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INFORMATION REPORT

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COUNTRY Australia  
SUBJECT Asian Airlines Pty. Ltd.

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SUPPLEMENT TO REPORT NO.



1. In March 1947, Asian Airlines Pty. Ltd. was started in Sydney, Australia, by E. V. Burgoyne in partnership with a man by the name of Kennedy. Other men invested in the business and Burgoyne ran the financial side of it. However, it soon came to light that Kennedy had been guilty of misrepresentation in regard to his owning the Catalina aircraft which the airline was to operate. In actual fact Kennedy merely had an option to buy it from the Royal Australian Air Force although the money which had been subscribed was being rapidly spent.
2. In June 1947, Burgoyne came into contact with a well-known Sydney Communist, Jack Wells, through Rupert Lockwood, editor of the Australian Communist Party (ACP) newspaper, Tribune. Burgoyne, (apparently) not knowing of Wells' Communist tendencies, accepted Wells' offer to help the partnership out of its financial difficulties, caused by Kennedy's fraudulent dealings, and was in due course introduced to another noted Communist, Clarence Hart Campbell. On the understanding that he would be given control commensurate to his investment, Campbell agreed to put £2,000 into the venture and on 29 July 1947 the partnership was registered as Asian Airlines with eight partners including Campbell, Burgoyne, and Kennedy.
3. By 20 August 1947, Campbell had forced Kennedy to resign with threats of police action for having deceived his original partners. The firm's business address was subsequently changed to Campbell's private address and on 20 September 1947, Campbell squeezed Burgoyne out of the partnership as well.
4. In January 1948, Asian Airlines was converted from a private to a public company with a share capital of £25,000, in one pound shares, of which Campbell owned £2,014. Campbell became Managing Director and the firm's office was moved to an office building rented by the Chinese Seamen's Union. The following three Chinese became shareholders, presumably in return for the transfer to the company of nine ex-RAAF Catalina aircraft owned by them: Kenneth Frederic Wong with 2,620 shares; Louis Wong with 700 shares; William Jungsing Lee with 295 shares. The Wongs later became directors. However, Louis Wong was accidentally drowned on 25 July 1948. Another large shareholder is Campbell's wife, Ada Priscilla Boys, who acts as her husband's secretary and has lent £1,000. The following is a brief background sketch of each of the above shareholders:

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CENTRAL INTELLIGENCE AGENCY

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- a. Campbell is not known to be a member of the ACP, but he finances it and has always taken an active part in Communist-inspired and Communist-supported movements. He is especially interested in Indonesia and was at one time suspected by the Royal Australian Navy of smuggling arms to Indonesia. He is also a joint owner of Marx House, Sydney, headquarters of ACP.
- b. K.F. Wong, secretary of ACP, was reported in 1947 to be one of the most active Chinese Communists in Sydney. He sponsored the Friends of China Association which was set up in 1946 and is said to have taken part in the Communist film, "Indonesia Calling". He was president of the Chinese Youth Club, Sydney, a social auxiliary of the Communist Chinese Seamen's Union and allegedly a Communist recruiting center.
- c. Louis Wong was, prior to his death in July 1948, secretary of the Chinese Seamen's Union, which during the last war was to a great extent the center of Communist activity among Chinese in Australia. He spoke at a "Hands Off Indonesia" rally organized by ACP on 15 April 1946.
- d. W.J. Lee, an Australian-born Chinese and well-known Sydney barrister, is legal adviser to the Chinese Seamen's Union.
5. On 9 June 1948, an advertisement appeared in the Sydney Morning Herald calling for pilots and aircrews for Asian Airlines. Interested persons were to address replies to the post office box held by Stanley Hai, an active Chinese Communist, who was at one time an executive of the Chinese Seamen's Union and who is now believed to be in India.
6. Campbell was in Singapore in September 1948 to obtain permission from the Department of Civil Aviation to operate a freight service out of Singapore. Permission was refused and Campbell returned to Australia 15 September. The Australian Civil Aviation authorities likewise refused him a permit to operate a line from Australia to Malaya. On 23 July 1948, however, one of the company's Catalinas was to have left for Singapore. At that time information was passed to the Australian Customs Department that part of the cargo on this plane was to be small arms. It is not known whether action was taken on this information and if so, what the result was. A suspicion has also arisen that the company is in the stolen goods market for high precision aircraft instruments, such as radio compasses, special beacon-type wireless transmitters for use with such compasses, and other wireless equipment, which would be of considerable value to aircraft operating in remote areas where ordinary "beam-landing" facilities do not exist.

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Comment. It is indicated in this report that Campbell and other Communist sympathizers deliberately schemed to obtain control of what was at first an "innocent" trading venture; and while it cannot be said, at the present time, that the company's operations are primarily directed toward assisting Communism, as opposed to making a return to its shareholders, the background of Campbell and his Chinese colleagues is such that grave suspicion must rest on the Asian Airlines' activities.)

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