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# ACTION COPY Department of State TELEGRAM

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NOD609

PAGE 01 TAIPEI 00572 010515Z

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ACTION NODS-00

INFO OCT-01 /001 W

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122403

Control: 0002Q

O R 010454Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4121  
INFO USLO PEKING  
AMCONSUL HONG KONG  
CINCPAC HONLULU HI

~~SECRET~~ TAIPEI 0572

NODIS

DEPT PLEASE PASS INFO ADDRESSEES

EO 11652 GDS

TAGS MOPS, CH TW

SUBJECT: SCHEDULE OF US/ROC JOINT EXERCISES

REF STATE 022571

1. FOLLOWING IS LIST OF CURRENTLY SCHEDULED US/ROC  
MILITARY EXERCISES IN THE VICINITY OF TAIWAN:

A. SHARK HUNG: FEB 4-8 AN ASW EXERCISE INVOLVING ON  
THE US SIDE 2 USN/ASW AIRCRAFT, 3 DE'S AND ONE AE; ON  
THE ROC SIDE, ONE OR TWO S2A ASW AIRCRAFT, 2 DD'S AND  
ONE SUBMARINE. EMBASSY ADVISED THAT EXERCISE WILL BE  
CONDUCTED IN WATERS APPROXIMATELY 25 MILES DUE WEST  
TSOYING/KAOHSIUNG. IN CONJUNCTION SHARK HUNT, ONE OF USN AIRCRAFT  
WILL TOW TARGET SLEEVE FOR ROCN SURFACE TO AIR GUNNERY  
PRACTICE. ALL AIRCRAFT INVOLVED IN SHARK HUNT WILL FLY  
AT ALTITUDES FROM 250 FT TO 2,000 FT.

B. EAGLE: FEB 25-28.

C. LARK: FEB 27 (IN CONJUNCTION WITH EAGLE),  
APRIL 23 (DATE TENTATIVE), MAY 28, JUNE 25 (DATE TENTATIVE).

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4/23/01



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Department of State

TELEGRAM

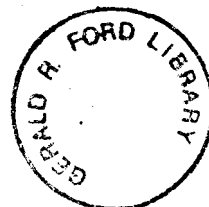
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PAGE 02 TAIPEI 00572 010515Z

0. BLUESKY: MARCH 7, MAY 6, JUNE 5.

2. THESE AND OTHER EXERCISES HELD IN VICINITY OF  
TAIWAN ARE DESCRIBED IN TAIPEI 0510, 1045, AND 6044,  
(ALL 1974).  
UNGER

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NOD307

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PAGE 01 TAIPEI 00668 060845Z

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O 060810Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4174

050344

Control: 1085Q

~~TOP SECRET~~ TAIPEI 00668

NODIS

E.O. 11652: XGDS-3  
TAGS: PFOR, PINR, TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN U.S.

REF: STATE 026469

1. THIS MORNING I CALLED ON PREMIER CHIANG TO MAKE REPRESENTATIONS ON TORPEDO AFFAIR IN ACCORDANCE WITH INSTRUCTIONS CONTAINED REFTEL; PREMIER AND I WERE ALONE. THIS WAS FIRST MOMENT I WAS ABLE TO CARRY OUT INSTRUCTIONS SINCE REFTEL RECEIVED TAIPEI ONLY THIS MORNING, FEBRUARY 6, AT 0750 LOCAL.

2. AFTER EXPLAINING I WAS SPEAKING ON SPECIFIC INSTRUCTION I REVIEWED FOR PREMIER CHIANG POINTS CONTAINED PARA 1 KREFTEL AND LEFT WITH HIM PAPER COVERING THOSE POINTS. WHEN I REFERRED TO THE CONDITIONS UNDER WHICH SUBMARINES WERE SOLD TO REPUBLIC OF CHINA, I GAVE HIM COPY OF MCCONAUGHY-CH'EN EXCHANGE OF LETTERS OF DECEMBER 11-12, 1972. I ADDED ONLY THAT WE EXPECT AND WOULD WELCOME THOROUGH EFFORT BY PREMIER TO GET TO BOTTOM OF THIS MATTER.

3. PREMIER LOOKED INCREASINGLY BAFFLED AS I PROCEEDED. WHEN I CONCLUDED HE SAID THAT HE KNEW OF COURSE OF HIS GOVERNMENT'S EFFORTS TO SECURE TORPEDOES FOR SUBMARINES THROUGH OFFICIAL CHANNELS AND REFERRED TO EARLIER APPROACHES BY MND THROUGH GENERAL LAI TO TDC AND MAAG TO SEE WHAT COULD BE DONE. AT THAT TIME GROC WAS INCREASINGLY CONSCIOUS OF GROWING PRC SUBMARINE THREAT AND WISHED TO DO EVERY-

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E.O. 12958 Sec. 3.0

MR 02-22 #1; State ETR 3/6/02

By del NAFA Date 4/10/02

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PAGE 02 TAIPEI 00568 050045Z

THING POSSIBLE TO STRENGTHEN ITS DEFENSES; TORPEDOES WERE DESIRED ONLY FOR DEFENSIVE PURPOSES.

4. PREMIER THEN WENT ON TO SAY THAT WHAT I HAD REPORTED TO HIM HE FOUND "UNBELIEVABLE" AND SAID THIS WAS NOT THE WAY THE GROC WENT ABOUT THINGS. IF THEY HAD A REQUIREMENT THEY ENGAGED IN DIRECT AND OPEN DISCUSSION WITH US AND IF OUR ANSWER IS NEGATIVE THEY THEY MUST ACCEPT THIS. SEVERAL TIMES HE COMMENTED ON THE UTTER FOLLY AND STUPIDITY OF ANY SUCH EFFORT AS I HAD DESCRIBED AND SAID THAT HE WAS TOTALLY UNAWARE OF ANY SUCH EFFORTS AND IN FACT FOUND THE STORY UNBELIEVABLE. I REMINDED HIM OUR EVIDENCE INCONTROVERTIBLE.

