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Interagency
Intelligence
Memorandum

*Prospects for Arms Production and Development
in the Republic of China*

DECLASSIFIED • E.O. 12958 Sec. 3.6
With PORTIONS EXEMPTED
E.O. 12958 Sec. 1.5 (c)(d)

MS.OI-170, #6; CIA-RDP 8/14/03

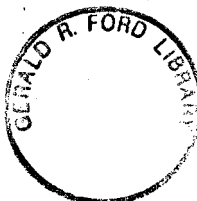
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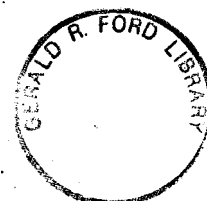
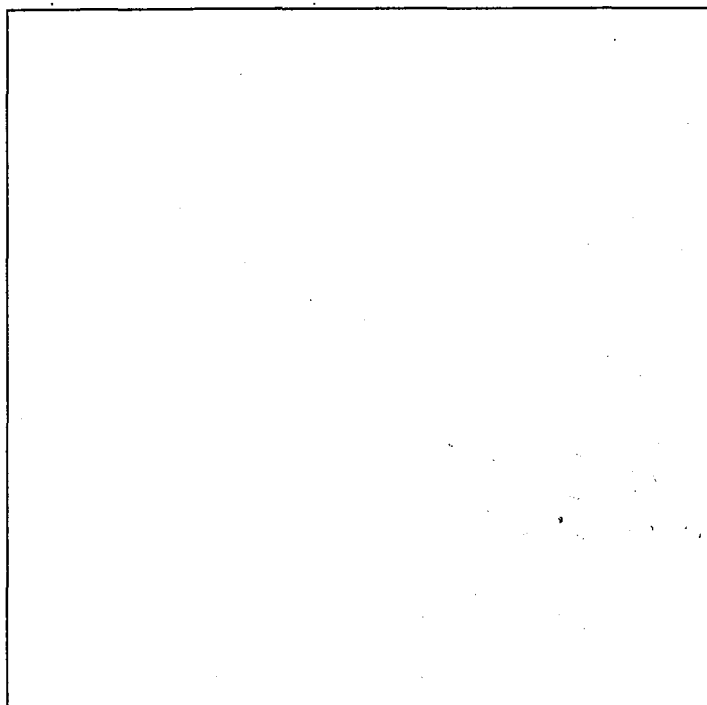
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NIO IIM 76-020
May 1976

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No 1





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PROSPECTS FOR ARMS PRODUCTION AND DEVELOPMENT IN THE REPUBLIC OF CHINA

CONCLUSIONS

The Republic of China would prefer to rely on the US for military assistance, but has apparently concluded that it can no longer count on doing so indefinitely. To maintain a strong defense posture, the government is attempting to expand domestic arms production, develop new weapons systems, and find other sources of modern weapons and advanced technology.

- As these programs advance, the Nationalists should be able to reduce further their dependence on the US.
- They will continue to be heavily dependent on foreign sources for modern weaponry.
- The ROC appears to have little prospect of becoming self-sufficient in arms production within the next decade.

The major problem the government faces in manufacturing conventional arms, munitions, and spare parts is the lack of defense industries similar to those in the US and other advanced countries.

- Because of its reliance on the US, the ROC has never developed the high technologies and skills necessary for manufacturing arms and military supplies on a commercial basis.

NOTE—This memorandum has been prepared jointly by the Central Intelligence Agency and the Defense Intelligence Agency and coordinated with the Bureau of Intelligence and Research of the Department of State.

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- The relatively small amounts of weapons and munitions now being produced on Taiwan come from military armaments plants and research centers. The facilities are not capable of manufacturing these items in large quantities.
- To increase production, the government is currently encouraging commercial companies to expand their product lines to include weapons, munitions, and spare parts.
- The corporations have the skilled manpower and much of the technology needed to produce many military items. They will, however, require technical assistance, specialized equipment, and technologies to manufacture large weapons such as tanks and artillery and sophisticated electronics such as radars.
- Commercial companies will probably be reluctant to commit large amounts of capital until they have gained experience in producing weapons for government and foreign markets.
- Thus, while the potential exists on Taiwan for an expanding arms industry, growth in this field is likely to be slow initially.

The ROC has found several countries outside the US that are willing to sell arms and technology. The procurement of advanced weapons from these sources will, however, create additional problems for the government.

- The Nationalists probably would have difficulty maintaining foreign weapons systems with which they are unfamiliar.
- This problem could be severe if the ROC had to rely on foreign suppliers for critical spare parts. For this as well as economic reasons, the government is seeking licenses to manufacture most items on Taiwan.

The ROC appears to be achieving some success in its nuclear, missile, and chemical warfare programs, although none of these programs will contribute significantly to Nationalist military capabilities for at least several years.

- The ROC is attempting to develop the capability to fabricate nuclear devices. If the ROC violates safeguard agreements, it probably could develop the capability and acquire the materials to build a crude nuclear device in three to four years.
- The ROC program to develop short range surface-to-surface missiles is still in its infancy. The Nationalists obtained assistance from Israel and have begun producing limited numbers of prototype antiship missiles based on the Gabriel Mark II. A ballistic



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missile with a range of 110 kilometers is being developed, but will not be operational before 1980. The ROC also is interested in developing a longer range ballistic missile that could hit the mainland.



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THE DETAILS

1. The US has been the principal supplier of arms and military equipment for the Republic of China since the Nationalists were forced to withdraw from the mainland some 26 years ago. But that is changing. In recent years, the US has sharply reduced its military presence in Asia and continued to move ahead in its efforts to normalize relations with the People's Republic of China; the US has in fact been cutting back its military assistance to Taiwan.

2. These developments have raised serious doubts in Taipei about the long-term reliability of the US as a major source of weapons and supplies. The ROC clearly would prefer to rely on the US for military assistance, but has apparently concluded that it can no longer count on doing so indefinitely.

3. In an attempt to maintain its defense posture and preserve a credible military deterrence, the ROC is attempting to become more self-reliant by expanding its own capabilities for developing and manufacturing weapon systems. In addition, Taipei is actively seeking new sources from which it can procure advanced weapons and technology.

Domestic Arms Production

4. The ROC already produces a variety of weapons and munitions in limited quantities for its air, ground, and naval forces. For example, Taiwan manufactures infantry weapons such as

rifles, machine guns, 105-mm howitzers, recoilless rifles, antitank rockets, land mines, hand grenades, explosives, and munitions. In addition, the ROC produces military vehicles such as jeeps and trucks and communications equipment.

5. Most items now being manufactured in Taiwan are copies of US-designed weapons and many require key components made in the US. The only non-US weapon that is produced in significant quantities is the M-64 rifle [redacted]

[redacted] The ROC plans to purchase plants and equipment so that it can expand its production of ground forces equipment and munitions. Taiwan also plans to begin producing larger artillery pieces such as 155-mm guns and howitzers.

6. The ROC aircraft industries also are expanding. Under a coproduction agreement with the US, Taiwan last year started assembling the F-5E fighter. Taiwan manufactures some parts for the F-5E, but major components of the aircraft such as avionics, jet engines, and weapons systems are produced in the US. The ROC has already built about 30 F-5Es and plans to complete a total of 120 of the aircraft within the next two years. The ROC has requested approval to build 80 additional F-5s. Between 1964 and 1974, Taiwan assembled 55 PL-1 trainers, but production has slowed and may be ending. The ROC is also coproducing the UH-1H helicopter under license to the US. More

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than 80 of the UH-1Hs have been built. A total of 118 are to be completed under the contract. Aircraft repair and maintenance facilities on Taiwan are capable of servicing virtually all aircraft now in the ROC inventory.

7. The ROC is also making progress in improving its navy, although it still relies heavily on the US. Taiwan manufactures small patrol boats and service craft and is modernizing the older ships provided by the US. The major emphasis has been on re-arming old naval ships with more modern weapons. For example, the ROC has installed the US-made Sea Chaparral surface-to-air missile systems on four destroyers. Three other destroyers are being equipped with the US-designed Asroc antisubmarine rocket system, but the ROC lacks trained personnel to maintain the Asroc equipment.

8. With US assistance, the ROC is also moving ahead with plans to begin construction on larger naval ships. Taiwan recently concluded a contract with a US firm to build two multi-mission patrol ships, which will be armed with surface-to-surface missiles. The first unit is being built in the US and should be completed next year; the second ship will be constructed in Taiwan using materials and technical assistance provided by the US company. The ROC plans to build 20 of the patrol ships; most are to be assembled at shipyards in Taiwan.

9. ROC shipyards have demonstrated the capability to handle maintenance and major repair work on naval vessels. The Nationalist Chinese are currently overhauling the two submarines the US provided for training. This is the first time the ROC has overhauled submarines on its own. There have been some delays in this program, but one of the submarines should be completed this spring.

Overseas Markets

10. The ROC is not a major supplier of arms and is not likely to become one in the near future. Taiwan has provided several million rounds of small arms ammunition to the Philippines and assisted Singapore by training some pilots. A Nationalist military team consisting of four instructor pilots and 17 technicians is now in Jordan to assist in the training of pilots and maintenance personnel for the F-5E aircraft.

11. There is no evidence that Taiwan has provided significant amounts of weapons or munitions to any country. Recent reporting does suggest that there is a ready market especially in Southeast Asia for the conventional arms, munitions, and military supplies that Taiwan manufactures or is now developing.

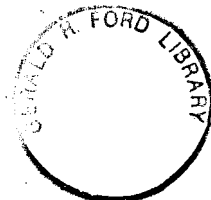
12. Indonesia, Singapore, Malaysia, and the Philippines have approached Taipei about purchasing military equipment. Several countries reportedly have expressed interest in the turboprop trainer that Taiwan is currently developing, and Singapore has asked about buying some F-5E fighters. Any sales of coproduced weapons would require US approval.

