

# **A Chronological History of Cascade Airways, Inc.**

## **1969**

Cascade Airways, Inc. is incorporated as a Washington Corporation in March of 1969 by founder and President Mark M. Chestnutt. The majority owner of the company was American Investors Corporation of Greenwich, Connecticut with 82% of the outstanding shares. George Chestnutt, founder and majority owner of American Investors and Mark Chestnutt's father also owned 10% of the company and the remaining shares were held among a small number of individuals including Mark M. Chestnutt.

The board of directors consisted primarily of American Investors management and board members (the most notable being Warren Greene of Greenwich, Connecticut as he took the most active role throughout the years on the Cascade board) but also included Mark M. Chestnutt of Spokane, Washington, and Max Crittendon, Cascade VP Legal of Seattle, Washington (Max would go on to serve as the company's general legal counsel for the next ten years until he retired from his practice). George Chestnutt of Greenwich, Connecticut served as Chairman of the Board.

There is a bit of interesting history prior to the formation of Cascade Airways, Inc. Upon leaving the USAF as a navigator on KC-135's, Mark Chestnutt went to work as Chief Pilot for Spokane based CommuteAir in 1968. CommuteAir was based at Spokane's Felts Field, but also offered scheduled service from GEG to several MT cities with Cessna 402's. On a stopover in Helena, MT in the airport café, Mark and a few other CommuteAir employees who would later help found Cascade drew up the idea for Cascade's plan on a napkin and they proceeded to put that plan into action over the next several months in the developmental stage.

The company was initially capitalized with \$150,000 with additional paid-in capital provided from time to time as needed by George Chestnutt. That in itself is an amazing statistic. It seemed like a lot of money at the time according to Mark Chestnutt, but it did not take long to realize that it was easy to go through in a hurry in the airline business. It is a testament to the great people of Cascade that the company was able to weather the effects of being a start-up company in the new third-level airline industry and survive all of the changes that brought about and the significant competition throughout the years.

In April 1969 Mark Chestnutt, serving as company President, Chief Pilot, and Captain along with VP Operations and Captain Vaughn Gundlach (former USAF B52 Captain and CommuteAir Cessna 402 Captain) went to Wichita, Kansas for Beechcraft 99 ground-school and flight training.

Cascade obtained its first aircraft, Beechcraft 99 N2550A S/N U-106 and N2880A SN U-109 in May 1969 which were ferried to Spokane.

Cascade began charter and freight operations serving Spokane (GEG), Seattle (BFI), Portland (PDX), and Pasco (PSC) in June of 1969. The company operated under the Part 298 exemption, initially with passenger charter and scheduled freight authority while awaiting the passenger schedule authority.

In addition to Mark Chestnutt and Vaughn Gundlach, other original employees were Leon Wilson who served as the corporate Secretary/Treasurer and company accountant and Phillip Guidice who served as VP Sales and Service. Original company GO space was leased at GEG in the Spokane Airways (later to become Flightcraft) building. Additional operational space was leased on the lower level offices at Gate 10 on the original Red Concourse. At Seattle BFI, the company contracted for counter space with Budget Rent-A-Car and flights were handled by their manager. Services were also contracted at PDX and PSC for the initial charter and cargo flights.

On June 20, 1969 Cascade suffered a tragic loss. A scheduled cargo flight landed at PSC and after unloading all revenue cargo, Captain Vaughn Gundlach changed the flight from PSC to GEG into a training flight. N2550A crashed during its initial climb and both Captain Vaughn Gundlach and First Officer (To Be Provided) lost their lives.

In July 1969, Cascade subsequently received the third Beechcraft 99, N2860A S/N U-114. These first three Beechcraft 99's were all brand new aircraft when delivered to Cascade. N2860A was in operation with the company consistently until March of 1984. This aircraft had a baggage pod and was one of only two aircraft to sport every paint scheme throughout the history of the company. The original paint job was white with green and brown striping and Cascade Airways was inscribed with a very tasteful outline of the Cascade mountain range. N2880A also carried all of the company's colors over the years and was also in consistent operation from July 1969 through March of 1984. N2880A was delivered to Cascade without a baggage pod and was originally known as the "rocket" as it consistently provided shorter block times than the rest of the 99 fleet over the years.