5. PREMIER CHIANG REFERRED TO ADMIRAL CHIU AS SOMEONE HE KNEW WELL AND HE PROFESSED TO FIND IT HARD TO ACCEPT THE REPORT ABOUT CHIU WHO, HE SAID, WOULD NOT ENGAGE IN THAT KIND OF ACTIVITY. HE SAID AT ONE POINT THAT HE WOULD IMMEDIATELY ASK CHIU TO RETURN SO THAT HE COULD GET HIS ACCOUNT OF THE MATTER. LATER AS I WAS PREPARING TO LEAVE HE ASKED HIS STAFF TO CALL GENERAL LAI MING-TANG AND ADMIRAL SOONG CH'ANG-CHIH TO JOIN HIM AT ONCE SO THAT HE COULD PUT THIS MATTER BEFORE THEM. HE STATED HIS INTENTION OF DOING EVERYTHING NECESSARY TO STOP THIS EFFORT TO SECURE TORPEDOES ILLEGALLY BUT STILL APPEARED TO BE INCREDULOUS OF WHAT I HAD TOLD HIM.

6. DIFFICULT TO SAY WHETHER PREMIER WILL SUMMON ADMIRAL CHIU FROM WASHINGTON OR WHETHER CONVERSATION WITH LAI AND SOONG WILL RESULT IN PURSUING MATTER IN SOME OTHER WAY. I ANTICIPATE HOWEVER THAT AT SOME TIME I WILL BE ASKED TO PROVIDE FURTHER AND MORE SPECIFIC INFORMATION SINCE IT CAN BE EXPECTED THAT PREMIER'S INQUIRIES WILL BE MET WITH DENIALS AND HE WILL BE IN DIFFICULTY TRYING ESTABLISH FACTS TO HIS SATISFACTION WITHOUT FURTHER EVIDENCE FROM US. UNGER

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NOD465

PAGE 01 TAIPEI 00693 070930Z

CONTROL: 1473Q

RECD: 7 FEB 75

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ACTION NODS-00

INFO OCT-01 /001 W

065061

O 070756Z FEB 75

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC IMMEDIATE 4187

**DECLASSIFIED**  
 E.O. 12958 Sec. 3.6
~~TOP SECRET~~ TAIPEI 0693

NODIS

MR02-22 #10: 02. Mar. 31/02

By dal NARA Date 4/16/02

E.O. 11652: ZGDS-3

TAGS: PFOR, PINR, TW

SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN U.S.

REF: TAIPEI 668

1. IN FOLLOW-UP MY REPRESENTATIONS (REFTEL) PREMIER SENT GENERAL LAI MING-T'ANG, CHIEF OF GENERAL STAFF, MBND, TO SEE ME MORNING FEBRUARY 7. DCM JSAT IN.

2. GENERAL LAI SAID HE HAD BEEN CALLED IN BY PREMIER IMMEDIATELY AFTER I HAD TALKED TO LATTER. HE HAD FOUND THE PREMIER "SHOCKED" AND INCREOULOUS. PREMIER SHOWED LAI PAPER I HAD LEFT AND ASKED HIM WHAT HE KNEW ABOUT MATTER. LAI SAID HE WAS TAKEN BY COMPLETE SURPRISE AND TOLD PREMIER HE HAD NO KNOWLEDGE OF AFFAIR. PREMIER THEN HAD ASKED HIM TO CHECK INTO IT AND SUBSEQUENTLY TO REPORT HIS FINDINGS TO ME.

3. LAI FIRST TRIED TO GET IN TOUCH WITH ADMIRAL SOONG CHANG-CHIH BUT LEARNED HE WAS "OUT OF TOWN". HE THEN TALKED TO SOONG'S DEPUTY, WHO ALLOWED AS HOW HE HAD ONLY "HEARD" OF CASE BUT WOULD MAKE SOME INQUIRIES AND GET BACK TO LAI. THESE INQUIRIES PRODUCED THE FOLLOWING STORY: ON JANUARY 15, CN HEADQUARTERS RECEIVED A TELEPHONE CALL FROM CONSUL HSU IN LOS ANGELES WHO SAID THAT HE HAD BEEN INSTRUCTED BY ADMIRAL CHIU IN WASHINGTON TO INFORM CN HEADQUARTERS THAT "A BUSINESSMAN HAD APPROACHED HIM

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# TELEGRAM

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PAGE 02 TAIPEI 00693 070930Z

(CHIU) ABOUT THE POSSIBILITY OF OBTAINING TORPEDOES IN A THIRD COUNTRY"; THAT IF CN INTERESTED IT COULD SEND SOMEONE TO UTALK TO BTHE BUSINESSMAN. WHEN THIS MESSAGE WAS BROUGHT TO ADMIRAL SOONG'S ATTENTION, HE ASKED TO SEE LT. HAN WHO, HE RECALLED, WOULD BE TRAVELLING TO US FOR TRAINING AT THE HUGHES (SIC) COMPANY IN CONNECTION WITH SEA CHAPPARAL. ADMIRAL SOONG HAD BEEN HEARD TO REMARK AT THIS TIME THAT "ANY SUCH ARRANGEMENT (TO OBTAIN TORPEDOES) WOULD, OF COURSE, HAVE TO BE LEGAL." IN DISCUSSING THE MATTER WITH HAN, AND WHEN HE INSTRUCTED HAN TO "CHECK INTO IT", IT WAS CLEAR, ACCORDING TO THE DEPUTY, THAT SOONG ASSUMED THEY WERE TALKING ABOUT NON-US ORIGIN TORPEDOES. THE DEPUTY ALSO STATED THAT SOONG HAD WARNED HAN "NOT TO DO ANYTHING ILLEGAL".

4. SOONG'S DEPUTY FURTHER REPORTED TO LAI THAT HAN TELEPHONED SOONG FROM THE UNITED STATES ON JANUARY 25, SAYING HE HAD BEEN IN TOUCH WITH THE U.S. BUSINESSMAN BUT THAT THE DEAL PROPOSED WAS INDEED ILLEGAL/. THEREUPON, SOONG ON JANUARY 27, SENT A CABLE TO ADMIRAL CHIU IN WASHINGTON INSTRUCTING HIM TO TAKE NO FURTHER ACTION ON THE OFFER.