13. Most of Taiwan's arms and munitions and military hardware is produced at military research and armament plants and are not yet available in sufficient quantities to export. These facilities are expanding their capabilities to produce weapons systems, but they cannot meet the needs of the ROC armed forces.

14. Taipei appears to recognize this problem and is actively encouraging commercial companies to enter the field and manufacture arms, munitions, and military supplies. The government opened a military products exhibition in Taipei on April 14. The exhibit reportedly is directed at promoting self-sufficiency through cooperation between the government and private firms. More than 1,000 items have been displayed but only 80 or so are locally manufactured. Most of the items represent US parts and components that the government would like to get commercial companies to manufacture.

15. The ROC has sent delegations to numerous countries to discuss the possibility of Taiwan providing military hardware and assistance. Taipei is apparently trying to drum up business so that it can demonstrate to the commercial companies that there is a market overseas for any surplus weapons and military supplies that they produce. In addition, Taipei probably sees international political advantages in developing domestic weapons production for sales overseas.

16. The one field in which the ROC possesses the potential to become a major source for foreign



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markets is chemical warfare. Taiwan has a relatively advanced chemical agent program, and several countries have reportedly approached it seeking to purchase agents and technology. Taiwan, however, has established a strict policy that under no circumstances will it export chemical agents or related technology. The ROC program is founded on technology and assistance provided by [] and this policy may well have been one of the stipulations in the original agreement that Taiwan signed with []

Third Country Arms

17. The ROC has achieved limited success in recent years finding new sources for weapons and technology. []

obtaining missiles and/or related technology and is attempting to get the following systems:

Prospects for Third-Country Arms

23. At the present time, Taiwan can only get some of the weapons, technology, and equipment that it seeks from countries other than the US. Because of their relations with the PRC, several countries have already refused to sell arms to Taiwan, but others have continued to show a willingness to sell weapons and military hardware to the ROC.

24. Taiwan reportedly considers itself in a time-bind and believes that it must hurry if it is to get the modern weapons and technology that it seeks. The ROC appears to be concerned that additional sources of military hardware will dry up as other countries follow the US lead and move to improve their ties with the PRC.

25. Of the countries from which Taiwan has sought arms, only Israel is likely to remain as a reliable source well into the future. []

21. The ROC has sought to obtain additional weapons, equipment, and technology from these and other countries, but no deals have been concluded so far. Taiwan is particularly interested in

26. France, Italy, West Germany, and the UK are receptive to selling weapons, equipment, and technology to the ROC, but all of them probably would put restrictions on the types of hardware that they would provide. Both the UK and France have sold aircraft and technology to the PRC, and they are unlikely to risk losing this market by selling advanced aircraft to the ROC. []



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probably would be willing to sell them to the ROC, if the US approved the sale. [REDACTED]

27. France, West Germany, Italy, and the UK manufacture defensive missiles that the ROC is interested in acquiring. [REDACTED]

[REDACTED] US approval and encouragement of such sales by third countries might induce them to provide these and other weapons and technology to Taiwan.

Research and Development

28. In addition to the weapons that it is already producing or obtaining from foreign sources, the ROC is conducting research and development work on a variety of weapons and equipment. The missile program has a high priority; Taiwan is also doing work on aircraft, tanks, artillery, munitions, and chemical warfare.

29. The Nationalist Chinese are developing three aircraft on their own—two trainers and a small transport. The turboprop trainer prototype, which first flew in late 1973, has progressed slowly. Production of this trainer hinges largely on the ROC obtaining rights to coproduce the US-made gas turbine engine; the US has recently agreed to provide 43 of the engines. The transport is scheduled to begin flight testing in two years, and a jet trainer prototype is planned for construction by late 1979. Taiwan has a large pool of experienced engineers and technicians, but they have had relatively little design and research training. For this reason, the ROC will be hard pressed to produce an advanced fighter without massive technical assistance from the US or other countries.

30. The Nationalists committed themselves to the development of advanced weapons as early as 1965 when they established the Chung-Shan Institute of Science and Technology. The institute consists of four research departments—missile, nuclear, chemical, and electronics.

Missile Program

31. This program is still in its infancy, but is making slow but gradual progress. The ROC efforts appear to be directed primarily towards developing a short range surface-to-surface antiship missile that can be used offensively as well as defensively.

32. The ROC has built and is expanding facilities in support of its missile program. They include test facilities at the institute, a missile test range on the southeastern coast, a solid propellant production plant, and several missile component production plants that are in varying stages of construction.

33. The ROC apparently obtained sufficient technical data and assistance [REDACTED] to develop its own version of the Gabriel Mark II antiship missile, which it calls the Drone Bee. Between July 1975 and April 1976, the ROC test flew this missile 18 times, but more than half of them were failures. The last three test flights in late April failed. Taiwan is developing the Drone Bee as an antiship weapon to counter PRC naval craft equipped with the Styx missile as well as for defense against invading forces. The Drone Bee is suitable for use on ships or from shore installations. Taiwan hopes to complete testing on the Drone Bee by the end of 1977, when production is scheduled to begin. The ROC plans to produce some 400 of the missiles.

34. The Drone Bee is also serving the important function of providing the Nationalists experience in the development of missiles. The ROC also has plans to build other surface-to-surface missiles and one of them will be capable of hitting targets on the mainland from launch sites on Taiwan.

35. Taiwan reportedly has a 110-km range ballistic missile, called the Green Bee, in the planning stage. This missile is expected to carry about a 200-km payload. The Green Bee cannot reach the mainland from Taiwan, but there are reports that it will eventually be deployed on the offshore islands. The ROC considers the Green Bee as an intermediate step towards the development of a surface-to-surface missile that will have a range of about 500 kilometers. From Taiwan, that missile would be capable of hitting targets more than several hundred kilometers deep in the PRC.

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36. ROC scientists have also worked on a series of artillery-type rockets called Working Bees which carry high explosive and chemical warheads as far as 14 kilometers. In addition, the ROC has done research on developing a wire-guided antitank missile based on the Soviet AT-3 Sagger, which it obtained from South Vietnam. [] provided an analysis of the AT-3 system and perhaps some components. This program has temporarily been shelved.

Missile Technicians

37. The scientists and technicians assigned to the various missile projects appear to be very capable and in the majority of cases, well trained, mostly in US institutions. These people, however, are largely theoretically oriented and lack technical training and experience. The ROC has recognized this problem and is trying to correct it by training programs.

38. The ROC scientists started out with no missile design or development experience, and this experience will have to be acquired on the job. Within the next two to three years, they will probably be able to work out most of their problems, while they acquire the necessary experience. It seems likely that development of the more sophisticated missiles, even with outside help, will require longer times than allowed by present schedules.

Foreign Technology

39. As ROC scientists try to develop larger rocket motors, they will have to rely more on foreign assistance. Specific areas include ablative materials, case bonding and insulation techniques, high strength materials, and precision control mechanisms. All of these types of technology are, however, available from a number of other countries.

40. So far, the ROC has been quite successful in acquiring the necessary equipment to carry on the development of their small missiles. Taiwan also seems to have acquired the minimum equipment necessary to develop an inertial guidance system for the Green Bee missile, and possibly for the 500-km missile as well. The Nationalists do not, however, have sufficient solid-propellant production capability to produce grains for the 500-km

missile. They may also have trouble producing the grain for the Green Bee if they do not obtain extra mixing equipment, and the ROC may have trouble acquiring such equipment if the US denies it an export license for the larger equipment.

Nuclear Program

41. The ROC has been conducting the preliminary studies and experimentation in nuclear research and high explosive technology that are necessary for it to develop a nuclear device. The leader of the research team conducting these studies believes, however, that Premier Chiang Ching-kuo would not order the fabrication of a nuclear device until 1977 at the earliest, and then only if the ROC felt it was necessary for its survival. It is not likely that the ROC will actually be in a position to take that step until later this decade. In any event, diversion of nuclear materials to fabrication of an explosive device would entail violation or abrogation of IAEA safeguards. Detection of such a violation could lead to sanctions by nuclear suppliers. These sanctions would probably take the form of interruption of deliveries of nuclear materials and equipment; this could seriously interfere with Taiwan's civil nuclear program, which depends on foreign sources for enriched uranium. Sanctions would not materially affect the weapons program, because the ROC already has enough fuel for the research reactor for many years.

42. A first device could be delivered only by surface means or by a large transport aircraft such as a C-130. Once a crude nuclear device has been developed, it would take the ROC at least two additional years to develop a nuclear weapon small enough to be carried externally on a tactical aircraft. Nuclear warheads suitable for use with the surface-to-surface missiles now in the planning stage or under development would require many more years to develop.

43. The Nationalist Chinese have steadily expanded their facilities at the Institute of Nuclear Energy Research while attempting to obtain additional ones such as a heavy water production plant for a complete nuclear fuel cycle. The main facility at the Institute is the Taiwan research reactor which is fueled with natural uranium and moderated with



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heavy water. When operating under average conditions, this reactor produces about 10 kilograms of "weapon grade" plutonium per year. The reactor was obtained from [] along with fuel for more than two full core loadings and heavy water. The ROC also purchased 162 tons of uranium metal from South Africa; this metal is fabricated at the Institute into fuel elements for the reactor.

44. In order to use the plutonium produced by the reactor to fabricate a nuclear device, the Nationalist Chinese must separate the plutonium from the spent fuel. In 1973 the US pressured the ROC into canceling a contract for a pilot-scale fuel reprocessing facility that it had signed with a [] company. The ROC is currently negotiating with a [] company for the procurement of the components and technical design for a pilot reprocessing plant. Acquisition of such a facility would provide Taiwan with the capability to obtain sufficient plutonium for a significant nuclear weapons program.

