future remained as uncertain as ever.

Back in the United States years later, when I was an adult with a family of

my own, my father and I talked about those times. In many of our conversations he told me that Mao had asked him to come to China and run the airline for him. What he didn't tell me was that he had accepted. It wasn't until after he died at age 81 that I learned he had decided to operate CNAC for the Chinese Communists. I found out by interviewing the historians who had so many times interviewed him. I also read his diaries,

letters, and logbooks and searched through public archives to try to understand my father's role in CNAC's controversial last days and find out how he came to make the choice that caused many people, some of them his friends, to question his patriotism.

Dad had helped build CNAC into the largest airline in East Asia. It operated 60 aircraft—six DC-4s, the rest twin-engine C-46s and DC-3s—to 33 Chinese cities. The airline established routes to San Francisco, Bangkok, Rangoon, and Calcutta, and was about to initiate one to Tokyo when it was engulfed in China's civil war.

Although CNAC was China's flagship carrier, it was not the country's only significant airline. Central Air Trans-

After Mao's victory, China National Aviation Corporation workers painted the Communist flag on their aircraft (opposite). The author's father, CNAC executive Ernest Allison, shown here with an unknown passenger, supported their wish to keep the airline in China.

port Corporation, owned wholly by the Chinese government, served 26 cities in China. And Civil Air Transport, owned by Whiting Willauer and General Claire Lee Chennault, the former head of the famed American Volunteer Group, better known as the Flying Tigers, flew daring support missions as a paramilitary arm of the Chinese air force.

Dad's history with CNAC dated back to its founding in 1929 when, as a U.S. Air Mail Service veteran with 8,000 hours in Curtiss Jennies and de Havilland 4s, he signed on with the fledgling China carrier to survey and inaugurate its first routes. At the time, CNAC was owned by the Chinese Nationalist government and the Curtiss-Wright Corporation. In 1933, Pan American Airways bought Curtiss-Wright's interest.

Flying Loening Air Yachts, Dad and his fellow pilots pioneered a civil air network along China's life-line, the Yangtze River. The Loening amphibians, powered by single 525-horsepower Pratt & Whitney Hornet engines, could each carry a thousand pounds of freight and six passengers. They cruised at 100 mph. "When visibility became poor, we landed on the river and continued on the step [with floats on the surface, ready to lift off] at about 40 mph under reduced power," Dad wrote in a memoir. "When visibility improved, we simply opened the throttle and took off."

The Sino-Japanese war forced our family out of China in 1939, but we returned in 1947, after William L. Bond, then CNAC operations manager, pleaded with Dad to come back and untangle problems in the airline's operations department. Following World War II, the airline had shifted from a cargo carrier to a full-service airline, and it was suffering from inadequate ground facilities, labor problems, and growing pains. Then the Communist revolution disrupted operations almost entirely.

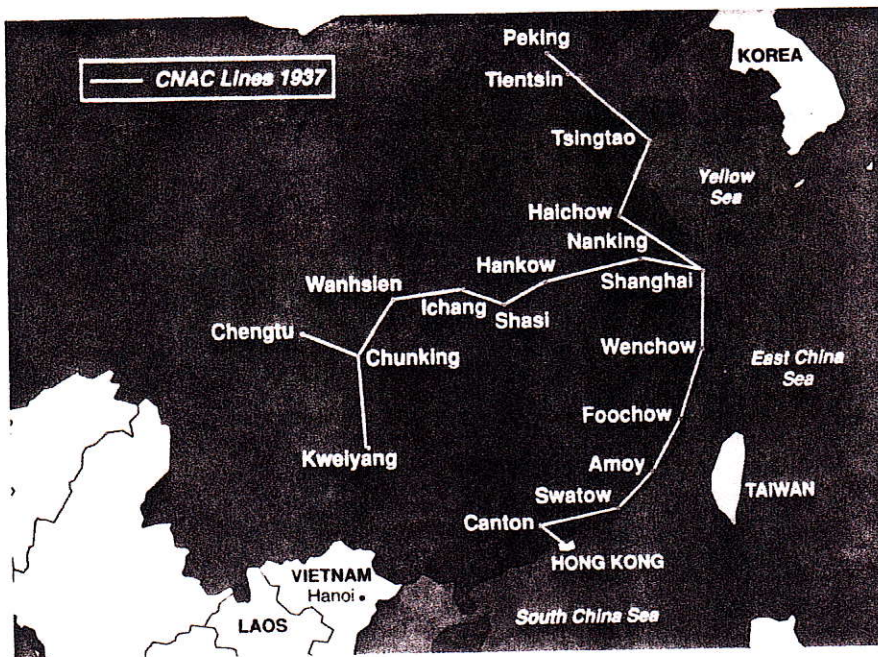
I learned that as Dad shuttled back and forth between Hong Kong and



ERNEST ALLISON/WRIGHT COLLECTION

was killed in an airplane crash. Dad, as the new vice president and director, shouldered almost all the responsibility for guiding the airline through the critical period that followed.

During the next six months, my father spent much of his time in Shanghai, wrestling with the uncertainties of CNAC's future after Mao's imminent takeover. That city fell to the Communists in May, and the following month, as Nationalist forces blockaded by sea and air all China's Communist-held coastal cities, my mother and I boarded the *President Taft*, a ship bound for San Francisco. We planned to spend the summer at our home in Arcadia, California, and return to Shanghai in the fall, when, as Dad said, "matters settle down there."



FROM THE DRAGON'S BLOOD BY WILLIAM L. WYR

Ministry of Communications DC-2 with the Chiangs aboard, the plane's electrical system failed, forcing him to return to Hankou. Flying without landing lights and with no lights on the airfield—and avoiding bombs placed on the runway to destroy it before the Japanese arrived—Dad set the craft down. With the government plane out of commission, he prevailed on CNAC to take the Chiangs on the next leg of their scheduled flight. That night CNAC pilot Charles L. Sharp and Dad flew the stranded party to safety. "We both had been flying for several days and nights taking government officials out of Hankou to points west and were exhausted, so we took turns flying while the other slept," Dad wrote in one of his letters.

Shanghai, galloping inflation, which at one point doubled the price of rice in one day, proved a terrible burden to CNAC's Chinese workers. "One day I was mobbed twice by our own mechanics," Dad told a reporter for the *North China Daily News*, an English-language newspaper in Shanghai. "Once at Lungwha [Shanghai's airport] about noon and that evening at our downtown office. It took several Americans and loyal Chinese all armed to get me out of my office. That evening Mayor K.C. Wu sent a machine gun squad to our downtown office to disperse the crowd so we could go home."

Also among his papers, I found an English translation of a bulletin circulated among the CNAC employees in Shanghai in May 1949, a few days before the city fell to the Communists. "You have two choices, either stay and protect your property or leave the land of your forefathers and go into exile as white Chinese," it read. The bulletin must have been distributed by employees won over by the Communists.

To many CNAC employees, including, I think, my father, the choice was not between two governments but between keeping the airline going or abandoning it. As the Communists gained territory, they appeared more able to support an airline than the weakened Chiang. And yet Chiang Kai-shek had been a great friend to CNAC. Many times, both as a child and as an adult, I'd heard my father talk about his relationship with the Chiangs. He credited



NANCY ALLESON WRIGHT COLLECTION '29

them with China's gradual acceptance of air travel.

He prized a sterling silver martini shaker engraved with a dragon that he had been given when he had been employed by the Nationalist government as an advisor to the Commission on Aeronautical Affairs. The inscription read: "Christmas 1938, from Generalissimo and Madame Chiang Kai-shek." The gift acknowledged Dad's effort on the night of October 24, 1938, to evacuate the Chiangs from Hankou (Hankow) as Japanese troops invaded.