5. AFTER COMPLETING THIS ACCOUNT OF EVENTS, GENERAL LAI AGAIN ASSERTED THAT NEITHER THE PREMIER, NOR HE, NOR ANYONE ON HIS STAFF AT MND HAD HAD ANY KNOWLEDGE OF THIS CASE. HE COULD NOT UNDERSTAND HOW ANYONE COULD BE SO STUPID AS TO BELIEVE STOLEN TORPEDOES COULD BE SHIPPED OUT OF THE U.S. AND BROUGHT TO TAIWAN UNDETECTED. HE COULD NOT BELIEVE THAT ADMIRAL CHIU COULD HAVE BEEN AWARE THAT THEFT WAS INVOLVED; THERE MUST HAVE BEEN A "MISUNDERSTANDING" SOMEWHERE. THE GROC, SAI LAI, WOULD NEVER ATTEMPT TO GET ANYTHING ILLEGALLY FROM US. (BEYOND FOREGOING REFERENCE TO CHIU, LAI MADE NO ATTEMPT EXPLAIN AWAY OR DEFEND EITHER HSUI'S OR CHIU'S INVOLVEMENT).

6. AFTER THANKING LAI FOR COMING IN, IZ TOLD HIM THAT MY FIRST REACTION TO STORY WAS ALSO DISBELIEF, BUT THAT OUR INFORMATION WAS SO SPECIFIC AS TO LEAVE NO DOUBT SOME GROC OFFICIALS UNDERSTOOD ILLEGAL NATURE OF DEAL. I

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PAGE 03 TAIPEI 00693 070930Z

THEN ASKED HIM WHAT HE KNEW ABOUT ALFRED TAI. AFTER SOME MUMBLED HESITATION, LAI SAID HE DIDN'T KNOW MUCH EXCEPT THAT HE WAS A RETIRED NAVAL OFFICER, BUT WOULD CHECK FURTHER.

7. I TOOK OCCASION TO REMIND LAI OF US-GROC UNDERSTANDING OF CONDITIONS UNDER WHICH TRANSFER OF SUBMARINES TO GROC WAS AUTHORIZED. I SHOWED HIM, AND HE READ, DECEMBER 1972 EXCHANGE OF LETTERS BETWEEN AMBASSADOR MCCONAUGHY AND THEN MINDEF CHEN. I NOTED THAT CONDITIONS AS SPELLED OUT WOULD NOT SEEM TO ENVISAGE TORPEDO ACQUISITION. LAI DID NOT DEMUR.

8. SUBSEQUENT TO THIS CONVERSATION WITH LAI, WE RECEIVED DEPTELS 28203, 28204, 28205, WHICH DO NOT APPEAR TO REFLECT SOONG'S JANUARY 27 ORDER TO CHIU TO TAKE NO FURTHER ACTION IN MATTER. ANY LIGHT DEPARTMENT CAN SHED ON THIS POINT WOULD BE OF INTEREST.

9. ALTHOUGH IT HIGHLY UNLIKELY PRESS WILL GET WIND OF THIS STORY, I THINK WE SHOULD BE PREPARED FOR SUCH EVENTUALITY. DEPARTMENT GUIDANCE FOR THIS CONTINGENCY WOULD BE APPRECIATED. UNGER

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NO0086

PAGE 01 TAIPEI 00730 100541Z

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INFO OCT-01 /001 W

089421

O 100411Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4207~~TOP SECRET~~ TAIPEI 0730

NO015

CONTROL: 1 9 5 8 Q

E.O. 11652: XGDS-3  
TAGS: PFOR, PINR, TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN U.S.

REF: TAIPEI 0693

1. ADMIRAL SOONG CHANG CHIH AT HIS REQUEST CALLED ON THE  
AMBASSADOR MORNING FEB. 10 TO FURTHER EXPLAIN MARK 37 TORPEDO  
AFFAIR.2. ADMIRAL SOONG'S VERSION FOLLOWED CLOSELY THAT OF GENERAL  
LAI REPORTED REPTEL, BUT WAS PREFACED WITH OBSERVANCE THAT  
U.S. NAVAL OFFICERS, PROBABLY INCLUDING SOME IN CNO, HAD IN  
PAST "ENCOURAGED" ROCN TO SEEK TO ARM ITS SUBMARINES WITH  
ANTI-SUB TORPEDOES.2. AMBASSADOR POINTED OUT THAT WHEN GROC HAD , A YEAR OR  
MORE AGO, INQUIRED VIA NORMAL CHANNELS ABOUT POSSIBILITY  
PURCHASING TORPEDOES FROM THE U.S., ITS REQUEST HAD BEEN  
TURNED DOWN; HE BELIEVED THE FINAL USG DECISION WAS  
COMMUNICATED TO GROC AROUND MARCH OR APRIL OF 1974.  
AMBASSADOR REITERATED THAT OUR OFFICIAL POSITION  
CONTINUED TO BE THAT CONDITIONS UNDER WHICH SUBMARINES  
WERE MADE AVAILABLE TO ROCN PRECLUDED ARMING THEM WITH  
TORPEDOES. ADMIRAL SOONG ACKNOWLEDGED THIS POINT, BUT  
ONLY AFTER IMPLYING THAT EARLIER THIS POSITION NOT SO  
CLEAR.DECLASSIFIED  
E.O. 12958 Sec. 3.8~~TOP SECRET~~

MR02-22, # 11; at. Rev. 3/6/02

By dal NARA Date 4/17/02

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Department of State

TELEGRAM

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PAGE 02 TAIPEI 00730 100541Z

4. AMBASSADOR PRESSED SOONG REGARDING CURRENT STATE OF PLAY ON TORPEDO DEAL NOTING WE HAD REASON TO BELIEVE SOME NEGOTIATIONS CONTINUED IN U.S. AFTER JANUARY 27, DATE ON WHICH SOONG HAD SENT CABLE ORDERING ADMIRAL CHIU IN WASHINGTON TO DROP MATTER. SOONG DISAVOWED ANY AWARENESS ON THIS SCORE AND REPEATED THAT HE HAD GIVEN INSTRUCTIONS "TO STOP THE WHOLE THING" ON THAT DATE.