45. A very small reprocessing laboratory has recently been completed at the Institute. It will give ROC scientists useful training and practical experience, but it is not capable of separating significant quantities of plutonium. Meanwhile, there have been sporadic reports and some physical evidence that small amounts of fuel from the reactor are being reprocessed at other hot laboratories to obtain plutonium, but the amounts recovered would be extremely small.

Nuclear Weapons

46. The ROC will not be able to develop a nuclear weapons capability until significant quantities of plutonium are available. The ROC may be satisfied to acquire the capability to develop and produce only a few test devices rather than weapons. The work at the Institute appears to be directed at the basic theoretical design and research required for such devices.

47. During 1974 and 1975 a group of ROC nuclear scientists reportedly used computer facilities at the Chung-Shan Institute of Science and Technology to conduct extensive theoretical design calculations for a first generation nuclear device. Experiments were carried out, presumably in the

areas of high explosives, shockwaves, and detonating systems. Problems were encountered in the experiments, but these were solved and the program was considered a success in September 1975. The success of this design work probably led to the premier's statement to the press last fall that the ROC now had the capability to manufacture nuclear weapons.

Nuclear Scientists

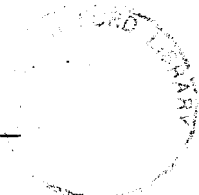
48. The ROC has sufficient trained manpower to build and operate all of the existing research facilities for the nuclear fuel cycle, but may encounter difficulties if they build additional or larger facilities to support a nuclear weapons program. The only problem area that has been specifically identified so far is a lack of trained reactor operators for future nuclear power plants. By the time these plants or any other nuclear facilities are completed, however, the ROC should be able to train enough operators and technicians.

49. Most top nuclear scientists in the ROC received their formal education and training in US schools. Many have since returned to the US, Canada, France, and Israel for specialized training in various aspects of nuclear science engineering.

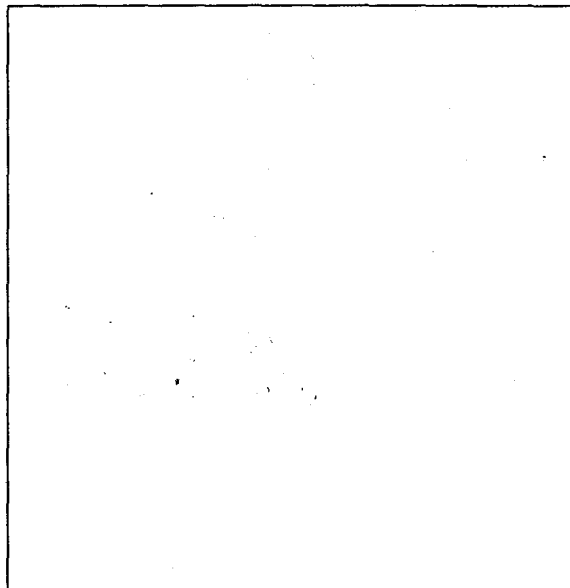
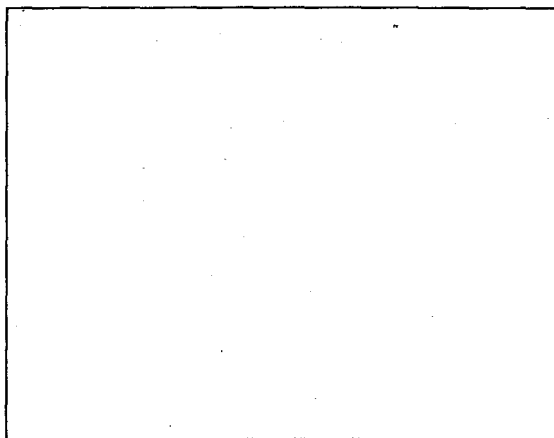
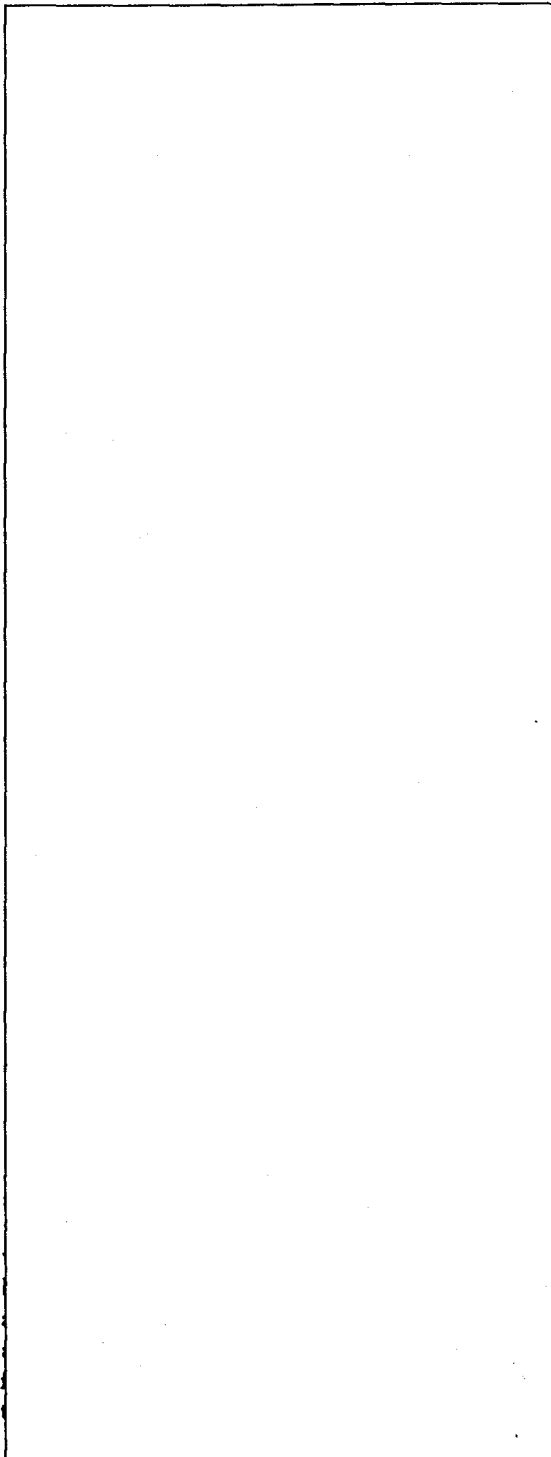
50. Nuclear courses now being taught on Taiwan at the Tsing-Hua University have already benefited the ROC nuclear program. Between 1958 and 1970, for example, about 200 scientists received advanced degrees in nuclear physics, nuclear chemistry, and nuclear engineering. These students formed the nucleus of the ROC nuclear research program. The Institute of Nuclear Energy Research is the only major organization in the ROC that does work in the nuclear field. It employs over 600 people. They are relatively well qualified and have excellent facilities to work with.



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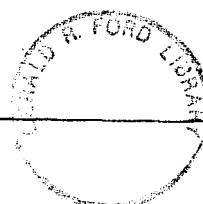
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Electronics

67. The only electronics equipment that the ROC currently produces in quantity for the armed forces are AN PRC-77 field radios, which are coproduced under a US license. There is a modern electronics industry on Taiwan; however, relatively little of its technology is suitable for manufacturing the sophisticated equipment needed by the military.

68. The ROC is encouraging commercial firms to produce military electronics systems and components. Before the companies can do so, however, they will have to invest large amounts of capital



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to build and equip modern plants. The commercial firms lack experience in manufacturing equipment for the military and probably will be slow to commit capital to such enterprises.

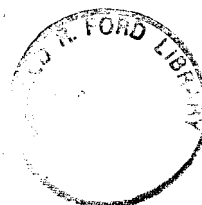
69. ROC research and development work on electronics is just beginning. The Nationalists will depend heavily on foreign sources for technical data

and assistance to develop and build sophisticated military equipment such as radars, avionics, and missile guidance systems. Even with advanced foreign technology and participation by commercial firms on Taiwan, the ROC will probably not be able to meet the requirements of the armed forces for at least a decade.



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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~ (XGDS) (3)

May 14, 1976

MEMORANDUM FOR:

Mr. George S. Springsteen
Executive Secretary
Department of State

SUBJECT: Sale of "Rapier" Air Defense
System to Taiwan

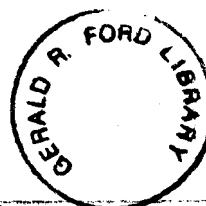
The proposed sale of the "Rapier" air defense system to the Republic of China by United Technologies International, as described in your memorandum of April 21, has been reviewed and is approved.

Mike Hunter
Jeanne W. Davis

for

Staff Secretary

~~SECRET~~ (XGDS) (3)



DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES, State Visit 8/1/00
BY bm, NARA, DATE 4/23/01

NATIONAL SECURITY COUNCIL

~~SECRET~~ XGDS -3ACTION

April 23, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: CLINTON E. GRANGER
JAY TAYLOR

SUBJECT: Sale of "Rapier" Air Defense System to Taiwan

The State Department has recommended (Tab B) approval of the sale of a "Rapier" air defense system to the Republic of China. The "Rapier" is a British designed and manufactured anti-aircraft missile system for use against low-flying targets. British Aircraft Corporation has licensed the Norden Division, United Technologies International, to produce and market the "Rapier" in the United States. Under the Norden proposal (Tab C) "Rapier" equipment would be secured primarily from the United Kingdom and assembled and tested by Norden in the United States before shipment to Taiwan.

