

DECLASSIFIED  
Authority NND 959000  
By TJ NARA Date 9/2/89

AE 6 China

INCOMING TELEGRAM Department of State

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RR RUEHC RUASTP RUEPXG  
DE RUFHOL 1183 0841640  
ZNY CCCCC  
R 251606Z MAR 66  
FM AMEMBASSY BONN  
TO: RUEHC/SECSTATE WASHDC 3000  
RUASTP/AMEMBASSY TAIPEI FIVE  
INFO RUEPXG/AEC GERMANTOWN  
RUFHBS/AMEMBASSY BRUSSELS BUSEC 31  
BT

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1966 MAR 25 AM 11 59

CONFIDENTIAL MAR 25  
SUBJ: GERMAN NUCLEAR REACTOR FOR TAIWAN

A GERMAN SCIENCE MINISTRY OFFICIAL INFORMALLY REQUESTED AN EMBASSY OFFIERR'S VIEW ON THE FOLLOWING SUBJECT. THE INFORMATION IS AS REPORTED BY THE SINGLE OFFICICIAL. NO FURTHER CORROBORATION OF THE FACTS HAS BEEN SOUGHT. EMBASSY UNDERSTANDS WASHINGTON MAY HAVE REPORTS FROM OTHER SOURCES ON THIS MATTER.

THE REPUBLIC OF CHINA WISHES TO PURCHASE FROM THE SIEMENS COMPANY A MULTI-PURPOSE RESEARCH REACTOR SIMILAR TO THE 50-MEGAWALL MZFR WHICH RECENTLY WENT CRITICAL AT THE FRG'S KARLSRUHE RESEARCH CENTER.

PAGE 2 RUFHOL 1183 C O N F I D E N T I A L  
THE COST MIGHT BE \$50 MILLION. THE POSSIBILITY OF IAEA SAFEGUARDS WAS MENTIONED. THE FEDERAL SCIENCE MINISTRY (IN CHARGE OF NUCLEAR MATTERS) IS STRONGLY IN FAVOR OF THE SALE, BUT THE GERMAN FONOFF REPORTEDLY IS AGAINST IT FOR "POLITICAL REASONS". THE SCIENCE MINISTRY WANTS TO TAKE SERIOUS ISSUE WITH THE FONOFF, BUT WOULD NOT BE INCLINED TO DO SO IF THE U.S. STATE DEPARTMENT ALSO WERE OPPOSED TO SUCH A SALE ON POLITICAL GROUNDS.

THE OFFICIAL WSHES TO AVOID A SITUATION WHERE THE U.S. MIGHT IN THE FUTURE URGE THE FONOFF TO RECONSIDER A POSITIVE DECISION AT THE PRESENT TIME. CANCELLATION OF THE PROJECT AFTER IT WAS ONCE BEGUN WOULD BE BOTH PAINFUL AND COSTLY.

ANY COMMENTS FROM ADDRESSEES ABOUT THE PROJECT OR U.S. POLICY TOWARD IT WOULD BE APPRECIATED. EMBASSY WISHES MAXIMUM PROTECTION FOR SOURCE.  
—MCGHEE—

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DE RUASTP 008TP 0960940  
ZNY SSSSS  
R 060900Z  
FM AMEMBASSY TAIPEI  
TO RUEHC/SECSTATE WASHDC 1088  
INFO RUFHOL/AMEMBASSY BONN SEVEN  
RUEPAE/USAEC GERMANTOWN  
RUFHBS/AMEMBASSY BRUSSELS FIVE  
RUALOT/AMEMBASSY TOKYO 190  
STATE GRNC  
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Authority: 44534 By:  
Pam Jahnke Date:  
10-27-2014

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DEPARTMENT OF STATE  
 Retain class'n  Change classify to  
 With concurrence of CIA  
 Declassify  in part and excise as shown  
EO 12356, Sec. 1.3 (a) 1  
FPC/HDR by: [signature] 11/03/99

LIMDIS

TOKYO FOR MCCOOL

BRUSSELS FOR BUSEC

REFERENCE: BONN'S 3000 TO DEPT, INFO TAIPEI 5, AEC GERMANTOWN  
UNN, BRUSSELS BUSEC 31, TOKYO 44.

SUBJECT: GERMAN NUCLEAR REACTOR FOR TAIWAN

1. [Redacted]