5. DURING COURSE OF CONVERSATION SOONG AT GREAT PAINS TO EXONERATE PREMIER AND LAI FROM ANY KNOWLEDGE AFFAIR. AS FOR HIS OWN ROLE, HE MAINTAINED THAT HE HAD ALWAYS INSISTED THAT ANY PURCHASES BE MADE LEGALLY THROUGH PROPER CHANNELS. UNGER

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NOD394

PAGE 01 TAIPEI 00755 130956Z

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ACTION NODS-00

RECD: 13 FEB 75

4:59AM

INFO OCT-01 /001 W

010635

O 130926Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4217

~~TOP SECRET~~ TAIPEI 0755

NODIS

EO 11652 XGDS-3  
TAGS PFOR PINR TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN 7..

REF STATE 30366

1. UNLESS DEPARTMENT PERCEIVES OBJECTION, I INTEND SEEK APPOINTMENT TOMORROW, FEBRUARY 14, LOCAL TIME WITH GENERAL LAI MING-T'ANG WHOM PREMIER EARLIER DESIGNATED FOR DISCUSSION TORPEDO PROBLEM.

2. I SHALL ADVISE LAI THAT ADDITIONAL INFORMATION RECEIVED FROM WASHINGTON INDICATES THAT ADMIRAL CHIU APPARENTLY DELIBERATELY DELAYED CARRYING OUT INSTRUCTIONS WHICH, ACCORDING TO GENERAL LAI AND ADMIRAL SOONG, WERE CABLED TO HIM JANUARY 27 BY ADMIRAL SOONG; WE HAVE POSITIVE EVIDENCE THAT NEGOTIATIONS FOR THE TORPEDOES WERE NOT BROKEN OFF UNTIL FEBRUARY 7.

3. EMPHASIZING THE SERIOUSNESS WITH WHICH WE CONTINUE TO VIEW THIS MATTER, I SHALL RECALL PREMIER'S REFERENCE ON FEBRUARY 6 TO RECALLING ADMIRAL CHIU AND SHALL STATE IT AS MY ASSUMPTION THAT GROG HAS ALREADY TAKEN STEPS TO RECALL CHIU AND HSU AS WELL IN EFFORT TO GET TO BOTTOM OF AFFAIR. I SHALL ADD THAT I WOULD APPRECIATE LEARNING WHATEVER THEY MIGHT HAVE TO SAY IN THIS CONNECTION.

4. I SHALL ALSO ASK LAI WHAT ADDITIONAL INFORMATION

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E.O. 12958 Sec. 3.6

MR 02-23 #12: 02 Nov 3/6/02

del NARA Doc: 4/11/02

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PAGE 32 TAIPEI 00755 130956Z

GROC'S INVESTIGATION HAS DEVELOPED TO DATE, PARTICULARLY AS CONCERNS THE ROLES OF THE AFOREMENTIONED INDIVIDUALS AS WELL AS LT. HAN AND ALFRED TAI.

5. WE SHARE DEPARTMENT'S SKEPTICISM GROC EXPLANATIONS, ALTHOUGH DISINCLINED BELIEVE ILLICIT ASPECT OF OPERATION KNOWN TO CCK OR LAI; WE ARE MUCH LESS CERTAIN ABOUT ADMIRAL SOONG'S ROLE.

6. BELIEVE OUR PRINCIPAL PURPOSES AT THIS TIME SHOULD BE 1) TO CONVEY SHARP REBUKE TO GROC, 2) TO IMPRESS UPON HIGHEST LEVELS GRAVITY OF MATTER, AND 3) TO DETER IT FROM SIMILARLY FOOLISH SCHEMES IN THE FUTURE.

7. RECALL OF CHIU AND HSU WILL BE EVIDENCE THAT OUR MESSAGE HAS GOTTEN ACROSS.  
UNGER

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NOD394

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O 130926Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4217

~~TOP SECRET~~ TAIPEI 0755

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NODIS

EO 11652 XGDS-3  
TAGS PFOR PINR TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN 7..

REF STATE 30360

1. UNLESS DEPARTMENT PERCEIVES OBJECTION, I INTEND SEEK APPOINTMENT TOMORROW, FEBRUARY 14, LOCAL TIME WITH GENERAL LAI MING-TIANG WHOM PREMIER EARLIER DESIGNATED FOR DISCUSSION TORPEDO PROBLEM.

2. I SHALL ADVISE LAI THAT ADDITIONAL INFORMATION RECEIVED FROM WASHINGTON INDICATES THAT ADMIRAL CHIU APPARENTLY DELIBERATELY DELAYED CARRYING OUT INSTRUCTIONS WHICH, ACCORDING TO GENERAL LAI AND ADMIRAL SOONG, WERE CABLED TO HIM JANUARY 27 BY ADMIRAL SOONG; WE HAVE POSITIVE EVIDENCE THAT NEGOTIATIONS FOR THE TORPEDOES WERE NOT BROKEN OFF UNTIL FEBRUARY 7.

3. EMPHASIZING THE SERIOUSNESS WITH WHICH WE CONTINUE TO VIEW THIS MATTER, I SHALL RECALL PREMIER'S REFERENCE ON FEBRUARY 6 TO RECALLING ADMIRAL CHIU AND SHALL STATE IT AS MY ASSUMPTION THAT GROC HAS ALREADY TAKEN STEPS TO RECALL CHIU AND HSU AS WELL IN EFFORT TO GET TO BOTTOM OF AFFAIR. I SHALL ADD THAT I WOULD APPRECIATE LEARNING WHATEVER THEY MIGHT HAVE TO SAY IN THIS CONNECTION.