State points out that the "Rapier" is a purely defensive system, and it is unlikely to appear provocative to the PRC. Moreover, although the U. S. involvement is not inconsiderable, the United Kingdom as the designer, manufacturer, and ultimate licensor of the system would likely bear the brunt of any adverse PRC reaction. As State points out, this sharing of the political risks is well suited to our policy of lowering the profile of our military relationship with Taiwan without jeopardizing the possibility of a peaceful resolution of the Taiwan issue by the Chinese themselves.

Secretary Kissinger has personally approved this recommendation. Defense concurs.

We feel that "Rapier" is the type of defensive equipment that we should allow the ROC to acquire. It has the added advantage of involving a third country as a source of Taiwan's defense equipment.

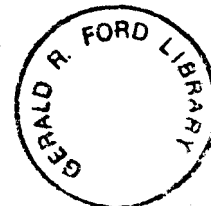
RECOMMENDATION:

That you approve the Davis to Springsteen memorandum at Tab A concurring in the proposal.

Concurrence: Dick Solomon

APPROVE

DISAPPROVE

~~SECRET~~ XGDS -3

DECLASSIFIED
E.O. 12958, SEC. 3.4
NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES
BY 676, NARA, DATE 4/23/01

State v. 5.4 8/11/00



DEPARTMENT OF STATE

Washington, D.C. 20520

April 21, 1976

~~SECRET~~MEMORANDUM FOR MR. BRENT SCOWCROFT
THE WHITE HOUSESubject: Sale of "Rapier" Air Defense
System to Taiwan

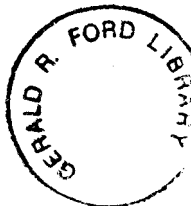
United Technologies International/Norden has requested an advisory opinion on the sale of a "Rapier" Air Defense System to the Republic of China (ROC). The "Rapier" is a British-designed and manufactured anti-aircraft missile system for use against low-flying targets, consisting of a launcher with surveillance radar, a computer command transmitter and launching facilities for four supersonic missiles. British Aircraft Corporation has licensed the Norden Division, United Technologies International to produce and market Rapier in the United States.

Under the Norden proposal outlined in the attached letter, Rapier equipment would be secured primarily from the United Kingdom, and assembled and tested by Norden in the United States before shipment to Taiwan. Norden would also provide technical support for the system such as repair and replacement of components, including their manufacture in the United States. The first Rapier batteries shipped to Taiwan would thus be entirely British-manufactured and subsequent ones would contain some American parts. Deliveries would begin within three months after signature of a contract. The total value of this transaction is likely to be less than fifteen million dollars.

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XGDS-3

STATE DEPT. DECLASSIFICATION REVIEW
☐ Retain Class'n ☐ Change to _____
☐ Declassify in part and excise as shown
 EO 12958, 25X() () () _____
☒ Declassify ☐ After _____
☐ With concurrence _____ (not)(obtained)
 PS by SL Date 8/3/00



DECLASSIFIED
 E.O. 12958, SEC. 3.5
 STATE DEPT. GUIDELINES, state visit 9/3/00
 BY h/b, NARA, DATE 4/23/01

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The Rapier is purely a defensive system which would fill a gap in Taiwan's air defense capabilities. It would contribute to United States interests by serving to deter PRC use of force to resolve the Taiwan issue. Its sale is unlikely to appear provocative to the PRC. Moreover, although the U.S. involvement in this transaction is not inconsiderable, the United Kingdom -- as the designer, manufacturer and ultimate licensor of the system -- would likely bear the brunt of any adverse PRC reaction. This sharing of the political risk is well-suited to our policy of lowering the profile of our military relationship with Taiwan without jeopardizing the possibility of a peaceful resolution of the Taiwan issue by the Chinese themselves.

We recommend prompt approval of the Rapier sale as proposed by United Technologies Corporation.


George S. Springsteen
Executive Secretary

Attachment:
As stated.

~~SECRET~~



NORDEN

1125 Fifteenth Street, N.W. • Washington, D.C. 20005

February 11, 1976

Office of Munitions Control
PM/MC, Rm. 800, SA-6
Department of State
Washington, D. C. 20520

Attention: Mr. William B. Robinson, Director

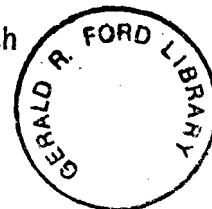
Dear Sir:

United Technologies International have become aware of interest by the Government of the Republic of China for an Air Defense System for use in their military forces. It is our understanding that their specific interest is in the surface-to-air guided missile system, "Rapier," developed by the Guided Weapons Division of the British Aircraft Corporation in Great Britain. The "Rapier" is intended primarily for defense against fast maneuvering low-flying targets. A brief description of the weapon system is attached to this letter for reference.

Norden, a Division of United Technologies Corporation, have been the licensee of BAC for the "Rapier" system in the United States. As a result of this relationship with BAC, Norden has developed considerable expertise involving the "Rapier" system awaiting such time that new requirements would develop for the system. Such an opportunity has now presented itself in the Republic of China.

Discussions have been held between senior personnel of Norden, BAC, UTI, and the Republic of China, relative to the application of the "Rapier" Air Defense System in Taiwan. What is proposed is essentially as follows:

1. The License Agreement between Norden and BAC would be extended to include the Republic of China and a time-frame consistent with the requirements of the Republic of China.
2. A proposal would be made to the Republic of China by UTI/Norden for a "Rapier" Air Defense System.
3. UTI/Norden would accept a purchase order directly from the Republic of China.
4. UTI/Norden would deliver to the Republic of China "Rapier" systems to a delivery schedule and quantities roughly as follows:



February 11, 1976

- ° Several fire units three (3) months after receipt of order.
- ° A battery of twelve (12) fire units over a twelve (12) month period.
- ° At least one (1) battery of fire units a year over a period of several years.

The "Rapier" equipment proposed for delivery to the Republic of China by Norden would be secured incrementally from BAC by Norden with various components secured by Norden from domestic U.S. sources as they would be available. Norden would effect final assembly and check-out of the system in the U.S. and ship the complete system to Taiwan. Norden would also provide such technical support to the Republic of China as necessary to overhaul, repair, and replace component parts including the manufacture of parts and/or system components in the U.S.

The above course of action suggests several benefits in the best interests of the United States. Included among these would be the capability of Norden ultimately to manufacture the "Rapier" system in the U.S. as a "second source" for an Air Defense System in NATO use; and provide a source in the U.S. for systems for other foreign and/or domestic sales as they might occur. These sales also would serve to enhance the U.S. balance of payments posture in foreign trade. A second very important benefit would be the significant additional jobs created at the Norden Division of United Technologies. It is noteworthy that the present high unemployment rate in southern Connecticut is reflected in Norden presently operating at a fraction of its plant capacity.

As recited above, our conversations regarding the "Rapier" matter have been verbal to date with any further substantive discussions or correspondence hinging on the position of the United States Department of State relative to the proposed course of action. We are, therefore, respectfully requesting your consideration of the proposed action and an advance advisory opinion of its consistency with the policy of the United States.

In the event there are questions associated with this request, they could be directed to myself or to Mr. George H. Kronmiller, International Director - Washington Office, United Technologies International, 1125-15th Street, N. W., Washington, D. C. 20005; Telephone: 785-7463. We would be pleased to expand on any portion of this letter as necessary by either correspondence or calling on your Offices in Washington at your discretion.

Yours very truly,



Peter L. Scott
President



NORDEN

125 Fifth Street, N.W. • Washington, D.C. 20005

February 11, 1976

Office of Munitions Control
PM/MC, Rm. 800, SA-6
Department of State
Washington, D. C. 20520

Attention: Mr. William B. Robinson, Director

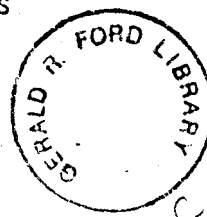
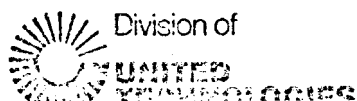
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February 11, 1976

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Yours very truly,

George H. Kronmiller
Peter L. Scott
President



THE WHITE HOUSE
WASHINGTON

7116747

October 21, 1971

~~CONFIDENTIAL~~

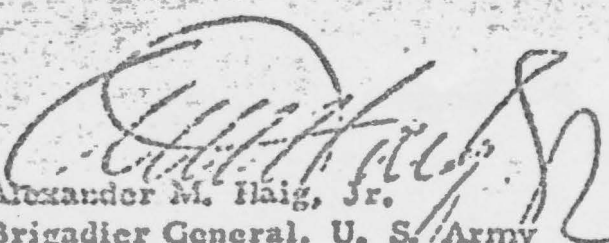
MEMORANDUM FOR

THEODORE L. ELIOT, JR.
EXECUTIVE SECRETARY,
DEPARTMENT OF STATE

BRIGADIER GENERAL ROBERT E. PURSIE
MILITARY ASSISTANT TO THE SECRETARY
OF DEFENSE

SUBJECT: Transfer of Major Items of U. S.
Military Equipment to the Republic
of China

In the future, White House approval should be obtained for any transfers of major items of U. S. military equipment to the Republic of China (such as F-5Es or M-48 tanks), whether through grant MAP, FMS credit or cash sales, commercial sales, as Excess Defense Articles, or through any other means. A memorandum giving a full description of the proposal should be submitted to the Assistant to the President for National Security Affairs in each case.


Alexander M. Haig, Jr.
Brigadier General, U. S. Army
Deputy Assistant to the President
for National Security Affairs

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES

BY 612, NARA, DATE 4/23/01~~CONFIDENTIAL~~

United Technologies (Norden)

2/19/76

GC-1408

2/11

Government of the Republic of China

China

COMMODITY DESCRIPTION

Requests an advisory^{copy} opinion as to whether the USG would approve the sale and export of a surface-to-air guided missile system to the Government of the Republic of China. This system would involve the British "Rapier" missile sytem developed by the British Aircraft Corporation in a reversed manufacturing licensing agreement.