That story was one of the most repeated tales in our family collection. It went like this: After Dad took off in a

My father felt an allegiance to the Chiangs, but he also felt a sense of obligation to the Chinese managers and pilots with whom he worked. And while Mother and I waited for the signal to come back to Shanghai, he confronted a situation that turned critical the morning of November 9, 1949. The night before, CNAC managing director Colonel Liu Ching-yi asked Dad and operations manager James H. McDivitt to join him for a breakfast meeting in a downtown Hong Kong restaurant. While Dad and McDivitt settled themselves at the table, awaiting Liu's arrival, 10 CNAC and two CATC airplanes took off from Kai Tak for mainland China. On board one of

them was Colonel Liu. (One of the CNAC airplanes turned back to Hong Kong with engine trouble.)

Liu had been a family friend. (My diary shows that shortly after we arrived in Hong Kong, he brought me my radio from Shanghai and a few gifts as well: a silk dress, a handkerchief, and a doll.) Immediately after his defection, he sent a letter to my father inviting him "to come immediately to Peking for an emergency meeting of the Board of Directors." In his letter, dated November 9, 1949, he also defended his decision. "CNAC is an airline of China which cannot live off the China land nor can it stay in a foreign hide-out," he wrote. "It must go back to China and resume operation in China."

Fred Chin, a CNAC Chinese pilot who flew back to China on that fateful November morning in 1949, today lives in Monrovia, California, and remembers the decision he made. The "Communist underground," he says, promised he'd receive the same position, same salary, and same living standard he'd enjoyed in Hong Kong. "I was only 25 years old," he says. "The way we see it we only want a job and fly, that's all. I'm a Chinese. I'm not a Communist." Chin says the "kind of government" was of no consequence to him, "as long as I can fly."

CNAC copilot Chu-xioang Zhou, today a tai chi instructor in Everett, Washington, remembers Communist agitators telling him: "China is so big you guys can fly just like before. And you can fly all the time—no foreigners, all Chinese."

This would have been an important promise to the Chinese pilots, who were paid less than the U.S. pilots who flew for CNAC. Even pilots of Chinese de-



scend born in the United States were paid less than the white pilots, and my father and other CNAC managers had been confronted repeatedly about the unequal treatment.

"We wanted the country to be united," Zhou says. "We didn't know the Communist party. We thought that it must be better than Kuomintang [the Nationalist political party]. We were happy even to lose everything. But now

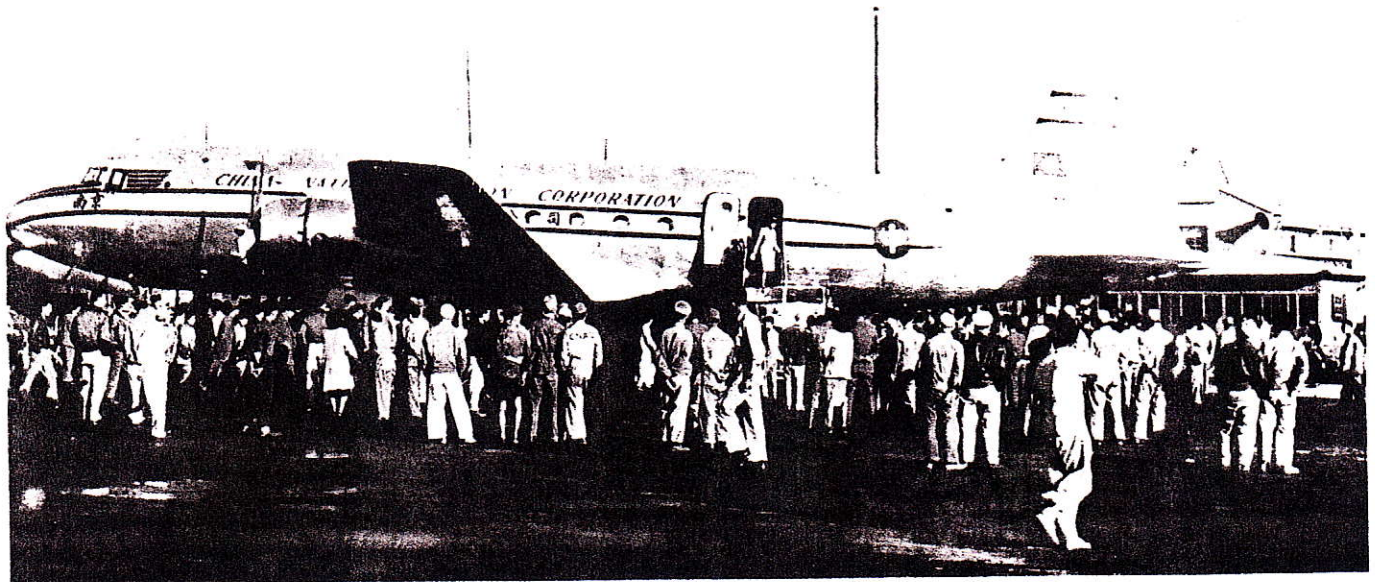
Allison helped get CNAC on its feet in the early 1930s by pioneering cargo routes along the Yangtze River (opposite). The airline inaugurated trans-Pacific service between Shanghai and San Francisco in 1947 (above). Its first DC-4 arrived in Shanghai's Lungwha airport the year before.

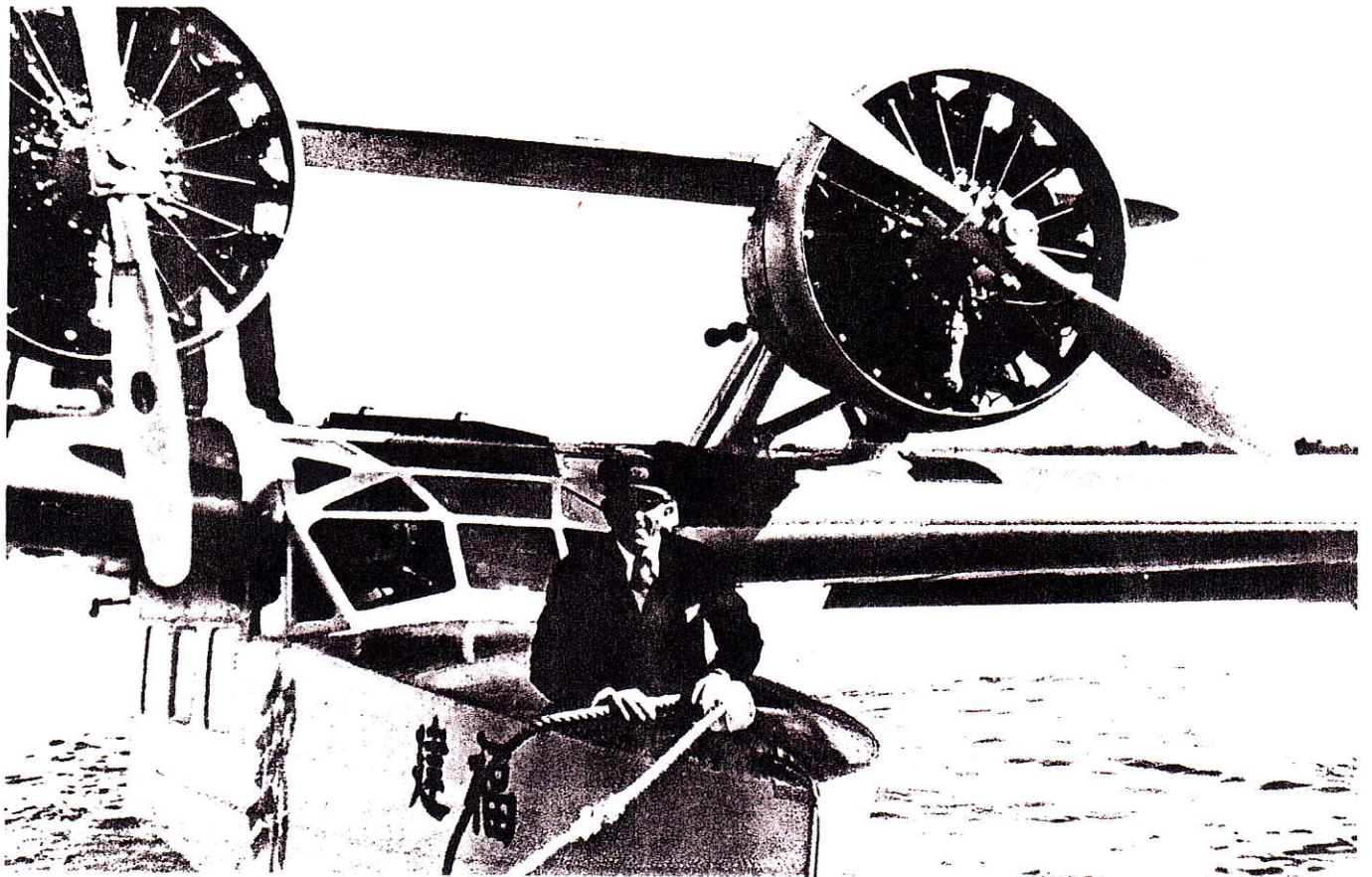
we look back we sacrificed too much because freedom is everything. Once you lost freedom, it's more important than anything else in the world."