4. I SHALL ALSO ASK LAI WHAT ADDITIONAL INFORMATION

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EO 12958 Sec. 3.6

MR-02-23 #12. at 100 3/16/02

del NARA Date 4/11-7/02

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Ford, NSA, Pres. Count. Files E. Asia, Box 5, File DOS Telegrams from SECSTATE-NODIS (2)



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PAGE 32 TAIPEI 00755 130956Z

GROC'S INVESTIGATION HAS DEVELOPED TO DATE, PARTICULARLY AS CONCERNS THE ROLES OF THE AFOREMENTIONED INDIVIDUALS AS WELL AS LT. HAN AND ALFRED TAI.

5. WE SHARE DEPARTMENT'S SKEPTICISM GROC EXPLANATIONS, ALTHOUGH DISINCLINED BELIEVE ILLICIT ASPECT OF OPERATION KNOWN TO CCK OR LAI; WE ARE MUCH LESS CERTAIN ABOUT ADMIRAL SOONG'S ROLE.

6. BELIEVE OUR PRINCIPAL PURPOSES AT THIS TIME SHOULD BE 1) TO CONVEY SHARP REBUKE TO GROC, 2) TO IMPRESS UPON HIGHEST LEVELS GRAVITY OF MATTER, AND 3) TO DETER IT FROM SIMILARLY FOOLISH SCHEMES IN THE FUTURE.

7. RECALL OF CHIU AND HSU WILL BE EVIDENCE THAT OUR MESSAGE HAS GOTTEN ACROSS.  
UNGER

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PAGE 01 TAIPEI 00765 140723Z

CONTROL: 3302Q

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ACTION N005-00

RECD: 14 FEB 75  
2:35AM

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027593

O 140700Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4222

~~TOP SECRET~~ TAIPEI 0765

NODIS

EO 11652 XGDS  
TAG PFOR PINR TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN U.S.

REF TAIPEI 0755; STATE 33123

1. GENERAL LAI CAME IN MORNING FEBRUARY 14, AT MY REQUEST. I OPENED CONVERSATION BY ASKING HIM IF ROC INVESTIGATION TORPEDO DEAL HAD PRODUCED ANYTHING; I REFERRED SPECIFICALLY TO ROLE OF ALFRED TAI. HE STATED HE HAD NOTHING NEW TO REPORT.

2. LAI EXPRESSED SURPRISE WHEN I TOLD HIM THAT ADDITIONAL INFORMATION RECEIVED FROM WASHINGTON INDICATED THAT ADMIRAL CHIU HAD APPARENTLY DELIBERATELY DELAYED CARRYING OUT INSTRUCTIONS WHICH HAD BEEN CABLED TO HIM BY ADMIRAL SOONG ON JANUARY 27, AND THAT NEGOTIATIONS FOR THE TORPEDOES WERE NOT BROKEN OFF UNTIL FEBRUARY 7. AFTER REVIEWING WHAT HE HAD TOLD US EARLIER (TAIPEI'S 0693) HE SAID HE WOULD SEEK FURTHER EXPLANATIONS FROM ADMIRAL SOONG AND QUERY HIM MORE CLOSELY ABOUT HIS INSTRUCTIONS TO CHIU.

3. WHEN I RECALLED THAT PREMIER HAD MENTIONED TO ME ON FEBRUARY 6 HIS INTENTION TO ASK ADMIRAL CHIU TO RETURN TO TAIPEI, LAI SAID THAT SUCH ORDERS HAD IN FACT GONE OUT BUT WERE RESCINDED AFTER CASE HAD BEEN DISCUSSED WITH ADMIRAL SOONG AND IT WAS LEARNED THAT LATTER HAD SENT JANUARY 27 CABLE TO CHIU. I IMPRESSED UPON LAI OUR PRESUMPTION THAT IN LIGHT OF POSITIVE EVIDENCE THAT SOONG'S

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PAGE 02 TAIPEI 00765 140723Z

INSTRUCTIONS NOT PROPERLY HEEDDED, GROC WOULD WISH ARRANGE FOR CHIU'S RETURN, AS WELL AS HSU YA-MING'S. I REMINDED LAI OF SERIOUSNESS WITH WHICH WE VIEWED CASE AND ADVERSE EFFECTS IT COULD HAVE; I REFERRED TO MILITARY PROCUREMENT PROJECTS CURRENTLY UNDER CONSIDERATION. IT WAS IMPORTANT TO GET TO BOTTOM OF AFFAIR.

4. ALTHOUGH HE MADE NO DEFINITE COMMITMENT ON RECALL CHIU OR HSU, SAYING MERELY THAT HE WOULD TALK TO SOONG ABOUT IT, I BELIEVE MY MESSAGE GOT THROUGH CLEARLY. I AM ALSO CONFIDENT THAT LAI WILL INFORM PREMIER OUR CONVERSATION AND THAT LATTER WILL DRAW APPROPRIATE CONCLUSION.

5. REQUEST DEPTMENT INFORM ME PROMPTLY OF ANY INDICATIONS OF CHIU'S OR HSU'S LANS FOR DEPARTURE FROM U.S.  
UNGER

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N00760

PAGE 01 TAIPEI 00789 150600Z

CONTROL: 3671Q

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ACTION NODS-00

INFO OCT-01 /001 W

050092

O 150524Z FEB 75

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC IMMEDIATE 4237

~~SECRET~~ TAIPEI 0789

N0018

EO 11652 GDS

TAGS MILI TW

SUBJECT: FORCE REDUCTIONS: CCK AIRBASE

REF STATE 034352

1. AS SOON AS WE RECEIVE ANSWERS TO QUESTIONS POSED BELOW WE PLAN TO INFORM GROG THAT US PRESENCE AT CHING CHUAN KANG (CCK) AIR BASE WILL BE REDUCED TO SMALL CARETAKER AND WRM STORAGE GROUP SOON AFTER WITHDRAWAL OF F-4 SQUADRON, AND THAT DOD PLANS TO MAKE PUBLIC ANNOUNCEMENT.

2. WE FEEL IT IMPORTANT THAT WE RECEIVE MESSAGE CONCERNING REDUCTIONS AT TAINAN, REFERRED TO IN REFTEL, BEFORE WE DISCUSS CCK REDUCTIONS WITH GROG, SO THAT THE TWO CAN BE DISCUSSED AS PART OF OVERALL PACKAGE. WE ASSUME MESSAGE ON TAINAN WILL ADDRESS FUTURE US NAVY AS WELL AS USAF ACTIVITIES AT TAINAN AB.