Sent to: STD, Army, PM/SAS, EA/RA, ACDA/NSC

Sanford

AGENCIES REFERRED TO

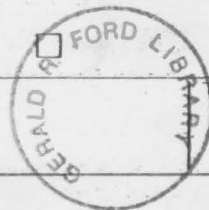
Hand-carry 2/19

☐ ISA ☐ AF ☐ NAV ☒ ARMY ☐ NASA ☐ AEC ☐ ODDR&E ☐ NEA/RA
☐ FDCO ☐ AFJALE ☐ DSR ☐
FORD

MC COMMENT:

23-WORKEAY DEADLINE FOR REPLY

FORM 7 - 66 DS-1649

DEPARTMENT OF STATE
COMMODITY CARD

28

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~ XGDS -3

MEMORANDUM FOR

Mr. George S. Springsteen
Executive Secretary
Department of State

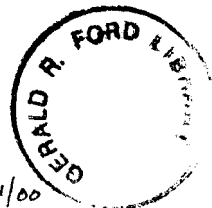
SUBJECT: Sale of "Rapier" Air Defense System to Taiwan

Sale of the "Rapier" air defense system to the Republic of China by
United Technologies International, as described in your memorandum
of April 21, is ~~hereby~~ approved.

is
Jeanne W. Davis

~~SECRET~~ XGDS -3

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, state visit 8/1/00
BY 617, NARA, DATE 4/23/01



NSC CORRESPONDENCE PROFILE

| DOC | | RECD | | | LOC NUMBER | |
|-----|----|------|----|----|------------|------|
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INITIAL ACTION 0
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SOURCE/CLASS/DESCRIPTION

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HYLAND _____ DCI _____ X REF _____ C EYES ONLY EXDIS _____

DAVIS _____ STATE EXSEC *+* _____ S CODEWORD _____

OTHER _____ TS SENSITIVE _____

SUBJECT: *Sale of Lapiz Air Defense System to Taiwan*

DISTRIBUTION/INITIAL ACTION ASGMT

| INTERNAL ROUTING AND DISTRIBUTION | | | | | REC CY FOR |
|-----------------------------------|----------|-------------|------------|------|------------------|
| | ACTION | CONCURRENCE | COORDINATE | INFO | |
| ADV CYS S'CROFT/WGH | | | | | |
| STAFF SECRETARY | | | | | |
| CONGRESSIONAL | | | | | |
| ECONOMIC | | | | | |
| EUR/CANADA/OCEANS | | | <i>+</i> | | |
| FAR EAST/PRC | <i>X</i> | | | | <i>X</i> |
| INTELLIGENCE | | | | | |
| LATIN AMERICA | | | | | |
| MID EAST/NO. AFRICA | | | | | |
| NSC PLANNING | | | <i>X</i> | | <i>X</i> |
| PROGRAM ANALYSIS | | | <i>+</i> | | <i>X</i> |
| SCIENTIFIC | | | <i>+</i> | | |
| SUB-SAH/AFRICA/UN | | | | | |
| <i>Salomon</i> | | | <i>+</i> | | |

ACTION REQUIRED

MEMO FOR SCOWCROFT _____

MEMO FOR PRES _____

REPLY FOR _____

APPROPRIATE ACTION _____

MEMO _____ TO _____

RECOMMENDATIONS _____

JOINT MEMO _____

REFER TO _____ FOR: _____

ANY ACTION NECESSARY? _____

CONCURRENCE _____

DUE DATE: *4-28*

COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

SUBSEQUENT ROUTING/ACTIONS

| DATE | FROM | TO | STATUS | SUBSEQUENT ACTION REQUIRED (OR TAKEN): | DUE | CY TO |
|-------------|------|--------------|----------|--|-------------|-------|
| <i>4/23</i> | | <i>Lynn</i> | <i>X</i> | <i>Revision</i> | <i>4/30</i> | |
| <i>5-13</i> | | <i>NSC/S</i> | <i>—</i> | <i>Scowcroft approved recom</i> | | |
| <i>5/13</i> | | <i>Davis</i> | <i>S</i> | <i>Sgn memo to Springster (5/18)</i> | | |
| <i>5/14</i> | | | <i>C</i> | <i>Davis sgd memo to Springster</i> | | |
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NSC/S INSTR

DISPATCH *428 5/14/76* _____ NOTIFY _____

SPECIAL DISPOSITION: _____

SPECIAL INDEXING: _____

SUSPENSE CY ATTACHED *✓*

MICROFILM & FILE ROOMS

M/F'D *MAY 17* BY *1976*

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MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~ - GDSINFORMATION

May 20, 1976

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: CLINTON E. GRANGER
SUBJECT: FMS Case Over \$25 million - Republic of China

The Department of Defense is prepared to make pre-notification to Congress of the intent to sell equipment and spare parts to support ROC co-production of 80 F5E/F aircraft. Value of this sale is \$114 million. The effect of this case would be to increase the current ROC co-production goal for F-5 aircraft from 120 to 200 units.

Anticipating no adverse Congressional reaction to this sale, I have concurred to State in pre-notification to Congress.

Tom Barnes and Les Janka concur.

Subject to GDS of E.O. 11652
Automatically Declassified
December 31, 1982.

~~CONFIDENTIAL~~ - GDS

Gib 4/23/01 .



36

~~CONFIDENTIAL~~

Transmittal No. 76- AS

ADVANCE NOTIFICATION OF POSSIBLE SECTION 36(b) STATEMENTS
FOREIGN MILITARY SALES

- a. Prospective Purchaser: Republic of China
- b. Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Aeronautical equipment, support equipment, quality assurance, documentation and spares to support the co-production of eighty (80) F-5E/F aircraft.
- c. Estimated Value(s) of This Case: \$114.0M
- d. Description of Total Program of which This Case is a Part:

The current co-production arrangement provides for the production of 120 F-5 aircraft. This case would increase the total program to 200 F-5 aircraft.
- e. Estimated Value of Total Program of which This Case is a Part:

\$219.9M
- f. Prior Related Cases, if any:

Peace Tiger June 1973 - 100 F-5 aircraft
Peace Tiger June 1975 - 20 F-5 aircraft
- g. Military Department: Air Force
- h. Estimated Date Letter of Offer/Acceptance (LOA) Ready for Formal Notification to Congress:

June 1976
- i. Date Advance Notification Delivered to Committees:

Classified by DSAA-Comptroller
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED
AT TWO-YEAR INTERVALS. DECLASSIFIED ON 5/20/82

~~CONFIDENTIAL~~

64 4/23/01



~~CONFIDENTIAL~~

In reply refer to:
I-4609/76

Honorable Dante B. Fascell
Chairman, Subcommittee on International
Political and Military Affairs
Committee on International Relations
House of Representatives
Washington, D.C. 20515

Mr. Marian A. Czarnecki
Chief of Staff
Committee on International Relations
House of Representatives
Washington, D.C. 20515

Mr. Richard M. Moose
Staff Associate
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:
Mr. Czarnecki:
Mr. Moose:

This provides an advance notification in accordance with our letter dated 18 February 1976 regarding possible transmittals to Congress of information as required by Section 36(b) of the Foreign Military Sales Act, as amended.

This is to advise you that we have under consideration an offer to the Republic of China tentatively estimated to cost \$114.0 million.

Sincerely,

Classified by ~~DSAA-CONTROL~~
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED
AT TWO YEAR INTERVALS. DECLASSIFIED ON 31 DEC 82

GM 4/23/01

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

NSC CORRESPONDENCE PROFILE

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INITIAL ACTION O

SOURCE/CLASS/DESCRIPTION

TO: PRES X FROM: SECSTATE _____ S/S _____ UNCLAS LOG IN/OUT _____
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 HYLAND _____ DCI _____ X REF _____ EYES ONLY EXDIS _____
 DAVIS _____ STATE EXSEC _____ S _____ CODEWORD _____
 OTHER Granger TS _____ SENSITIVE _____

SUBJECT: FMS case over \$25 million - Rep of China

DISTRIBUTION/INITIAL ACTION ASGMT

| INTERNAL ROUTING AND DISTRIBUTION | | | | | REC CY FOR | ACTION REQUIRED |
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| | ACTION | CONCURRENCE | COORDINATE | INFO | | |
| ADV CYS S'CROFT/ WGH | | | | | | MEMO FOR SCOWCROFT. () |
| STAFF SECRETARY | | | | | | MEMO FOR PRES. () |
| CONGRESSIONAL | | | | <u>X</u> | | REPLY FOR () |
| ECONOMIC | | | | | | APPROPRIATE ACTION. () |
| EUR/ CANADA/ OCEANS | | | | | | MEMO TO () |
| FAR EAST/ PAC | | | | <u>X</u> | | RECOMMENDATIONS. () |
| INTELLIGENCE | | | | | | JOINT MEMO. () |
| LATIN AMERICA | | | | | | REFER TO FOR: () |
| MID EAST/ NO. AFRICA | | | | | | ANY ACTION NECESSARY? () |
| NSC PLANNING | | | | | | CONCURRENCE. () |
| PROGRAM ANALYSIS | | | | | | DUE DATE: _____ |
| SCIENTIFIC | | | | | | COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS) |
| SUB-SAH/ AFRICA/ UN | | | | | | |
| <u>Solomon</u> | | | | <u>X</u> | | |

SUBSEQUENT ROUTING/ACTIONS

| DATE | FROM | TO | STATUS | SUBSEQUENT ACTION REQUIRED (OR TAKEN): | DUE | CY TO |
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| 6/01 | | Scraft | CIX | <u>Info</u> | | |
| 6-7 | | NSC/S | | <u>Noted by Scowcroft</u> | | |
| 6/7 | | Granger | S | <u>Any further action necessary</u> | 6-8 | |
| 6/7 | Granger | NSC/S | C | <u>No further action necessary.</u> | | |
| | | | | <u>State notified 20 May of</u> | | |
| | | | | <u>NSC's concurrence. B/R (76-AS)</u> | | |

NSC/S DISP INSTR

DISPATCH _____ NOTIFY _____

SPECIAL DISPOSITION: _____

SPECIAL INDEXING: _____

SUSPENSE CY ATTACHED NO

GEORGE R. FORD LIBRARY

MICROFILM & FILE ROOMS

1009 1976

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~~CONFIDENTIAL~~

nsc 3729

4a

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

25 JUN 1976

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS

SUBJECT: Transfer of Major Items of U.S. Military Equipment
to the Republic of China (C)

(C) Pursuant to your memorandum of 21 October 1971, on 12 March 1975 the Department of Defense requested NSC approval for sale of 960 TOW missiles, 48 TOW launcher sets, 48 jeep adaptation kits, spare parts, maintenance materiel, training items and test equipment to the Republic of China.