Both Zhou and Chin suffered persecution after returning to China from Hong Kong. Having been educated in the United States, they were pegged "rightists" and sent to labor camps in the countryside.

Not all of the Chinese pilots in the company defected. Moon Chin, an American-born Chinese who had transferred from CNAC to CATC, where he became vice president, wanted nothing to do with Communism. "I want to keep what I earn and other people should keep what they earn," he says. "No equal treatment." To avoid the situation, he simply took a leave of absence from the company and, as he says, "let them do what they want because I was gone."

The day after the mass defection, Pan Am and CNAC officials and employees gathered at the Peninsula Hotel to discuss moving the airline to mainland China. CNAC was flying diminished route schedules to fewer and fewer Nationalist-held areas, and William Bond (then a Pan Am vice president) had informed the U.S. Department of State months earlier that Communist officials had invited Pan Am to continue operating CNAC within China. At the meeting two views emerged. As James McDivitt wrote in a letter to me a few years before his death in 1997: "One group was adamant in their statements that they would never go to work for a Communist government under any consideration." The other group, which, ac-





NANCY ALLISON WRIGHT COLLECTION (3)

According to McDivitt, included Dad and Bond, believed the company should enter negotiations with Mao's government. They felt, McDivitt wrote, "That a wonderful opportunity existed for Americans to get legally behind the Iron Curtain and begin to hopefully prove to the world that working together was possible."

My father almost certainly espoused these principles, but it is difficult to know, after so much time has passed, whether they are what guided him in his attempt to work with the Communists. He wrote to my mother only that "two factions in CNAC are tearing it apart." Historian William M. Leary Jr., author of the definitive history of the CNAC, *The Dragon's Wings*, had corresponded with Dad for years and has a different interpretation of his motives. "Your father supported becoming partners with the Communist government," he told me. "He thought of Mao as just another warlord." According to Leary, Dad failed to understand the "diplomatic ramifications" of partnership with a Communist regime, a proposal which "got shot down at the highest political levels." Leary called him tough but politically naive.

I think I came closest to the truth in my correspondence with 75-year-old Beijing professor Renjie Hua, the executive vice president of the Beijing Aviators Association, who was a CNAC copilot and later air traffic controller. After the revolution, he joined the People's Liberation Army bomber division, eventually becoming a research officer in the PLA Air Force Command College. "Your father supported the idea of taking the airline back to mainland China in 1949," he wrote. He spoke on my behalf to 83-year-old Gordon Poon, also now living in Beijing. Commanding a CATC Convair 240, Poon was the one pilot who flew to Beijing back in November 1949. The others landed in Tianjin (Tientsin). Premier Zhou Enlai gave Poon a hero's welcome on his arrival, and a month later the airplane was christened *Beijing*. Hua wrote that Poon, who'd once flown for CNAC, remembered Dad: "Many Chinese pilots were checked out by him, so most of CNAC Chinese pilots knew him and were grateful to him."

I think my father's openness to the Communists was based more on this relationship with the Chinese pilots than on his political beliefs. These men

Before World War II, Allison and a small group of pilots operated CNAC's mail and passenger service with Douglas Dolphin amphibians. Opposite: After the war, the line grew, and employees took pride in the airliners the company acquired, including the C-46 Air Prince.

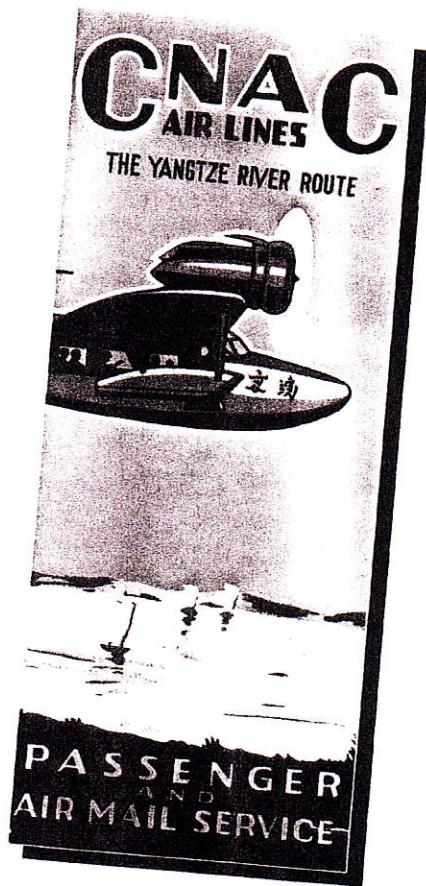
and Dad had shared the experience of building a company, and they also belonged to the sort of brotherhood that forms around airplanes. Dad was an able businessman, but he was more comfortable in a leather flight jacket than a three-piece suit. Fred Chin expressed it best: "as long as I can fly."

This is of course a daughter's perspective. But understanding Dad's decision as a personal one as much as a professional one, I can see even more clearly why the events that followed were so painful for him.

After the meeting at the Peninsula Hotel, Dad called a press conference in Hong Kong that, McDivitt remembered, became "extremely unruly." My father told one of the Hong Kong reporters that CNAC's fate lay in the hands

of the Chinese people and that CNAC's 37 U.S. pilots were "solidly behind the company." Journalists hammered him with questions about whether he would really work for a Communist government. "Our loyalty lies with the company, regardless of ownership," he answered.

While the events in China were being reported in U.S. newspapers, Rear Admiral Roscoe H. Hillenkoetter, director of the CIA, leveled charges within the agency that CNAC's American partners "were fully aware of the deal [defection] and lent their support." My father has always denied this accusation. He wrote to my mother shortly after the defection: "Liu jumped the gun" and later, "None of the Americans, including myself, knew it was going to happen." Public indignation peaked with the publication of a *Time* magazine article that erroneously reported that "eight American pilots had already gone to work for the Communists." (Among Dad's papers, there is even a letter about the article from his moth-



er in Sterling, Kansas. She wrote, "I did not think you'd do business with the Communists.")