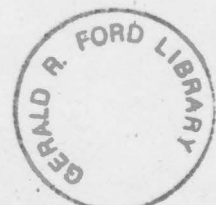
3. TAIPEI AIR STATION HAS NOT BEEN ADDRESSED DIRECTLY IN REFTEL. IT IS PLANNED THAT TAIPEI AS WILL BE PHASED OUT FOLLOWING F-4 WITHDRAWAL?

4. WE ASSUME THAT ANTICIPATED DOD ANNOUNCEMENT WILL NOT BE MADE BEFORE WE HAVE OPPORTUNITY TO INFORM GROG. UNGER

~~SECRET~~

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66 4/23/01





# Department of State

## TELEGRAM

~~TOP SECRET~~

NOD200

PAGE 01 TAIPEI 00790 180203Z COPY 1 OF 15 COPIES

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ACTION NODS-00

INFO OCT-01 /001 W

**ACTION COPY**  
074755

P 180148Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC PRIORITY 4238

~~TOP SECRET~~ TAIPEI 0790

NOD18

E.U. 11652: XGDS-3  
TAGS: PFOK, PINR, TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN U.S.

REF: TAIPEI 0765

1. ON SATURDAY NIGHT ADMIRAL SOONG INFORMED ME THAT GROC  
NAVAL ATTACHE ADMIRAL CHIU HAD BEEN REQUESTED TO RETURN  
TO TAIPEI.

2. LAST NIGHT PREMIER CHIANG CHING-KUO INFORMED ME THAT  
CHIU HAD JUST ARRIVED HERE AND HE WOULD BE SEE-  
ING HIM SHORTLY AND HOPED TO GET TO THE BOTTOM OF THE  
MATTER OF THE TORPEDO NEGOTIATIONS. HE MENTIONED AGAIN  
THAT THE GOVERNMENT HAD BEEN UNAWARE OF ANY IMPROPER ASPECTS  
OF THESE DEALINGS; I ACKNOWLEDGED THIS BUT REPEATED MY  
EARLIER STATEMENTS THAT WE HAVE VERY POSITIVE INFORMATION  
THAT SOME OF THE CHINESE PARTICIPANTS IN THE DISCUSSIONS  
WERE AWARE OF THE PROJECTED THEFT. THE PREMIER SAID HE  
WOULD HAVE GENERAL LAI FILL ME IN ONCE DISCUSSIONS  
WITH ADMIRAL CHIU HAD TAKEN PLACE.  
UNDER

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E.O. 12958 Sec. 3.8

MR 02-22 #14: SC, LTV, 3/6/02

~~TOP SECRET~~

By dal NARA Date 4/17/02



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## Department of State

# TELEGRAM

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N00248

PAGE 01 TAIPEI 00803 180949Z

CONTROL: 4007Q

RECD: 18 FEB 75

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ACTION NOOS-00

4:51AM

INFO OCT-01 /001 W

077469

0 180933Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4245

~~TOP SECRET~~ TAIPEI 0803

NOOIS

EO 11652 XGDS 3  
TAGS PFOR PINR TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES

REF TAIPEI 0790

1. SEPTTEL REPORTS DISCUSSION DCM AND I HAD TODAY WITH GENERAL LAI AS FORESHADOWED FINAL SENTENCE REPTEL.

2. WHEN GENERAL LAI ASKED TO COME IN TO GIVE ME HIS REPORT HE SUGGESTED BRINGING ADMIRAL CHIU WITH HIM. I DEMURRED SAYING THAT AT THIS POINT I DID NOT THINK THIS WOULD BE USEFUL. AS YOU WILL NOTE IN SEPTTEL, IN TODAY'S DISCUSSION WITH GENERAL LAI I LEFT OPEN POSSIBILITY OF MY MEETING LATER WITH ADMIRAL CHIU AND ALSO TRID TO MAKE SURE THAT CHIU WOULD NOT LEAVE TAIPEI TO RETURN TO WASHINGTON WITHOUT MY RECEIVING SOME ADVANCE NOTICE.

3. MY QUESTION NOW IS WHETHER THE DEPARTMENT BELIEVES I SHOULD SE ADMIRAL CHIU AND IF SO, FOR WHAT PURPOSE AND HOW WOULD I HANDLE WITH HIM THE QUESTION OF THE SOURCE OF MY DETAILED KNOWLEDGE WHICH COULD IN SOME RESPECTS POSSIBLY BE CONTRARY TO THE FACTS AS HE WOULD PROBABLY PRESENT THEM TO ME.  
UNGER

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E.O. 12958 Sec. 3.6

~~TOP SECRET~~

MR02-22 N 15: RE. 111 3/6/02

By dal NARA Date 4/17/02



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N00408

PAGE 01 TAIPEI 00814 190438Z

CONTROL: 4292Q  
RECD: 18 FEB 75  
11:43PM

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ACTION NODS-00

INFO OCT-01 /001 W

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089646

P 190400Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC PRIORITY 4252

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E.O. 12958 Sec. 3.0

~~TOP SECRET~~ TAIPEI 0814

MRD2-22, #16, pt. etc. 3/6/02

NODIS

By del NARA, Date 4/17/02

E.O. 11652: XGDS-3  
TAGS: PFOR, PINK, TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES

REF: A. TAIPEI 0790  
B. TAIPEI 0803

1. AS PREMIER HAD INDICATED (REFTEL A), GENERAL LAI MING-TIANG CALLED ON ME AFTERNOON FEB 18, TO FILL ME IN ON RESULTS HIS AND ADMIRAL SOONG'S DISCUSSIONS WITH ADMIRAL CHIU AFTER LATTER'S RETURN TO TAIPEI.