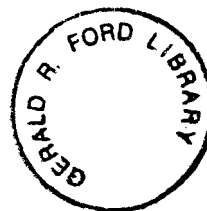
(C) Introduction of the TOW weapon system into the ROC's inventory would help to dissuade the PRC from attempting to resolve the Taiwan issue through the threat or use of force by strengthening the ROC's capability to defend against amphibious invasion and by partially offsetting the PRC's qualitative and quantitative superiority in armored vehicles. The proposed sale would not significantly increase the ROC Military's offensive capability vis-a-vis the PRC.

(C) The NSC staff has deferred action on this request pending completion of NSSM 212, while approving other items of similar military utility, e.g., additional F-5E aircraft, an Improved HAWK missile battalion, and self-propelled Vulcan guns, listed under Option III of the draft NSSM ("limited ROC access to new weapons, lower range").

(C) We would like to clear our file in regard to our March 1975 request and be advised by you what action we should take - keep file active, deliver material or close file.

H. P. Clement

Classified by Dir, Security Assistance Operations, DSAA
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED
AT TWO YEAR INTERVALS. DECLASSIFIED ON 31Dec82



~~CONFIDENTIAL~~

64 4/23/01

Sec Def Cont Nr. X-1835

NSC CORRESPONDENCE PROFILE

| DOC | | RECD | | LOG NUMBER | |
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INITIAL ACTION O

Baines

TO: PRES _____ FROM: SECSTATE *Clements, W* S/S *1835* UNCLAS LOG IN/OUT
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 HYLAND _____ DCI _____ X REF *C* EYES ONLY EXDIS
 DAVIS _____ STATE EXSEC _____ S CODEWORD
 OTHER _____ TS SENSITIVE

SUBJECT: *Request by Dod for NSC decision on transfer of US military equipment to Rep of China re TOW missiles*

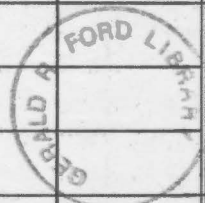
INTERNAL ROUTING AND DISTRIBUTION

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| ADV CYS S'CROFT/ WGH | | | | | |
| STAFF SECRETARY | | | | | |
| CONGRESSIONAL | | | | | |
| ECONOMIC | | | | | |
| EUR/ CANADA/ OCEANS | | | | | |
| FAR EAST/ <i>PRC</i> | <i>X</i> | | | | |
| INTELLIGENCE | | | | | |
| LATIN AMERICA | | | | | |
| MID EAST/ NO. AFRICA | | | | | |
| NSC PLANNING | | | | <i>X</i> | |
| PROGRAM ANALYSIS | | | | | |
| SCIENTIFIC | | | | | |
| SUB-SAH/ AFRICA/ UN | | | | | |

ACTION REQUIRED

MEMO FOR SCOWCROFT. *X*
 MEMO FOR PRES _____
 REPLY FOR _____
 APPROPRIATE ACTION _____
 MEMO _____ TO _____
 RECOMMENDATIONS _____
 JOINT MEMO _____
 REFER TO _____ FOR: _____
 ANY ACTION NECESSARY? _____
 CONCURRENCE _____
 DUE DATE: *7/6*
 COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

| DATE | FROM | TO | STATUS | SUBSEQUENT ACTION REQUIRED (OR TAKEN): | DUE | CY TO |
|------------|-----------|---------------|----------|--|-----|-------|
| <i>7/7</i> | <i>ST</i> | <i>NSC/ps</i> | <i>C</i> | <i>Sale was approved. [Close out. No further action]</i> | | |
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DISPATCH _____ NOTIFY _____

SPECIAL DISPOSITION: *Chw! NSSM 0212*
 SPECIAL INDEXING: _____

MICROFILM & FILE ROOMS

W/F/D _____ BY *[Signature]*
 JUL 30 1976
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SUSPENSE CY ATTACHED *212*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~ (GDS)

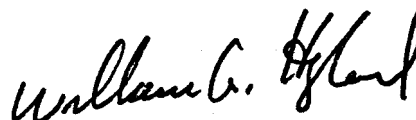
July 5, 1976

MEMORANDUM FOR

M. STASER HOLCOMB
REAR ADMIRAL, U.S. NAVY
MILITARY ASSISTANT TO THE SECRETARY
DEPARTMENT OF DEFENSE

SUBJECT: Sale of TOW Missiles to the ROC

I refer to the memorandum of March 12, 1975 from the Secretary of Defense regarding the sale of the TOW weapon system to the Republic of China. Approval is hereby granted for the sale of 960 TOW missiles, 48 TOW launcher sets, 48 jeep adaptation kits, spare parts, maintenance material, training items, and test equipment, to the Republic of China.

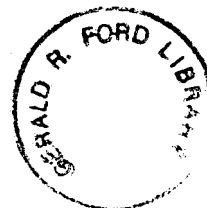


William G. Hyland
Deputy Assistant to the President
for National Security Affairs

cc: The Department of State

~~CONFIDENTIAL~~ (GDS)

b6 4/23/01



MEMORANDUM

7501584

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~ GDS

ACTION

June 9, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: JAY TAYLOR

SUBJECT: Request for Approval for Sale of TOW Anti-Tank
Missiles to the ROC

At Tab B is a memorandum from Secretary Schlesinger dated March 12, 1975 recommending approval of the sale of the TOW anti-tank missile system to the Republic of China. Action on this request was held up pending decision on NSSM 212, U.S. Security Assistance to the Republic of China.

We have recently received updated recommendations on NSSM 212 from both State and Defense and are currently preparing a memorandum for you. State's memorandum on NSSM 212 specifically recommends approval of the sale of the TOW missile to the ROC. Since Secretary Kissinger personally approved this memorandum and the TOW missile is clearly a defensive weapon, we believe we can move ahead separately with this item.

RECOMMENDATION:

That you approve the memorandum at Tab A from Jeanne Davis to the Department of Defense, approving the requested sale.

APPROVE MD DISAPPROVE _____

Clint Granger concurs

~~CONFIDENTIAL~~ GDS

66 4/23/01



~~CONFIDENTIAL~~

Staff 1501584

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

5c

12 MAR 1975

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Transfer of Major Items of U.S. Military
Equipment to the Republic of China (C)

(U) Reference is made to your memorandum of 21 October 1971, same subject.

(C) Approval is requested for the (FMS) sale of 960 TOW missiles, 48 TOW launcher sets, 48 jeep adaptation kits, spare parts, maintenance materiel, training items, and test equipment to the Republic of China.

(C) Sale of the TOW weapon system to the Republic of China would strengthen that country's defensive military posture.

(C) The present leadtime for delivery of TOW missiles and related equipment is thirty-six (36) months.

(U) The Department of State concurs.

James R. Schlesinger



Classified by Dir, Security Assistance Operations, DSAA
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED
AT TWO YEAR INTERVALS. DECLASSIFIED ON 31 Dec 1981

~~CONFIDENTIAL~~

SEC DEF CONTR No. X-0702

64 4/23/01

B

~~CONFIDENTIAL~~ (GDS)

MEMORANDUM FOR

M. STASER HOLCOMB
REAR ADMIRAL, U.S. NAVY
MILITARY ASSISTANT TO THE SECRETARY
DEPARTMENT OF DEFENSE

SUBJECT: Sale of TOW Missiles to the ROC

I refer to the memorandum of March 12, 1975 from the Secretary of Defense regarding the sale of the TOW weapon system to the Republic of China. Approval is hereby granted for the sale of 960 TOW missiles, 48 TOW launcher sets, 48 jeep adaptation kits, spare parts, maintenance material, training items, and test equipment, to the Republic of China.

William G. Hyland
Deputy Assistant to the President
for National Security Affairs

cc: The Department of State

~~CONFIDENTIAL~~ (GDS)

64 4/23/01

Revised: WGH:AH:nm:6/14/76



52

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~ GDS

June 9, 1976

MEMORANDUM FOR

M. Staser Holcomb
Rear Admiral, U. S. Navy
Military Assistant to the Secretary
Department of Defense

SUBJECT: Sale of TOW Missiles to the ROC

I refer to ^{the} your memorandum of March 12, 1975 ^{from the Secretary of Defense} regarding sale of the ^{the} TOW weapon system to the Republic of China. Approval is hereby granted for the sale of 960 TOW missiles, 48 TOW launcher sets, 48 jeep adaptation kits, spare parts, maintenance material, training items, and test equipment, to the Republic of China.

