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147, AUGUST 25, 6 PM

ADMIRAL STUMP, BOARD CHAIRMAN AIR AMERICA, DISCUSSED AT PRIVATE DINNER WITH PRESIDENT AND MADAME CHIANG AUGUST 24. QUESTIONS OF CAT C-46 CRASH AND CAT TAX PROBLEM. HE TOLD PRESIDENT HIS MAIN PURPOSE WAS TO RESTORE PREVIOUS HARMONIOUS RELATIONS BETWEEN CAT AND GRC OFFICIALS. HE EXPRESSED CONCERN THAT MINISTRY OF COMMUNICATIONS HAD UNJUSTIFIABLY FIXED BLAME FOR ACCIDENT ON CAT AND TAX BUREAU HAD SEIZED CAT RECORDS WITH CONSEQUENT ADVERSE PUBLICITY FOR CAT INSTEAD OF RAISING TAX PROBLEM PRIVATELY. HE SAID HE HOPED TAX PROBLEM

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COULD BE WORKED OUT AMICABLY AND AT HIGH LEVEL IN GRC. HE POINTED OUT IMPORTANT CONTRACTS WHICH CAT UNDERTAKING FOR US GOVERNMENT AND VALUE OF CAT COMPLEX TO REPUBLIC OF CHINA AS FOREIGN INVESTMENT.

PRESIDENT RESPONDED SYMPATHETICALLY TO ADMIRAL STUMPS'S PRESENTATION AND SAID HE WOULD DO WHAT HE COULD LEGALLY TO ASSIST IN RESOLUTION OF CAT'S PROBLEM. HE SAID HE WOULD TAKE STEPS TO STOP ADVERSE PUBLICITY AGAINST CAT, BUT HE DID NOT BELIEVE MINISTER OF COMMUNICATIONS WOULD BE ABLE TO CHANGE HIS POSITION CONCERNING RESPONSIBILITY FOR THE CRASH.

ADMIRAL STUMP EXPECTS DEPART AUGUST 26 FOR US, BUT AIR AMERICA VICE CHAIRMAN GEORGE DOOLE WILL REMAIN.

COMMENT: WE ARE HOPEFUL THAT ADMIRAL STUMPS'S CONVERSATION WILL CREATE BETTER ATMOSPHERE FOR SOLUTION CAT'S PROBLEMS. DEPT PASS CIA.

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