(S2. ACCORDING TO LAI, ADMIRAL CHIU MAINTAINED THAT UPON RECEIPT ADMIRAL SOONG'S JAN 27 CABLE, HE HAD INDEED INFORMED THE "BUSINESSMAN" WITH WHOM HE HAD BEEN NEGOTIATING THAT DEAL WAS OFF. NEVERTHELESS, BUSINESSMAN HAD KEPT CALLING CHIU AND, FINALLY, ON FEB 4 CAME TO WASHINGTON TO TALK TO CHIU. CHIU HAD AGREED TO SEE HIM BUT INSISTED THAT MEETING BE HELD IN CHIU'S OFFICE PURPOSELY TO AVOID ANY APPEARANCE OF COVERINESS OR IMPROPRIETY. AT THIS MEETING CHIU SAID HE AGAIN TOLD BUSINESSMAN THAT MATTER WAS CLOSED, THAT HE HAD BEEN ADVISED THAT TRANSACTION WAS ILLEGAL AND THAT IT COULD "CAUSE GREAT DAMAGE TO ROC."

3. DESPITE THIS FURTHER EFFORT TO END THE AFFAIR, BUSSINESSMAN, TOGETHER WITH ANOTHER (UNIDENTIFIED) INDIVIDUAL RETURNED TO CHIU'S OFFICE ON FEB 6. ON THIS OCCASION IT BECAME CLEAR TO CHIU THAT BUSINESSMAN WITH WHOM HE HAD BEEN DEALING UP TO THAT TIME WAS MERE "MIDDLEMAN" AGENT AND THAT

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18  
11:43PM  
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~~TOP SECRET~~

PAGE 02 TAIPEI 00814 190438Z

THE ACCOMPANYING INDIVIDUAL -- WHOM HE DESCRIBED AS A "GANGSTER TYPE" -- WAS IN FACT THE PRINCIPAL BEHIND THE PROPOSED TORPEDO SALE. CHIU CLAIMS THAT IT WAS AT THIS MEETING THAT HE FIRST LEARNED THAT TORPEDOES WERE TO BE STOLEN. HE SAID HE WAS PROFOUNDLY SHOCKED BY THIS REVELATION AND AGAIN, IN THE STRONGEST TERMS, INSISTED THAT "THIS NONSENSE MUST STOP".

4. LAI SAID HE BELIEVES CHIU'S STORY BECAUSE HE KNOWS HIM TO BE AN HONEST MAN AND CERTAINLY WOULD NOT HAVE FAILED TO COMPLY WITH SUONG'S JAN 27 ORDER TO DISCONTINUE NEGOTIATIONS. AS LAI SEES IT, CHIU BECAME THE VICTIM OF THE OVER-EAGER BUSINESSMEN WHO REFUSED TO TAKE NO FOR AN ANSWER DESPITE CHIU'S ATTEMPTS TO BREAK OFF CONTACT WITH THEM.

5. IN RESPONSE TO MY QUESTION ABOUT CONSUL HSU, LAI SAID THERE WAS NO PROBLEM SINCE HSU HAD CEASED TO PLAY ANY ROLE IN AFFAIRS SOON AS HE HAD BEEN INFORMED BY LT. HAN THAT TORPEDO DEAL WAS ILLEGAL. I DID NOT PRESS HIM FURTHER, BUT GATHER GROC DOES NOT INTEND TO RECALL HSU TO TAIPEI.

6. WHEN LAI SUGGESTED THAT I MIGHT WISH TO TALK TO CHIU DIRECTLY BEFORE HE RETURNED TO WASHINGTON, I TOLD HIM I WOULD PREFER TO LEAVE THINGS AS THEY WERE FOR THE MOMENT, THAT I ASSUMED CHIU WOULD REMAIN IN TAIPEI FOR SOME TIME BUT THAT I WOULD APPRECIATE BEING INFORMED OF ANY PLANS MADE BY CHIU FOR DEPARTURE. I ADDED THAT I MIGHT WISH TO DISCUSS THIS WHOLE MATTER FURTHER WITH LAI AND WOULD KEEP IN TOUCH WITH HIM (SEE REFTEL B).  
UNGER

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NOD772

PAGE 01 TAIPEI 00865 210852Z

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ACTION NODS-00

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INFO OCT-01 /001 W

125063

Q 210831Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4275

CONTROL: 5136Q  
RECD: FEB 21, 1975

~~SECRET~~ TAIPEI 0865

04:10AM

NODIS

E.O. 11652: GDS  
TAGS: MILI, TW  
SUBJECT: FORCE REDUCTIONS: CCK AIRBASE

1. DCM, ACCOMPANIED BY COMUSTDC, FEBRUARY 21 CONVEYED TO GENERAL LAI MING-T'ANG, CHIEF GENERAL STAFFMND, DECISION TO REDUCE US PRESENCE AT CHING CHUAN KANG (CCK) AB, AS OUTLINED REFTEL.

2. LAI AGREED CCK REDUCTION TO CARETAKER STATUS FOLLOWED LOGICALLY WITHDRAWAL SECOND F-4 SQUADRON. HE FORESAW NO GROC NEED OR DESIRE TO MAKE SIMULTANEOUS ANNOUNCEMENT, BUT PREFERRED TO WITHHOLD DEFINITE DECISION UNTIL GROC HAD SEEN TEXT U.S. ANNOUNCEMENT. HE WAS PLEASED TO HEAR THAT ROC NOT BEING SINGLED OUT AND THAT REDUCTIONS WERE WOULD BE PLAYED IN WORLD-WIDE CONTEXT OF SIMILAR CUT-BACKS.

3. IN RESPONSE TO LAI'S QUESTION ABOUT FUTURE TAIPEI AIR STATION, HE WAS INFORMED THAT IN VIEW REDUCED USAF FUNCTIONS HERE, WE NATURALLY HAVE THIS UNDER REVIEW, BUT THAT WE WOULD BE IN TOUCH WITH ROC BEFORE ANY ACTION TAKEN. LAI EMPHASIZED NEED TO RETAIN AT LEAST A "SKELETON" GROUP AT TAIPEI AIR STATION, MENTIONING IN PARTICULAR THE RADAR INSTALLATION AND THE AOC. COMUSTDC EXPRESSED HIS STRONG SUPPORT RETENTION SMALL GROUP TO SUSTAIN THESE ESSENTIAL FUNCTIONS.