Jeanne W. Davis
Staff Secretary

cc : The Department of State

~~CONFIDENTIAL~~ GDS

lab 4/23/01



NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~ (GDS)

MEMORANDUM FOR:

M. Staser Holcomb
Rear Admiral, U.S. Navy
Military Assistant to the Secretary
Department of Defense

SUBJECT: Sale of TOW Missiles to the ROC

I refer to the memorandum of March 12, 1975 from the Secretary of Defense regarding the sale of the TOW weapon system to the Republic of China. Approval is hereby granted for the sale of 960 TOW missiles, 48 TOW launcher sets, 48 jeep adaptation kits, spare parts, maintenance material, training items, and test equipment, to the Republic of China.

Jeanne W. Davis
Staff Secretary

cc: The Department of State

~~CONFIDENTIAL~~ (GDS)

66 4/23/01



NSC CORRESPONDENCE PROFILE

(1975) 59

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SOURCE/CLASS/DESCRIPTION

TO: PRES

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SCOWCROFT

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FROM: KISSINGER, H

COLBY, W

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SENSITIVE

SUBJECT:

Transfer of Major Items of US Military
Equipment to ROC

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION

ACTION

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FOR

ACTION REQUIRED

ADVANCE CYS TO HAK/SCOWCROFT

STAFF SECRETARY

FAR EAST

SUB-SAHARAN AFRICA

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EUROPE / CANADA

LATIN AMERICA

UNITED NATIONS

ECONOMIC

SCIENTIFIC

PROGRAM ANALYSIS

NSC PLANNING

CONGRESSIONAL

OCEANS POLICY

INTELLIGENCE

INDEX

MEMO FOR HAK

MEMO FOR PRES

REPLY FOR

APPROPRIATE ACTION

MEMO TO

RECOMMENDATIONS

JOINT MEMO

REFER TO FOR:

ANY ACTION NECESSARY?

CONCURRENCE.

DUE DATE:

COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

SUBSEQUENT ROUTING/ACTIONS

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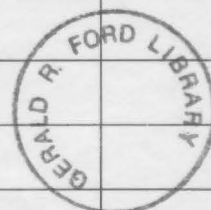
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Reported by Decision by 6/9

Hyland send memo to Halcomb



NSC/S DISP INSTR

DISPATCH

CY RQMTS: SEE ABOVE PLUS:

NOTIFY & DATE

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SPECIAL DISPOSITION:

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SUSPENSE CY ATTACHED:

FOLDER:

MICROFILM & FILE RQMTS

JUL 9 1976

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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012662

REASON FOR WITHDRAWAL National security restriction
TYPE OF MATERIAL Memorandum
CREATOR'S NAME Brent Scowcroft
CREATOR'S TITLE Assistant to the President for National
Security Affairs
RECEIVER'S NAME The President
TITLE Chinese Activity in the Taiwan Strait
CREATION DATE 07/07/1976
VOLUME 4 pages
COLLECTION/SERIES/FOLDER ID . 032400122
COLLECTION TITLE NATIONAL SECURITY ADVISER. PRESIDENTIAL
COUNTRY FILES FOR EAST ASIA AND THE
PACIFIC
BOX NUMBER 5
FOLDER TITLE China, Republic of (10)
DATE WITHDRAWN 04/26/2001
WITHDRAWING ARCHIVIST GG

SANITIZED 11/02

MEMORANDUM

3934

NATIONAL SECURITY COUNCIL

SECRET/SENSITIVE

ACTION

July 7, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: THOMAS J. BARNES *to*

SUBJECT: Assessment of Chinese Activity in the Taiwan Strait

Last week we sent you a memorandum on the situation in the Taiwan Strait. You indicated that we should follow up with an analysis for the President. Attached at Tab A is a memorandum from you to the President providing a status report on the situation and discussing ROC motivations as well as the role of Chinese domestic politics.

RECOMMENDATION:

That you sign the memorandum at Tab A to the President.

*Discussed verbally
with President. *JD**

SECRET/SENSITIVE

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES

BY gh, NARA, DATE 4/23/01



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/SENSITIVE

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Chinese Activity in the Taiwan Strait

There is still uncertainty about the significance of unusual activity over the last few weeks in the Taiwan Strait. But while the internal political situation in China makes prediction hazardous, we do not believe the PRC intends to launch any aggressive action against ROC-held territory. In addition, there is reason to question ROC reporting of some incidents. This memorandum briefly reviews developments in the Strait, and the possible role of Chinese domestic politics on the situation.

Background

ROC sources reported that on the morning of July 3 PRC artillery fired 32 rounds of live ammunition on a small uninhabited island southwest of Little Quemoy. There is no independent U.S. confirmation of the firing, and [redacted] ROC artillery may have fired on the island first. Since the July 3 incident, there has been no further action of this sort. Whether the July 3 firing was a PRC or a ROC initiative, it was at least indirectly related to the unusual PRC military activity of the last several weeks at the southern end of the Taiwan Strait.

Several PRC naval vessels, including landing ships, one missile frigate, two oilers, one water carrier, and at least ten small landing craft, moved through the Taiwan Strait in early June. Two submarines also apparently moved into the same area at the end of June. A second missile frigate moved up to the area from the south. Most of these ships apparently have remained in the Swatow-Amoy region. [redacted] two regiments of MIG-19s and some additional IL-28s have also recently moved into the southern part of Fukien Province.

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DECLASSIFIED • E.O. 12958 Sec. 3.6
With PORTIONS EXEMPTED
E.O. 12958 Sec. 1.5 (C)

MR01-171, #7; CIA LU 5/10/02

By dal NARA, Date 12/6/02

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In response to this activity, the Chinese Nationalists on Taiwan conducted abnormally frequent air patrols along the coast. In apparent reaction to the Taiwan reconnaissance flights, Peking fighters, for the first time since 1967, ventured out over the Taiwan Strait to a distance of 15 miles.

At the same time, [] indicated widespread rumors in Fukien Province of special war preparations. [] reported that the situation was tense, that militia were being mobilized, that citizens had been told not to go out at night, and that cadre had been instructed to return from leave. [] attributed the preparations to a report that ROC Premier Chiang Ching-kuo had held a war council in Taipei to map out plans for military action against the mainland. [] said he had heard there would be an attack on Quemoy.

Interpretations

The ROC is still reportedly concerned that the PRC operations may presage a Chinese attempt to take control of the Pratas Islands, a Nationalist controlled reef about 386 kilometers southwest of Taiwan. [] believes that the increased PRC activity is probably part of a coastal defense exercise. [] concludes that it is very likely a "training-contingency" exercise but that "an impending operation cannot be ruled out."

There was a PRC naval exercise at the upper end of the Taiwan Strait last year, but it was on a smaller scale than the current activity. An exercise could have sparked the rumors which [] are now reporting. Last year, however, there was not such a large number of these reports.

Taiwan Motivations

One concern is that Taiwan may be attempting to play up the prospect of a PRC military move. [] the ROC may have incorrectly reported the artillery shelling in the Quemoy area on July 3 in order to excite fear of PRC intentions.

These developments come at a time when the U.S. political campaign has raised some hope in Taipei that the trend in U.S. China policy could be halted. Editorialists in Taipei, for example, have said that the American people have a right to know the views of the Presidential candidates on the China-Taiwan question. And the ROC has apparently leaked various news items such as the withdrawal of U.S. advisors from

SECRET/SENSITIVE

SECRET/SENSITIVE

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Quemoy and Matsu in order to stimulate debate. While the ROC would probably welcome a crisis in the Strait, it must be careful not to overplay its hand and expose itself to charges of provocation and interference in U. S. politics.

PRC Dynamics

The possibility of some PRC military action in the near future against either of the offshore islands or Pratas would seem to be remote. Such action would threaten to undermine the course of U. S. -PRC normalization and possibly lead to a reaffirmation of the U. S. security tie to Taiwan. It would also cause great alarm in Japan. Nevertheless, such a contingency is at least conceivable in light of the tense and uncertain political situation in Peking.

The Leftists in Peking who, with Mao's support, currently have the political initiative, will be in a vulnerable position when the Chairman dies. Judging by the joint July 1 editorial on the CCP's anniversary, the Leftists are still attempting to expand the purge of Teng Hsiao-p'ing to other moderates, and presumably to build alliances with other forces in the regime, particularly the military.

While there is no evidence that the current debate in China has involved any substantial challenge to the basic PRC foreign policy line of strong anti-Sovietism and improvement of relations with the West, the Left has in the past pressed for a tougher stance on the issue of U. S. withdrawal from Taiwan. The Left has conceivably raised the point again. Thus Leftist influence could have contributed to the large-scale exercise in the Strait as part of an effort to make clear that China reserves the right to use force in dealing with Taiwan and gradually to increase the PRC's ability to do so.

On the other hand, there has been no escalation of China's public attention to the Taiwan problem or other evidence that it is a current issue of debate. The July 1 editorial did not mention the subject. Moreover, Premier Hua Kuo-feng and other Chinese officials in recent conversations with visiting foreign leaders have not suggested any toughening of Peking's attitude toward Taiwan.

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SECRET/SENSITIVE

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Conclusion

I will continue to watch the situation, but at this point the recent PRC operations in the Fukien area do not appear to be a prelude to a near-term attack on Taiwan-held territory. At the minimum, however, the PRC activity reflects China's increasing assertion over the last two years of its transit rights and presence in the Strait. The policy of the PRC Air Force of not flying over Taiwan Strait waters will inevitably change just as the Chinese Navy now asserts the right to sail through the passage. Thus the current activity is significant primarily in terms of the long-term trend away from ROC dominance of the Strait and toward the gradual assertion of PRC power in the area.

Finally, in the shorter term, the possibility of the early death of Chairman Mao and a desire to warn off the ROC from any adventures might also relate to the recent PRC activity.