The news that U.S. airline executives and pilots were considering working for Red China made headlines at a time when anti-Communist fervor was at its peak in the United States. In January 1950, just two months after the news

stories appeared, former state department official Alger Hiss was convicted of perjury after journalist Whittaker Chambers accused him of membership in a Communist espionage ring. At the same time, Senator Joseph McCarthy launched his investigation of Communist infiltration of the state department.

In fact, the state department, at the

time my father was trying to hold things together in Hong Kong, was not at all receptive to the Communist government (the United States did not recognize the People's Republic of China for another 29 years) and was very cool to Pan Am's proposals of becoming partners with the Communists. On December 15, 1949, Deputy Assistant Secretary for the Far East Livingston Merchant told William Bond and another Pan American vice president, Harold Bixby, that the department's "attitude throughout had been that the disposition of CATC and CNAC as Government-owned corporations lay in the hands of the Chinese Nationalist Government and that we would naturally greatly prefer to see those aircraft remain in the hands of the National Government and not fall into Communist hands." Although Pan Am had been seeking the department's position since June 1949, it wasn't until December that the company received a "draft response" stating the department "would prefer to see Pan American Airways disassociate itself from any connection with CNAC...as rapidly and as completely as its contractual obligations... would permit."

Why the hedging and delays? Many historians have pointed out that the Truman administration, though strictly anti-Communist, feared Moscow more than Beijing. Any discussions among policymakers that could be construed as even mildly accommodating toward Communist China were directed toward keeping the Chinese from being completely dependent on—and therefore completely loyal to—the Soviet Union. But the administration did accept the inevitability of the Communist victory and virtually ended military aid to the Nationalists in 1949.

To clarify this decision, President Harry Truman issued to Congress—and on August 5, 1949 released to the public—Secretary of State Dean Acheson's thousand-page report, *United States Relations with China*, which became famous as the China White Paper. The report, which asserted that Chiang had been undermined as much by corruption in his own government as by Communist aggression, was reviled by conservatives, who accused Truman of betraying an ally and being soft on Com-

munism. And so the administration yielded to the so-called China Lobby—politically influential Chiang supporters, like publishers Henry Luce and Roy Howard, columnists Joseph and Stuart Alsop, General Claire Chennault—who argued for postponing trade and diplomatic talks with the emerging Communist regime.

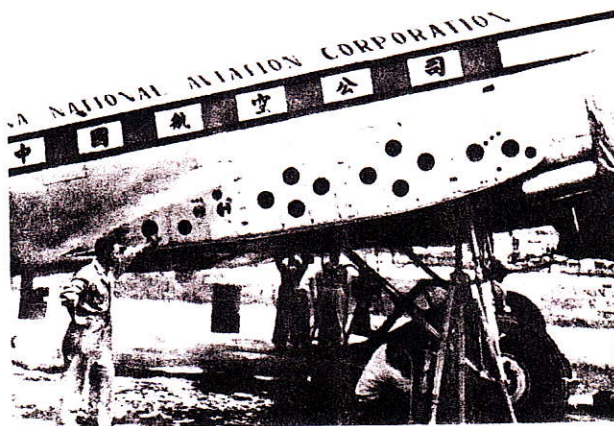
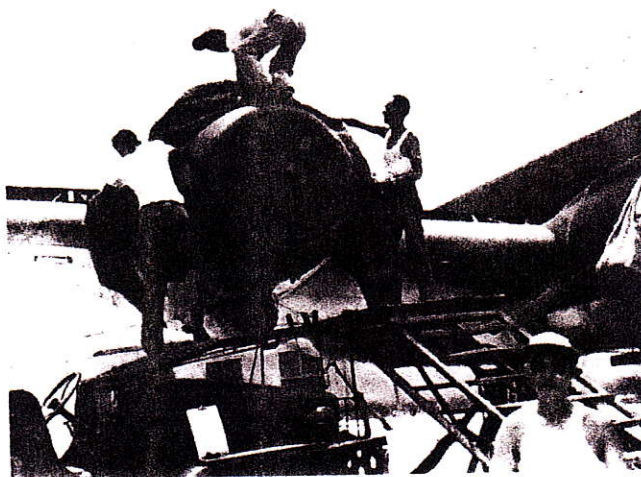
By the time the state department was deciding how to advise Pan Am, however, CNAC's Chinese staff, sympathetic to Mao, had taken possession of the airplanes remaining in Hong Kong. The Nationalist government withdrew airworthiness certificates for the aircraft, in effect grounding them, and the Hong Kong authorities announced that no airplanes would be permitted to depart Kai Tak without proper registration. Then a bomb dropped.

General Claire Chennault announced that he, his partner Willauer, and four other investors had bought both CATC and CNAC from the Nationalist government. He had persuaded Chiang to sign over the airlines to him, saying he could head off Communist claims for ownership and eventually transfer the planes to Taiwan. Chennault cited intelligence reports that the Chinese Communists were training paratroopers for an assault on Taiwan.

Chennault's move astounded my father. "Chennault and Willauer are trying to steal our assets," he wrote home. The two men had known each other since 1918, when they had both served in the U.S. Army Signal Corps at Kelly Field in San Antonio, Texas. Dad was a flight instructor and Chennault a fledgling pilot whose erratic behavior and unorthodox flying techniques threatened to get him dropped from the corps. The Army washout board assigned Dad to take the flamboyant Louisianan up for one last-chance flight. After an hour's ride, Dad landed and signalled Chennault to fly on by himself. He wrote in his report: "This man can be taught to fly." Chennault wrote in his autobiog-

raphy, *Way of a Fighter*: "To Allie I owe my first glimpse of the kind of flying that really made me love the air."

The two renewed their friendship in 1938 in war-torn Hankou. At the time, Chennault was laying plans for the AVG to fight Japanese invaders, and Dad was directing the development and main-



COURTESY JACK FOLZ '21

Paid by the Communist government, CNAC mechanics covered engines to protect them from Hong Kong's salty air (top) and removed the aircraft's wings, storing them in maintenance hangars.

tenance of airfields for the Nationalist government. Whenever Dad was in Hankou that year, they roomed together.

"I can imagine the feeling you must have if you turn your pet over to him,"

Mother wrote in 1949. That Christmas Dad received a card with the curious message: "From your good, altruistic friends, Chennault and Willauer."

Dad, as well as Pan Am president Juan Trippe, questioned how the Nationalist government could sell China's flagship airline without the knowledge

of Pan Am, a 20 percent owner. (A clause in the airline's contract prevented one partner from selling without the other's approval or selling to a private individual.) What Dad and Pan Am executives didn't realize was that Chennault had the backing of a powerful ally: the Central Intelligence Agency.

It took me years of research into CIA and state de-

partment files before I pieced together the facts. Eventually, I learned that a short time before the defection, Chennault sold CAT, then financially ailing, to the CIA. State department officials told Pan Am executives to back off. "The Communist factor overrides all business considerations," they wrote in a memo. The agency advised them to see "certain CIA people."

Dad fought the sale to the end. Tillman Durdin, a *New York Times* reporter who covered the airline wars, told me a few years ago, "Your Dad took the view that the planes should be turned over to the China mainland government as the rightful owner. He found himself taking a position in favor of a Communist regime—a very righteous one, he felt—and was extensively criticized by many Americans for it."

Although Pan Am executives did not want to cooperate with Chennault, state department pressure prevailed. Juan Trippe, seeing that a business relationship with the Communists would have been impossible, at one point proposed selling Pan Am's 20 percent share of the airline to the Communist government for \$3 million. Instead, on December 31, 1949, Pan Am sold its in-



COURTESY CLIFF DUNAWAY, HONG KONG HISTORICAL AIRCRAFT ASSOCIATION

terest in CNAC to Chennault and his partners for \$1.25 million. Thus ended what historian William Leary called "one of the great pioneering ventures in the history of commercial aviation."