Later in 1969 Cascade Airways, Inc. hired a consultant from Seattle named Neil Buchanan. The company was Media Results Advertising operating out of a small office in what is now the City of Sea-Tac. It was decided to start up passenger operations under the name of Air Pacific, Inc. dba Air Pacific with the two Cascade Airways, Inc. 99's leased to them to begin operations. Neil Buchanan was a flamboyant marketeer to say the least. One of the first things he did was to paint the beautiful aircraft bodies ALL purple with orange tails with the top of the aircraft remaining white. This certainly got a lot of attention as intended when they rolled up to the gate. A lot of people who otherwise might not have known about the fledgling start-up certainly were talking about "those purple and orange airplanes" out there.

This was all well and good, but after a short while, Air Pacific, Inc. forgot to make the promised lease payments, so Mark Chestnutt was forced to take the airplanes back and later resumed operations as Cascade Airways again. Out of necessity, the aircraft were pressed into service with the Air Pacific name painted over with Cascade Airways with a slightly revised logo on the tail keeping the purple and orange livery which was to be the trademark of Cascade for the next several years.

## Other Events of 1969

- 1 A booming U.S. economy employs a record number of workers, unemployment falls to its lowest level in 15 years, the prime interest rate is 7 percent, the dollar is strong in world money markets, and Wall Street's Dow Jones Industrial Average rises above 1,000 for the first time in history.
- 2 Opposition to the Vietnam War grows in the United States.
- 3 The average U.S. automobile wholesales at \$2,280. The Ford Maverick that goes on sale April 17 is a compact car designed at the behest of Ford president Lee Iacocca to compete with Volkswagen and other foreign makes whose U.S. sales have reached \$1 billion per year (it is priced at \$1,995, versus \$1,799 for a Volkswagen).
- 4 Exploitation of the Alaskan North Slope petroleum reserve remains the subject of hot debate.
- 5 The Unix computer operating system is introduced by Bell Laboratories.
- 6 Popular 1969 films: Butch Cassidy and the Sundance Kid and Midnight Cowboy.
- 7 The Woodstock Music and Art Fair in the Catskill Mountains at Bethel, N.Y., draws 300,000 youths from all over America for 4 days in August to hear Jimi Hendrix, Joan Baez, Ritchie Havens, the Jefferson Airplane, the Who, the Grateful Dead, Carlos Santana, Crosby Stills & Nash, and other rock stars.
- 8 Popular 1969 songs: "Give Peace a Chance" by artist Yoko Ono and John Lennon of the Beatles; "Something" and "Here Comes the Sun" by George Harrison; "Get Back" by John Lennon and Paul McCartney; "Honky Tonk Women" by Mick Jagger and Keith Richards of The Rolling Stones; "Lay Lady Lay" by Bob Dylan; and "Man in Black" by Johnny Cash.
- 9 The New York Jets beat the Baltimore Colts 16 to 7 January 12 at Miami to win Super Bowl III.
- 10 Baseball's two major leagues split into eastern and western divisions with two new expansion teams each. The National League adds the Montreal Expos and the San Diego Padres, the American League adds the Kansas City Royals and the Seattle Pilots. The New York Mets win their first World Series, defeating the Baltimore Orioles 4 games to 1.

- 11 Neil Armstrong steps on the surface of the moon.
- 12 The United States Lines retires its passenger ship S.S. *United States* after 17 years as competition from transatlantic air carriers and foreign flag liners makes U.S. passenger vessels unprofitable.
- 13 The Concorde supersonic jet makes its first flight March 2.

(Notes from the author: this concludes the highlights of 1969. It is not intended to be a complete history as it is written as I have only been able to relate events as I have found in the archives or as they have been related to me over the years. I would invite and hope that anyone who has any memories of events to add to this chronological history as we go along. Obviously, everyone has a different perspective and will have interesting stories to tell, from pilots on the line, mechanics throughout the system, agents and managers at the stations, reservationists, flight controllers, flight attendants, accounting, and management alike. I am now working on 1970 and hope to have that to FOG in the not too distant future. Again, many thanks to Russ for providing this great venue. I look forward to hearing from all of you out there over the next several years. Sincerely, Mark Nilson, Anacortes, WA)