4. LAI ALSO INQUIRED ABOUT SIZE OUR PRESENCE AFTER

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66 4/23/01



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# TELEGRAM

~~SECRET~~

PAGE 02 TAIPEI 00865 210852Z

CONTEMPLATED CCK AND TAINAN REDUCTIONS AND WAS INFORMED THAT IT WOULD BE AROUND 2800. WE DID NOT RAISE SUBJECT OF POSSIBLE SUBSEQUENT WITHDRAWALS.

5. EMBASSY TRUSTS THAT DEPARTMENT WILL PROVIDE TEXT U.S. ANNOUNCEMENT SUFFICIENTLY IN ADVANCE OF RELEASE DATE TO PROVIDE ROC ADEQUATE TIME CONSIDER CAREFULLY WHETHER OR NOT IT WISHES MAKE SIMULTANEOUS ANNOUNCEMENT.  
UNGER

~~SECRET~~



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N00201

TELEGRAM

PAGE 01 TAIPEI 00908 240827Z

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ACTION N003-00

INFO OCT-01 /001 W

010657

O 240750Z FEB 75  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC IMMEDIATE 4203

CONTROL: 5607Q

~~TOP SECRET~~ TAIPEI 00908

RECD: FEB 24, 1975

N001S

E.O. 11652: X005-3  
TAGS: PFOR, PINK, TW  
SUBJECT: ROC COVERT EFFORT TO ACQUIRE TORPEDOES IN U.S.

REF: TAIPEI 003; STATE 36879

1. AROUND NOON TODAY ADMIRAL CHIU REQUESTED APPOINTMENT TO SEE ME, AND SHORTLY THEREAFTER MY SECRETARY WAS ASKED BY GENERAL LAI'S OFFICE TO INFORM ME THAT ADMIRAL CHIU WAS PLANNING TO DEPART TAIPEI FEBRUARY 26 TO RETURN TO WASHINGTON.

2. FOR REASONS STATED REFTEL, I CONTINUE TO BELIEVE IT WOULD SERVE NO USEFUL PURPOSE TO MEET WITH CHIU AND INTEND TO PUT HIM OFF. IN THAT CASE HE WILL PROBABLY IN FACT DEPART FOR WASHINGTON FEBRUARY 26.

3. ON THE OTHER HAND, IF DEPARTMENT INTENDS THAT CHIU'S RECALL BE MADE PERMANENT THEN I WILL HAVE TO INTERVIEW AGAIN SECRET AND ASK HIS GOVERNMENT TO ACT, UNLESS DEPARTMENT WOULD WISH TO PERSUADE HIM. IF I AM TO SEEK CHIU'S PERMANENT RECALL THEN I MUST ALSO BE AUTHORIZED TO PRESENT LAI OR PREMIER WITH OUR EVIDENCE THAT CHIU CONTINUED TO NEGOTIATE THE DEAL WITH KEPKIN AND COLITTI ALTHOUGH ALREADY AWARE OF THE ILLEGAL NATURE OF THE PROPOSED SALE AND SUBSEQUENT TO HIS HAVING BEEN INSTRUCTED TO CALL THE DEAL OFF.

4. IT WOULD APPEAR THAT GROC AT HIGHEST LEVELS REMAINS

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E.O. 12958 Sec. 3.0

mr 02-22 #17; st. ltr 3/6/02

By du NARA, Date 4/17/02





# Department of State

# TELEGRAM

~~TOP SECRET~~

PAGE 02 TAIPEI 00909 240327Z

UNAWARE OR INCREDULOUS OF EXTENT OF CHIU'S DIRECT INVOLVE-  
MENT OR KNOWLEDGE ILLEGAL NATURE OF TORPEDO DEAL. THUS  
IT CANNOT RECOGNIZE NEED OR DESIRABILITY OF REMOVING CHIU  
FROM WASHINGTON ASSIGNMENT. OUR INABILITY TO CITE SPE-  
CIFIC DETAILED EVIDENCE COMBINED WITH CHIU'S PAST EXCELLENT  
REPUTATION WITH TOP OFFICIALS NO DOUBT EXPLAIN ATTITUDE  
ON PART GRUC. UNLESS I AM AUTHORIZED TO TELL LAI OR  
PREMIER MORE THAN I HAVE ALREADY RELATED TO THEM ABOUT  
CHIU'S INVOLVEMENT, GRUC WILL SEE NO REASON RECALL HIM. UNGER

~~TOP SECRET~~

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012718

REASON FOR WITHDRAWAL . . . . National security restriction

TYPE OF MATERIAL . . . . . Telegram

CREATOR'S NAME . . . . . AMEMBASSY TAIPEI

RECEIVER'S NAME . . . . . SECSTATE WASHDC

DESCRIPTION . . . . . Re Republic of China

CREATION DATE . . . . . 02/25/1975

VOLUME . . . . . 1 page

COLLECTION/SERIES/FOLDER ID . 032400130

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

BOX NUMBER . . . . . 5

FOLDER TITLE . . . . . China, Republic of - State Department  
Telegrams: To SECSTATE - NODIS (2)

DATE WITHDRAWN . . . . . 04/27/2001

WITHDRAWING ARCHIVIST . . . . GG



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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012719

REASON FOR WITHDRAWAL . . . . National security restriction

TYPE OF MATERIAL . . . . . Telegram

CREATOR'S NAME . . . . . AMEMBASSY TAIPEI

RECEIVER'S NAME . . . . . SECSTATE WASHDC

DESCRIPTION . . . . . Re Republic of China

CREATION DATE . . . . . 02/28/1975

VOLUME . . . . . 2 pages

COLLECTION/SERIES/FOLDER ID . 032400130

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

BOX NUMBER . . . . . 5

FOLDER TITLE . . . . . China, Republic of - State Department  
Telegrams: To SECSTATE - NODIS (2)

DATE WITHDRAWN . . . . . 04/27/2001

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