Three months later, Dad came home to California. The 71 CATC and CNAC airplanes, impounded by Hong Kong's government, remained at Kai Tak airfield for nearly three years while Chennault and his partners fought Hong Kong lawyers for the right to remove the aircraft from Crown Colony territory. Three times judges ruled that because the airplanes had been used for public purposes in China, they belonged to the people of China, despite the change in their government. Expecting victory, Chinese workers of both airlines, loyal to Mao, guarded and cared for the aircraft, dismantling and preserving them. To establish ownership, they painted the Communist flag on the tails. Crew members and technicians removed thousands of tons of spare parts from CNAC's maintenance facilities and shipped them to mainland China. From those parts and with the 11 airplanes flown in on November 9, 1949, Red China established the Civil Aviation Administration of China, which be-

came its current international airline, Air China.

Backed by strong U.S. diplomacy, Chennault and his partners finally persuaded the British Privy Council of London to hear their case. Britain's highest court ruled that since the airplanes were not located in territory controlled by the Communists, they could legally be sold to a private party. On September 28, 1952, five Convairs and 18 C-46s were transported by a U.S. Navy aircraft carrier to Los Angeles. The remaining 48 aircraft were shipped by merchant marine to California.

After returning to the states, Dad and James McDivitt went into business together acquiring aircraft and selling them to the Indonesian government. The business lasted a couple of years, but Dad didn't like the politics involved and in 1953, he retired in his late 50s

CNAC aircraft stayed at Hong Kong's Kai Tak airport (above) from 1949 until 1952, when General Claire Chennault and his partners brought them to the United States. Ernest Allison retired to a California ranch and took up glider flying at age 75.

to an alfalfa ranch in the Mojave Desert. At the age of 75, Dad took up glider flying. He used to say, "This is just like the old days flying in the Jenny when the engine quit."

Dad never discussed his efforts to save CNAC for the Chinese people. Anti-Communist and anti-Chinese feeling in the United States remained fierce through the 1970s, and to the end of his life in 1976, he would not put himself in the position of trying to explain. ➔



COURTESY CLIFF DUNAWAY, HONG KONG HISTORICAL AIRCRAFT ASSOCIATION

JR

Comments by Hugh L. Grundy on the article, "Allies Choice"
in the January 1999 issue of Air & Space about his association
with Mr. Allison and C.N.A.C., the Chinese national airline

I was Chief Engineer of C.N.A.C. (China National Aviation Corporation), the Chinese affiliate of Pan American Airways, for whom I worked before and after WW-2, and who assigned me to C.N.A.C.. Mr. Allison (Allie), one of the original U. S. Airmail pilots, was my direct boss. Jim McDivitt, Chief pilot, was my counterpart. We worked closely together, under Mr. Allison who was Director of operations and Vice President. I was responsible for maintenance of all fleet aircraft, supply operations, main base and system station technical functions and for construction of the new main base underway at Hong Kong following our move from Shanghai, forced by the Communist advance on that city, our former main base.

Although I sympathized with the efforts of Allison and McDivitt to save the airline and restore its operations on the China mainline, I was not involved in their unsuccessful maneuverings. The communists, who took control of the airline upon the defection, invited and urged me to continue to serve as Chief Engineer and I did so, with the blessing of the US Consul General (no Ambassador was assigned to the British Colony), for several months. The Communists were very short of money and couldn't support a quality operation like the one we had before the defection. That consideration, along with the intense anti-Communist fever at that time, convinced me that the wiser choice was to accept an offer as Chief Engineer from another Chinese Airline, C.A.T. (Civil Air Transport) and follow the Nationalist Chinese Government in exile on Formosa (now Taiwan), and so I did that.

While I think the United States relations with The Peoples Republic of China, now a world power, might be further along today had they sought an accommodation with red China then rather than continuing to back the ousted Nationalists at the enormous costs ultimately involved, my decision turned out to be a fortuitous one for me, as C.A.T. and follow-on affiliates, Air America and Air Asia, prospered to become one of the largest Airline conglomerates in the free world and earned me a rewarding aviation career as President of those three Airlines and several affiliates, including Pacific Engineering Company and Thai Pacific Corp., for over twenty years.

Mr. Allison and Jim McDivitt, elected, when the endeavor to continue a C.N.A.C. didn't work out, to return to the United States and start a used airplane and parts sales venture. They urged me to join them in that venture, and I went so far as to fly to California and visit with Mr Allison at his home in Arcadia (and stay with Mcdivitt and his wife, Valeri) to listen to their proposal. But, that type work didn't appeal to me and I didn't see the bright future in it that they did, and so I declined to join and returned to my Airline job in Formosa. Again, that decision proved fortuitous, as their venture didn't succeed, as the Magazine article relates. Jim then joined Boeing as an airplane salesman. Some years later I dealt with him when we were buying Boeing 727s.

The "Allies choice" article mentions the death of Quentin Roosevelt Jr. He was a Pan American Airways Vice president in their Headquarters in the Chrysler building in New York City and my direct boss on the C.N.A.C. DC-4 conversion program at Baltimore. He was a fine man.

Before WW-2, I worked for PAA Africa Ltd. establishing an Air Route across Africa from Bathurst Gambia to China and the Far East and Russia. Unknown to us at the time, it was revealed much later that it had been a highly classified contract amongst PAA and the US and British Governments, preparatory for the world war that a few American officials saw coming. In 1942, Sometime after WW-2 started and while I was still working for PAA in Accra as superintendent of aircraft overhaul, I was offered a commission in the US Army Air Corps as first Lt. and Engineering Officer, which I accepted. I spent much of the war in Africa, first as Engineering Officer in charge at Cairo, then Deputy Wing Engineering Officer of the Central African Wing of the Air Transport Command and finally as Commander of the Engineering Group, at Accra which had become the Air Corps main Operations Base in Africa. My Operations Base Commander was Lt. Colonel Henry Kristofferson, (father of Kristofferson, the currently popular singer / actor) a former PAA Pilot with whom I had flown a good many hours as Flight Engineer and Copilot and my Engineering boss was Lt. Colonel Ed Schroder, formerly a United

Airlines Engineer and Executive. I was Captain by this time. Later, all three of us were rotated back to the States. I ended up at Love Field, Dallas as Engineering Officer of the first unit of the new Military Airlift Command (MAC) destined to consolidate the Air Corps Air Transport Command (ATC) and the US Navy's Naval Air Transport Service (NATS) into a single Military air transport arm. Schroeder landed in the Pentagon in charge of Air Corps engineering/ operations. The Air Corps highest priority transport operation was based at New Castle Army Base at Wilmington Delaware. They had over fifty C-54 aircraft and the mission of flying blood and plasma to the battlefronts in Europe and North Africa and returning wounded soldiers to the States. But, the engineering operation at New Castle was in big trouble.. Much of the fleet was grounded for repairs, and the flight utilization was dismal, only a few hours daily average.. Schroeder, who had participated in our effective engineering endeavor in Africa, had me transferred to Wilmington to see what could be done to get the C-54s flying. He assured me of full Pentagon support of any changes and requirements I found advisable. It took only a short time to discover the main problem. The military part of the engineering organization was staffed with a clique of New Yorkers who had never seen overseas duty. They were not applying themselves vigorously to the work required and were getting numerous leaves to return to NY City to take care of their personal affairs and businesses. The base military personnel office, who controlled much of this was part of the clique and allowed it to go on. They were working an inefficient three shift schedule, too leisurely a pace for urgent wartime Operations, with poor coordination amongst the three shifts. The civilian depot personnel were, for the most part, doing their work reasonably well. I asked the Pentagon to arrange transfers to foreign duty for most of the engineering military people and replace them with soldiers who had already served time overseas and presumably would recognize the need to produce. I eliminated the three shift schedule and established two twelve hour shifts, which assured good coordination. (it was wartime, no work rules limitations). I also asked for certain priorities on supplies and machinery. All the recommendations were promptly approved and implemented. The results were almost miraculous. It took only a few months to get the fleet average daily utilization up to over 13 hours.. Enroute utilization was greatly improved because of better aircraft reliability.. I was promoted to Major.

