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DIRECTOR INFO

5 Oct 67 IN

REF

1. PICAB MTG HELD 4 OCT AS FORECAST REF. AMB HAN LIH-WU PRESENT AS OBSERVER. PICAB DECIDED NOT TO WAIVE NORMAL GAZETTING OR FULL PUBLIC HEARING, BUT IN RESPONSE TO CAL PLEADING GRANTED THEM APPROVAL FOR THREE "SPECIAL FLIGHTS" 6, 8 AND 9 OCT "TO HANDLE HEAVY DOUBLE TEN TRAFFIC". THESE FLIGHTS WERE TO BE OVER AND ABOVE THOSE OPERATED BY CAT.

2. FOLL THIS MTG, AMB HAN AND MR CARL MA OF CAL ARRANGED MEET WITH PRESIDENT MARCOS TO ATTEMPT OBTAIN HIS SIGNATURE ON "TEMPORARY PERMIT" TO OPERATE NORMAL SCHEDULE WHILE CAL CASE BEING PROCESSED. MARCOS REPORTEDLY DECLINED, ON BASIS HE CONFUSED "ABOUT WHAT GRC REALLY WANTS IN THIS WHOLE MATTER". MARCOS THEN ASKED P.I. DCA, COL DE GUIA, TO SEEK "CLARIFICATION OF CHINESE POSITION". FYI, THERE ARE STRONG INDICATIONS THAT CAL "DONATED" 70K PESOS TO DE GUIA THIS WEEK TO ATTEMPT WIN HIM OVER THEIR CAUSE.

3. IMMEDIATELY AFTER AUDIENCE WITH MARCOS, CARL MA PHONED MR FRED WONG, CAL VP, IN TAIPEI, AND SINCE MINISTER SHEN RETURNED

SECRET

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TAIPEI EVENING 4 OCT, THESE TWO DECIDED TO GET TO HIM AS HE GOT OFF PLANEDR AND TO TELL HIM THAT PICAB HAD APPROVED A BLOCK OF SPECIAL FLIGHTS AS INTERIM MEASURE, BUT ONLY IF CAT STOPPED FLYING TO MANILA IMMEDIATELY. WONG THEN ATTEMPTED GET ACTING MOC MINISTER FEI TO DIRECT CCAA HAVE CAT STOP MAINLA FLIGHTS, BUT FEI TOLD CAT'S A.C. YUAN HE COULD NOT AGREE WITH WONG SINCE HE NOT SURE THESE SPECIAL FLIGHTS WOULD GO ON WITHOUT INTERRUPTION. WONG AND YUAN THEM MET SHEN-YI AT AIRPORT. WONG ENGAGED IN HEATED DISCUSSION WITH SHEN-YI, BUT LATTER BROKE OFF TALK WITH WONG AND DEPARTED ALONE.

4. MESSRS VAR GREEN, YUAN, HENSON AND [] THEM DRAFTED PETITION TO MOC, PROTESTING UNORTHODOX ATTEMPT BY CAL FORCE CAT OUT OF MANILA IN ADVANCE OF EIGHTER DUAL DESIGNATION DISCUSSIONS OR CLEAR CUT CAL PERMIT OPERATE TEMPORARILY (AS OPPOSED TO INDIVIDUALLY APPROVED SPECIAL FLIGHTS). THIS PETITION REVIEWED BY MR HENRY BEVANS MORNING 5 OCT AND SUBMITTED TO COL LAI, WHO SAID HE ALSO RECEIVED PETITION FROM CAL REQUESTING CAT BE STOOD ASIDE IN THEIR FAVOR SINCE THEY "HAD WHAT THEY WANTED FROM PICAB". OUTCOME THESE EXCHANGES NOT YET CLEAR. GREEN, YUAN, [] VISITING S.Y, DAO AFTERNOON 5 OCT TO "REQUEST CLARIFICATION" ABOVE DEVELOPMENTS IN LIGHT MOEA LTR OF ASSURANCE 9 SEPT AND GRC APPROVAL OF SALE 19 AUG.

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MAY ALSO ATTEMPT SEE MINISTER SHEN 5 OR 6 OCT IN VIEW FACT DR WANG
NOT EXPECTED BACK BEFORE 9 OCT FROM HONOLULU INVESTORS MTG AND
MANILA STOPOVER. MEANWHILE LOCAL PAPERS SAY CAL FIRST FLIGHT TPE-MNL
WILL NOT BE UNTIL 9 OCT. IF CAT'S MANILA FLIGHTS FINALLY CUT OFF,
PLAN DEFENSE WITH RESERVATION HOLDERS ON "FORCE MAJEURE" BASIS.
WILL ADVISE.

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