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NSC CORRESPONDENCE PROFILE

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| | OTHER BARNES | | | SENSITIVE |

SUBJECT: **ASSESSMENT OF SHINESE ACTIVITY IN THE TAIWAN STRAIT.**

DISTRIBUTION/INITIAL ACTION ASGMT

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| STAFF SECRETARY | | | | | | MEMO FOR PRES |
| CONGRESSIONAL | | | | | | REPLY FOR |
| ECONOMIC | | | | | | APPROPRIATE ACTION |
| EUR/ CANADA/ OCEANS | | | | | | MEMO TO |
| FAR EAST/ PRC | | | | | | RECOMMENDATIONS |
| INTELLIGENCE | | | | | | JOINT MEMO |
| LATIN AMERICA | | | | | | REFER TO FOR: |
| MID EAST/ NO. AFRICA | | | | | | ANY ACTION NECESSARY? |
| NSC PLANNING | | | | | | CONCURRENCE |
| PROGRAM ANALYSIS | | | | | | DUE DATE: |
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SUBSEQUENT ROUTING/ACTIONS

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| 7/12 | | | "C" | SCROFT DISCUSSED W/ | PRES | |
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FOR COMMCENTER USE ONLY

FROM: BOB MCFARLANE
TO: GEN SCOWCROFT
PLATTSBURGH
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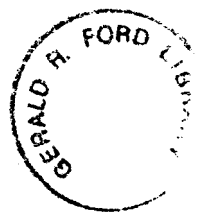
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MEMORANDUM

3987

NATIONAL SECURITY COUNCIL

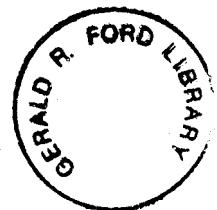
July 10, 1976

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: THOMAS BARNES ~~2~~
SUBJECT: Chinese Representation Issue
at the Olympics

Attached at Tab A is a memo from you to the President providing a review of the Chinese representation issue in the Olympics and making a recommendation on our position. Denis Clift concurs.
WFB

RECOMMENDATION:

That you sign the memorandum at Tab A.



TAB A



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Chinese Representation Issue
in the Olympics

The Canadian government's decision to set conditions on the ROC's participation in the Montreal Olympics has again revived the China representation issue, this time pitting the IOC against a host government. The decision, although portrayed by the Canadian government as consistent with its recognition of the PRC as the government of China and not in violation of its obligations as host to the Olympics, was in part prompted by several strong approaches from the PRC over the past nine months. Both Prime Minister Trudeau and External Affairs Minister MacEachen have steadfastly maintained Canada's position and argued that they have not caved in to PRC pressure, but only yielded to their "own foreign policy."

Lord Killanin protested the decision as violating the obligations Canada undertook as host of the Olympics to admit all members who were in good standing. He also stated that Canada's decision set a dangerous precedent.

The IOC claims to be the supreme authority during the period of the games and holds that any action involving nomenclature of Olympic committees, flags or anthems is its prerogative. Canada, however, maintains it agreed to admit for participation in ^{the} games athletes representing all national Olympic committees recognized by the IOC only "in accordance with normal procedures."

Background

For the past twenty years at least, the ROC has been a member of the IOC and eligible to participate in the Olympics. With the exception of the 1952 and 1960 Rome games, its athletes have competed under the name of the Republic of China, most recently at Munich in 1972 and Innsbruck in 1976, even though Austria has diplomatic relations with the People's Republic of China.



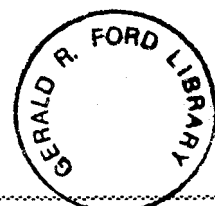
As far as we can determine from conflicting sources, both the ROC and the PRC for a number of years had national Olympic committees and were members of the IOC. The PRC withdrew from the 1956 Melbourne games without competing and then in 1958 left the IOC in protest over Taiwan's participation. At the Rome games in 1960, the IOC apparently ruled that the ROC Olympic Committee would be known officially as the "Olympic Committee, Republic of China" but that in competition the team would be designated the "Chinese Republic of Formosa." The ROC acquiesced by participating under protest. The ROC flag was flown and national anthem played when a ROC national won a silver medal.

The PRC All-China Sports Federation has recently pressed forward its campaign to gain recognition from the IOC as the Chinese National Olympic Committee and to have the ROC expelled. The PRC has won membership in 8 major Olympic sports federations at the expense of the ROC, but the ROC retains membership in 17. Both countries now meet the technical requirements for Olympic participation -- membership in at least 5 of these Olympic federations. The IOC to date has been reluctant to admit the PRC at the expense of the ROC. It decided in May 1975 not to rule on the PRC's April application for membership, pending a report by an IOC study team headed by Lord Killanin. The issue is still under consideration.

In the midst of the current controversy the PRC has intensified its lobbying efforts by sending a letter to the IOC and dispatching a delegation -- apparently of observers -- to Montreal, which has reportedly already arrived.

Current Situation

A decision will have to be taken soon if the issue is to be resolved before the scheduled opening of the Olympics on July 17. Killanin, working informally with the IOC Executive Council, may be able to reach a compromise with the Canadian Government, which would then be ratified by the full IOC. Or the IOC as a whole may have to decide the issue without such a compromise during its scheduled July 13-15 meeting. A complicating factor is an Executive Council agenda item, which lists China under applications for new membership. This could reopen the question of PRC participation in the Olympics in the Council's first meeting on July 10.



It is difficult to predict whether and how the issue will be resolved. The IOC might be able to work out a compromise with Canada patterned after the 1960 Olympics or the Executive Council and the IOC might vote on the PRC's application for membership. Although in theory members of the IOC are not meant to be advocates of their own governments' policies, both the Executive Council and the full IOC are weighted heavily in favor of those recognizing the PRC should the vote fall along national lines. In any case, United States influence over the decision is limited -- we are not members of the Executive Council and have only 2 votes in the IOC.

U.S. Position

In the fifties and early sixties, we lobbied extensively to uphold the ROC's position in the Olympics. However, in recent years as well as in the current dispute, the United States Government has taken a low key position. We have stated our regret over the increasing politicization of international sports events whenever questions concerning participation by politically sensitive countries (China, Israel, South Africa) arise and are sympathetic to efforts of American and other sports bodies that wish to minimize such politicization. But sports events is an issue to be decided by the various US private sports groups and international sports bodies. We have not undertaken any intergovernmental lobbying efforts in recent years.

Options:

Our options in regard to the Montreal Games are:

Option 1 - Maintain our principled but low key position.

Option 2 - More active verbal support by the State Department or White House for the principle that the Olympics should be insulated from politics.

The USOC has sought more positive USG support for its position. We could continue to be flexible on the issue of ROC participation in the Olympics but state to the USOC, and let it be known publicly, that we believe any host government should live up to the terms of reference it accepted from the IOC to host the games.



More active USG public opposition to the politicization of the Olympics at this time would better position us to lend support to our athletes and those from other countries in the 1980 games when we expect political problems to arise with the USSR as the host country. Such public support, however, has the disadvantage of creating the appearance that we are unnecessarily tangling with the PRC, an appearance we wish to avoid. We would also have to take issue, at least implicitly, with Canada.

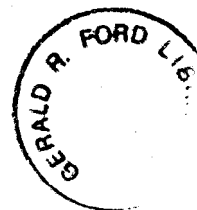
Option 3: Go beyond a public statement and lobby with Canada and other governments in support of the U.S. Olympic Committee and IOC positions.

This action would mark a significant shift from our policy of leaving these matters in private hands. The shift would prompt misleading and unhelpful speculation about changes in our China policy. Moreover, lobbying at this late date is not likely to be effective.

Recommendation

The State Department recommends that at least initially, we should continue to take the first option. This position holds out the greatest promise for insulating our policy toward China from public controversy at a sensitive time. It is also consistent with the position the United States has taken on numerous occasions that participation in international sports events is purely a private matter.

I believe we should adopt option 2. The current case is the first in which a host government has attempted to interfere with the decision of the IOC and it will set a precedent for the 1980 Moscow games. We should make it clear that the U.S. Government does not take a position as to whether the ROC should or should not be in the Olympics; this question is for the IOC to decide. We should, however, avoid lobbying the Canadian Government.



MEMORANDUM

NATIONAL SECURITY COUNCIL

URGENT INFORMATION

July 14, 1976

MEMORANDUM FOR: BUD McFARLANE
FROM: THOMAS J. BARNES
SUBJECT: Taiwan Participation at the Olympics

The International Olympic Committee is scheduled to meet at 1500 July 14. The first item on the agenda is what to do about Taiwanese participation.

A subsidiary development is that the basketball federation has just voted to expel Taiwan and include the PRC. Of the 26 sports federations, 16 now recognize the ROC as China, and 10 say the PRC is China. There is a rumor that the soccer federation is planning to follow the basketball federation's example and that both switches could provide a PRC groundswell. The majority is now clearly in Taiwan's favor, however, and an entity can participate in the Olympics provided that at least five federations support it.



9

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012663

REASON FOR WITHDRAWAL National security restriction

TYPE OF MATERIAL Memorandum

CREATOR'S NAME Brent Scowcroft

CREATOR'S TITLE Assistant to the President for National
Security Affairs

RECEIVER'S NAME Secretary of State, Secretary of
Defense, Director of Central
Intelligence

DESCRIPTION Re Republic of China

CREATION DATE 08/03/1976

VOLUME 1 page

COLLECTION/SERIES/FOLDER ID . 032400122

COLLECTION TITLE NATIONAL SECURITY ADVISER. PRESIDENTIAL
COUNTRY FILES FOR EAST ASIA AND THE
PACIFIC

BOX NUMBER 5

FOLDER TITLE China, Republic of (10)

DATE WITHDRAWN 04/26/2001

WITHDRAWING ARCHIVIST GG

EXEMPTED 4/02