Later, with the war winding down and Wilmington, among many other bases, being downsized I was transferred to Topeka Army Air Base in Kansas to organize a more centralized and consolidated engineering facility.

I had been at Topeka only a few months when Quentin, who was responsible for developing a four engine aircraft fleet for C.N.A.C., and had known of the highly successful C-54 endeavor at Wilmington, phoned me at Topeka and urged me to return to PAA and manage the project at the Glenn Martin Plant at Baltimore to convert a fleet of surplus military C-54s to certificated civil DC-4s. Production of civil aircraft had not yet resumed and conversion of now surplus C-54s was the only source of early delivery of civil Airliners. While I liked my military service, except the repeated transfers, the outlook was quite uncertain. A tremendous reduction in the military services was underway as an aftermath of the wars end. A return to PAA was attractive, and so, despite my being in line for promotion to Lt. Colonel in about two months, I decided to accept Quentins offer and applied for release from active duty and assignment to reserve status (where I ultimately completed 20 years military service)

Following my release from military duty, I moved to PAA Headquarters in the Chrysler building in New York City where I was assigned an office on the 43rd floor (way up there!) while doing planning work for the Baltimore operation A few months later, I moved to Baltimore to manage the conversion project.

As an interesting sidelight, in addition to my staff of American Engineers and Pilots at Baltimore to supervise modifications and test fly and "shskedown" the completed aircraft before commencing their long journey to China, C.N.A.C. had sent about fifteen Chinese Engineers and Flight Engineers to observe and train during modifications and test flying. The father of my senior American Engineer, Newell Davis, owned a hunting lodge near Plattsburg, New York. Newell invited the whole project staff, including me and the Chinese trainees, to join him at the lodge for a deer hunt when the project was complete. A few of the American staff and all the Chinese accepted. The Chinese didn't have hunting gear or sufficient cold weather attire, of course, so there was a struggle to borrow rifles, knives and other hunting gear and to round up or buy suitable clothing. When the last airplane had completed its test flight, I advised Quentin

and told him of the staffs plans to join Newell on his deer hunt. I asked him if I might have time off also to join them, since most of us were scheduled to leave for China soon. He thought the hunt would be a nice benefit for the staff and a treat for the visiting Chinese and readily agreed that I should go along. Then, he asked how the group planned to travel. I said that they were still working on that, but probably by train. His surprise response---Look, that last plane, just completed, still needs some shakedown flying so why don't you just load the whole bunch on it and have it drop you off at Plattsburg Air Base, then continue with its exercise. The group can find its way back by train or other means. Well, you can imagine the groups delight at having a private big DC-4 to take them deer hunting!

A couple of days later, the group, with all their hunting gear, was aboard and we were airborne for Plattsburg. Newell had his six year old son ,Greg, along. Everything went fine until nearing our destination, Plattsburg tower advised that the weather had deteriorated and the field was now closed to landings. Our options at that point were to return to Baltimore and cancel the trip, an unattractive proposition, or locate another airfield acceptably close by that was not weathered in. A radio search determined that Burlington, Vermont, across Lake Champlain from Plattsburg was open so the Captain got permission from the Burlington tower to make an emergency landing. The airfield was small with a short runway, but we were quite light, having aboard only minimum fuel, no cargo and only a few passengers so the Captain calculated we could land. The landing went okay, although the short runway resulted in a few "white knuckles" !. This DC-4 was the Boeing 747 of that day and Burlington was not prepared for handling such a large plane. We taxied to the small parking ramp but there were no stairs for disembarking. Typically, the DC-4 carried a crew ladder, normally used for the Aircrew members to enter and exit through the cockpit door rather than through the cabin door and cabin. That ladder was let down, this time from the passenger doorway and a line of Chinese, dressed mostly in the surplus military clothing that had been rounded up for them in Baltimore, and carrying rifles, knives, etc filed down the ladder. The Burlington Airport authorities must have thought they were being invaded, across the nearby Canadian border! Here before them stood this huge shiny airplane emblazoned with Chinese characters along the side, the Chinese flag on the tail and odd XT Chinese registration numbers, that had appeared unannounced and landed with only tower permission They weren't about to accept any cock & bull story about a hunting trip ! Who goes deer hunting in a private Airliner, the largest one of its day, with that many people, most of them armed Chinese ! So, they detained us all, and the airplane. We finally persuaded them to phone Baltimore and Quentin at Pan American Headquarters in New York City and investigate. After having our story confirmed, they, still shaking their heads over the story, finally released us and the DC-4 took off to resume its exercise and return to Baltimore. All this took several hours. A boat had to be chartered to ferry the group across Lake Champlain and ground transport had to be arranged to reach our hunting lodge destination. The Lake crossing was cold, Windy and rough and took quite awhile. Everyone was beat by the time we arrived hours later. But, it was up early the next morning for that deer hunt ! The deer must have got word about us, because they never showed up for the hunt ! We hunted for three days and no one ever saw a deer. I'm not sure they ever were in danger anyway, considering the circumstances!. Despite the travails, everyone enjoyed the venture, especially the Chinese, to whom it was a real treat.

Young Greg Newell, well disciplined and trained by his quite precise Engineer father (a typical response to being called a kid was "a kid is a billy goat, I am a child") returned to school when he got home and was invited to tell his class about his deer hunting trip. His reward was a reprimand by his Teacher for telling "tall tales" in school. His parents had to go to school and exonerate him.!

Our project at Baltimore being complete and closed out a short time later, most of us transferred to Shanghai, traveling aboard some of the DC- 4s converted at Baltimore that were now flying scheduled flights between Shanghai and San Francisco. Quentin followed with his wife and family a few months later to assume a position as C.N.A.C. Vice President

I am the last person alive to talk with Quentin. With the civil war in China not going well for the Nationalist Government, C.N.A.C. was in the process of planning for the move of its main base from Shanghai to Hong Kong. Quentin, enroute to Hong Kong for negotiations for space at Hong Kong Kai Tak Airport, was aboard a C.N.A.C. DC-4, with all four engines running, at Lung Hua Airport, about to depart on its scheduled flight to Hong Kong, when he heard on the cockpit VHF that I was aboard a C-46

from Tsingsao approaching Lung Hua for landing. He directed the DC-4 to hold in place and radioed the C-46 instructing that I should debark immediately upon landing and come aboard the DC-4 for discussion before he departed. I climbed down from the C-46, the DC-4s number two engine (the one closest to the left side cockpit crew door) was shut down, the cockpit ladder was extended and I climbed up to the cockpit. We conferred briefly in the companionway aft of the cockpit, I climbed back down, the number two engine was restarted and the DC-4 departed on its scheduled flight to Hong Kong, never to be seen again in one piece. It struck a hilltop approaching Kai Tak in poor visibility conditions. The plane was destroyed and all aboard died in the crash. Pilot error.

I knew the author, Nancy Allison Wright, as a little girl in Shanghai, saw her again when I visited the Allison home in Arcadia, and we talked by phone many years later after I had retired to the Plantation, when she was working on writings about her father.

Hugh Lee Grundy

PRISONER FOR A DAY
of
The Chinese Communists

It was 1949. I was Chief Engineer of China National Aviation Corporation (CNAC), the national flag carrier airline of the Republic of China. CNAC was jointly owned by the Republic of China, with majority interest, and Pan American Airways (PAA) who helped start CNAC in 1929, using Loening flying boats. Mr. Ernest Allison, the Loening pilot, was one of the original US Airmail pilots. In 1949, as Vice President of CNAC and in charge of airline operations, he was my direct boss.

We were in Hong Kong, British Crown Colony. CNAC, ahead of the advancing Chinese Communist forces, had recently evacuated its Main Base and Head Quarters from Shanghai to Hong Kong and was building a new replacement base at Hong Kong's Kai Tak airport. New Pacific Iron & Steel Company steel buildings had been bought and were being erected on Kai Tak to replace the temporary bamboo frame / straw mat structures housing supplies and equipment, plus shops housed in rented buildings scattered around Kowloon.

The Chinese Managing Director of CNAC was not enamored with the arrangement of being based in a foreign location, such as British Hong Kong, and wanted to remain based in China. He had in mind as one possibility a currently unused remote airfield, perhaps a Japanese occupation or second world war leftover, near China's southern border, but little specific information about the airfield and its facilities was available.

Mr. Allison needed more exact information about the proposed airfield and wanted an on-site evaluation. Nothing was known about runway length or condition, for example. The smallest airplane CNAC had at Hong Kong at that time was a Douglas DC-3 and lacking runway information he was reluctant to send it. He wanted something smaller. At that point, I had both a personal Stinson, a civilianized ex military L-5 registered and certificated in the Republic of China, and custody of a Cub on floats, both of which I flew about the quite limited territory of the Crown Colony. Mr. Allison asked if I would take a Chief Pilot and go see what we could find out about the airfield in question. The exact location of the airfield was uncertain and it wasn't

known whether water suitable for the float plane was nearby. So, the Stinson was selected to go. The general location of this mystery airfield was pointed out on a map, but we would have to look for its exact location. (looking back, so many unknowns should have been alerting, but in those days of civil war turmoil and many uncertainties it didn't strike us as particularly unusual, just another routine mission like so many before).

CNAC Assistant Chief Pilot, Captain "Kit" Carson was elected to examine and report on the flying aspects of the prospective airfield and runway while I was to report on the engineering aspects....and furnish and fly the inspection airplane. We were told locals would meet us. With Captain Carson in the aft seat... tandem seating in this Stinson....and with full tanks we took off from Kai Tak in early morning and headed westward over Macau, a Portuguese Colony, with no airfield in those days, on the south coast of China, more than an hour Stinson flying time from Hong Kong. The destination airfield was about an equal time beyond Macau.

We located the destination airfield and runway with little trouble. The runway was concrete and appeared to be long enough to accommodate a DC-4, CNAC's largest airplane. But, there were zero other facilities. A couple of low level passes over the runway revealed that a number of deep ditches, possibly irrigation ditches, had been cut across the runway. I selected one segment between ditches that I judged would suffice for landing the Stinson and landed, then taxied off the concrete and parked on a grassy spot nearby.

Nobody was there to meet us, but that was understandable in view of the poor communications situation that prevailed. After a few minutes wait, a party of soldiers approached with rifles, bayonets fixed, pointed menacingly towards us. Big surprise!...they were "Turn-Caps" ...ex Nationalists soldiers who now displayed the Communist red star instead of the familiar Nationalist "sunflower" emblem on their caps. Captain Carson, capable in the Chinese language and able to talk with them, was chosen by them for interrogation. At bayonet point, they marched him away and out of sight up and over a distant hill. They left one soldier, armed with rifle and bayonet, to guard the Stinson and its pilot, me. I didn't know what was happening with Captain Carson or what to expect, but it didn't look so good! My immediate fear was that the soldier guarding me and the plane... I wasn't allowed to approach it but its VHF radio probably wouldn't reach Hong Kong anyway... who kept marching in circles around it with his rifle slung over his shoulder, would get too close with his upright bayonet and slice open the wing fabric and ground

our only way out! And, I didn't dare remonstrate... he wasn't at all friendly and courteous, as were all the other Chinese I had ever encountered. Besides, we couldn't communicate... just silence and gestures! Another early concern... lunch... we hadn't brought any, planning to be back in Hong Kong by that time. Supper.... And night-time... seemed too far away to even think about!

This situation prevailed for several hours. My guard kept marching around and around the plane close to the wings, with that bayonet sticking upwards, only stopping occasionally. He didn't have any lunch either. All I could do was stand where directed. As time passed, worry about what was going to happen to us grew....but ,under the circumstances, there seemed little to do about it except wait and hope for the best.

Finally, the other soldiers reappeared, marching Captain Carson back down the hill, still at bayonet point.... evidently we hadn't made any new friends... and told us -GO! What a relief.... and we didn't need a second invitation! My ingrained aviation training said never attempt takeoff with a cold engine...but I surely didn't waste much time warming up, only enough to ensure a safe liftoff, we were so anxious to be out if there! The flight back to Hong Kong, again over Macau, was uneventful and the touchdown at Kai-Tak was unusually sweet! We suffered no harm, except a missed lunch and a few stressful hours. But the possibilities are still scary. What if they hadn't let us go? What if we had had a flat tire, or the engine wouldn't start... and no tools or facilities? What if the guard had sliced a wing—even inadvertently? What if an insufficiently warmed engine had momentarily faltered during takeoff on a critically short runway segment? ... We were lucky, I think.

Analyzing the event years later, I reach some conclusions and suppositions. Had it not been for certain elements, we might have been held as prisoners for years, like so many other individuals, or suffered a worse fate. This happened while I was still with CNAC and before I had any connections with CAT, or General Chennault. Both were on the Communist's "black list" and individuals associated with either likely would have been treated more harshly. It also was before CAT became even more offensive to the Communists when acquired by the CIA, something they probably soon learned about. Any individual so connected thereafter undoubtedly would suffer even worse treatment if detained.

Whether our release resulted from Captain Carson convincing our local

captors that we were innocents engaged in legitimate airline pursuits, or whether it resulted from directions to them from higher levels, I shall never know, I reckon, but, knowing the Chinese discipline usually displayed in such situations, I strongly suspect that the detention of these two foreigners was reported up channel while we were being held and word came back...let them go.... For reasons, possibly unsaid, that other related happenings were in prospect and further detaining us might arouse feelings that could interfere. Speculation on my part, but very possibly valid, as indicated by early developments.

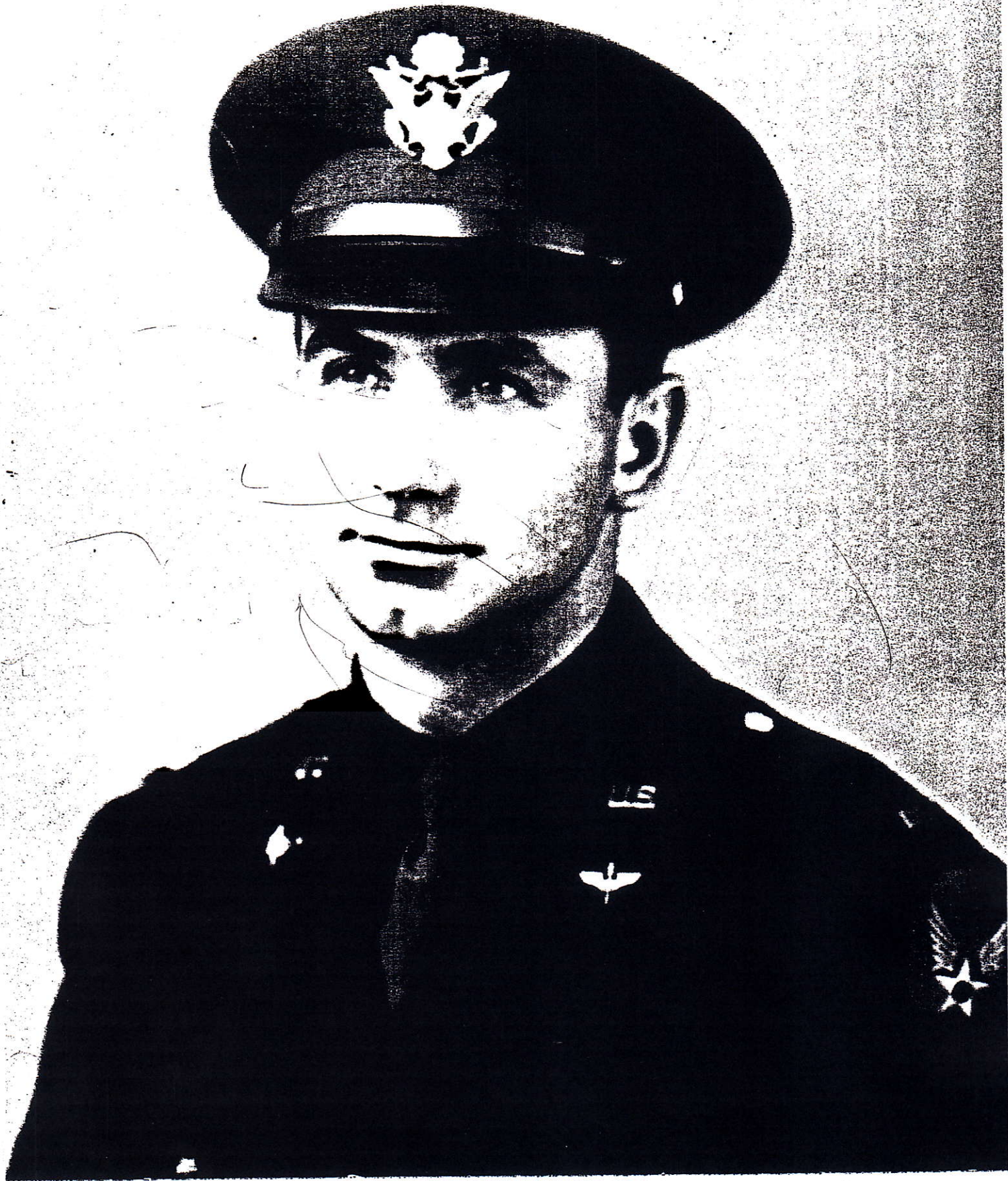
Soon after this event, the Chinese Managing Director of CNAC, along with a number of his Chinese aides and pilots, defected to the Communists, taking several CNAC airplanes with them. This had been planned at high level negotiations, we later learn, and the Communist and their collaborators had hoped to have the whole airline defect, more or less intact. This prospect was what, I suspect, led to our release.

As related later by Mr. Allison's daughter in an article published in Air & Space, Mr Allison and my counterpart in CNAC, the System Chief Pilot, had advocated and urged that CNAC switch loyalty from the Nationalists to the Peoples Republic and return to China and resume normal airline activities as rapidly as conditions permitted. Mr Allison's interest was in preserving the airline he had helped start so many years earlier and the jobs of its staff, rather than politics. Influenced by the political tensions of the time, that didn't happen but that was what the Communists and the defectors had hoped for.

Hugh Lee Grundy

"DRAGON ONE"

* Please Note - Grundy
WAS A MAJOR in the
US ARMY AIR Corp





The United States of America



Central Intelligence Agency

IN COMMEMORATION

During the hottest days of the Cold War, the aircrews and ground personnel of Civil Air Transport and Air America gave unwavering service to the United States of America in the worldwide battle against communist oppression. Over the course of four decades, the courage, dedication to duty, superior airmanship, and sacrifice of these individuals set standards against which all future covert air operations must be measured. From the mist-shrouded peaks of Tibet, to the black skies of China, to the steaming jungles of Southeast Asia, the legendary men and women of Civil Air Transport and Air America always gave full measure of themselves in the defense of freedom. They did so despite often outdated equipment, hazardous terrain, dangerous weather, enemy fire, and their own government bureaucracy. Their actions speak eloquently of their skill, bravery, loyalty, and faith in themselves, each other, and the United States of America.

George J. Tenet
Director of Central Intelligence

2 June 2001

Orig @ Grandy



United States
of America

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Senate

TRIBUTE TO HUGH L. GRUNDY

MR. McCONNELL: Mr. President, I rise today to pay tribute to Hugh L. Grundy for his many years of service to the United States. On June 30, 2001, Hugh will be honored by the City of Crab Orchard, Kentucky, for his dedication to our Nation, and I know my colleagues join me in expressing our gratitude for his many contributions.

Hugh Grundy is a true American hero and has dedicated much of his life to the cause of freedom. During World War II, he served as a Major in the US Army Air Corps/Air Force. After that, Hugh went on to serve concurrently as president of the Civil Air Transport and Air America. Secretly owned by the Central Intelligence Agency (CIA), these two air transport organizations were staffed by civilians who conducted undercover missions in Asia and other parts of the world in support of U.S. policy objectives. Often working under dangerous conditions and with outdated equipment, CAT and Air America crews transported scores of troops and refugees, flew emergency medical missions, and res-

cued downed airmen. Hugh and the brave people he commanded played a vital role in the war against Communism and their commitment to freedom will never be forgotten.

Hugh Grundy is a native Kentuckian. Born on his parents' farm in Valley Hill, Kentucky, he grew up helping his father raise and show yearling saddle horses. While Hugh's love for aviation and his service to our Nation caused him to be away from the Commonwealth for many years, he returned to the Bluegrass to retire. Hugh and his wife of 58 years, Elizabeth, or "Frankie" as she is known to her friends, now live on their family farm, called Valley Hill Plantation. After many years on the go, Hugh and Frankie are very content with the peace and quiet associated with farm life.

Mr. President, although Hugh Grundy is now retired, his record of dedication and service continues. On behalf of this body, I thank him for his contributions to this Nation, and sincerely wish him and his family the very best.

To Hugh Grundy with admiration + respect -
Michael McConnell U.S. Sen. Ky.
6/26/01

This Kentucky Aviation Hall Of Fame medallion was bestowed upon Mr. Grundy, by Mr. James Glerum, retired senior CIA Official, Presenter, at Grundy's enshrinement in the Hall Of Fame at a Banquet and Ceremony at the Kentucky Aviation Museum on Bluegrass Airport, Lexington, 8 November 2003.

Mr. Glerum was a CAT / Air America employee in the mid 1950s when Grundy was President.



back side

The United States of America



Central Intelligence Agency

Citation for Hugh L. Grundy

From 1955 to 1975, Hugh L. Grundy served the United States of America and the Central Intelligence Agency with distinction as the president of Civil Air Transport/Air America. For two decades, Hugh Grundy's innovative leadership enabled CAT/AAM to effectively prosecute the most complex and demanding air missions of the Cold War while preserving operational cover and protecting his people and the United States from harm. His magnificent performance reflects great credit upon himself, the Central Intelligence Agency, and the United States of America.


George J. Tenet
Director of Central Intelligence

2 June 2001



One of my favorite pictures -
THE FAA pulled Grundy's license
because of age. Undaunted - he

bought a TRI-PLANE and continues
to fly the skies over his home
in ~~W. VIRGINIA~~^{Kentucky}. Notice the
close up in picture #1. He is
still DRAGONONE!! Complete with
his Logo near the front tire - the
GOLDEN DRAGON.





MAN IN picture IS Grundy's
friend / neighbor