WITH REGARD TO GRC INTEREST IN THE PURCHASE OF A  
NUCLEAR REACTOR FROM WEST GERMANY OF A SIZE NOT NORMALLY  
ASSOCIATED WITH ECONOMIC GENERATION OF POWER; GRC OFFICIALS  
HAVE BEEN IN CONTACT WITH SIEMENS AND REPORTEDLY A SURVEY  
CONTRACT WAS SIGNED BY THE PRESIDENT OF TAIWAN POWER COMPANY  
WHILE HE WAS IN WEST GERMANY IN MARCH 1965 AS A MEMBER OF  
THE GRC ECONOMIC MISSION TO EUROPE; SURVEY CONTRACT CALLS  
FOR SIEMENS TECHNICIANS TO CONDUCT SITE INVESTIGATIONS IN  
TAIWAN IN JUNE 1966 PRIOR TO TAIPOWER'S PURCHASE OF REACTOR;  
REACTOR WOULD PROBABLY BE 50MW HEAVY WATER MODERATED REACTOR  
COSTING APPROXIMATELY US\$30 MILLION WHICH TAIPOWER WOULD  
USE FOR POWER GENERATION AND GRC MILITARY RESEARCH INSTITUTE  
WOULD USE SPENT FUEL FOR NUCLEAR WEAPONS RESEARCH; BY USING  
TAIPOWER AS PURCHASER AND STATING REACTOR WAS FOR POWER  
GENERATION, GRC HOPES TO OBTAIN IAEA APPROVAL; AND SIEMENS  
AGREED TO SELL REACTOR ON CONDITION REACTOR WOULD BE SOLD  
TO GRC ORGANIZATION AND IAEA APPROVED SALE.

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TAIPEI-1088

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FOIA(b)(1) CIA

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-2- 1088, APRIL 6, FROM: TAIPEI.

FOIA(b) (1) CIA

2.

[REDACTED] TAIPOWER REPRESENTATIVE  
HAD ASKED IAEA MISSION TO ADVISE ON TWO PROPOSED INLAND SITES  
FOR SMALL NUCLEAR REACTOR ON WHICH TAIPOWER HAD BEEN  
REQUESTED TO GIVE ADVICE BY OTHER GRC AGENCIES. [REDACTED]  
[REDACTED] GRC MILITARY WAS ONE OF  
[REDACTED] GRC AGENCIES [REDACTED]

3. FROM ABOVE IT BECOMING APPARENT GRC MAY WELL  
HAVE DECIDED LAUNCH PROGRAM OF NUCLEAR WEAPONS RESEARCH  
AND IS SEEKING MEANS BY WHICH NECESSARY WHEREWITHALL CAN  
BE OBTAINED, HOPEFULLY WITH IAEA APPROVAL AND UNDER GUISE  
OF POWER GENERATION.

4. EMBASSY BELIEVES WEST GERMANS SHOULD BE  
DISSUADED FROM CONSUMMATING SALE. SUGGEST WEST GERMANS  
MAY BE ENCOURAGED TO TAKE POSITION WITH GRC, INTER ALIA,  
THAT SALE SUCH SMALL REACTOR WHOSE COST WOULD BE  
APPROXIMATELY \$600 PER KILOWATT IS MOST UNECONOMIC.

HUMMEL

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By TJ NARA Date 9/7/99

*AE 6 China*

**INCOMING TELEGRAM** Department of State

*XR FSE 13 China*

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Action

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Info

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FM AMEMBASSY BONN

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TO RUEHC/SECSTATE WASHDC 3292

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INFO RUFHBS/AMEMBASSY BRUSSELS USEC 132511

INR

RUFNCR/AMEMBASSY PARIS 1183

CIA

RUASTP/AMEMBASSY TAIPEI SIX

NSA

RUALOT/AMEMBASSY TOKYO 55

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REF: EMBTEL 3000; TOKYO'S 3470, TAIPEI'S 1088, BRUSSELS EOBUS 898

WHB

RSR

SUBJ: GERMAN NUCLEAR REACTOR FOR TAIWAN

FOLLOWING IS AN ACCUNT OF FRG-GRC NUCLEAR DISCUSSIONS AS GIVEN TO THE EMBASSY BY A GERMAN OFFICIAL.

GRC REPRESENTATIVES APPROACHED SIEMENS REQUESTING A REACTOR STUDY, INDICATING APURCHASE WOULD FOLLOW IF THE STUDY RESULTS WERE SATISFACTORY. SIEMENS ASKED THE OPINION OF THE FONOFF ON POSSIBLE REACTOR EXPORT RESTRICTIONS. THE FONOFF ATTITUDE WAS NEGATIVE IN VIEW OF POSSIBLE EFFECTS ON FRG RELATIONSHIPS WITH THE USSR AND RED CHINA.

SIEMENS THEN APPROACHED THE SCIENCE MINISTRY, WHICH FAVORS THE SALE AS GERMANY'S FIRST MAJOR NUCLEAR EXPORT. HOWEVER, THE MINISTRY WOULD ONLY SUPPORT THE PROJECT IF THE GRC PLACES THE REACTOR UNDER IAEA SAFEGUARDS. THE GRC IS APPARENTLY AGREEABLE.

THE SCIENCE MINISTRY UNDERSTANDS THAT THE PROCEDURE FOR IAEA SAFEGUARDS CAN CONSIST SIMPLY OF A BILATERAL AGREEMENT BETWEEN IAEA AND GRC, WITHOUT INVOLVING A DIRECT FRG-GRC SAFEGUARDS RELATIONSHIP OF ANY KIND. THE SCIENCE MINISTRY THUS WISHES TO PRESS THE FONOFF TO INFORM THE GRC THAT EXPORT APPROVAL WILL BE GIVEN AFTER SIGNING OF A GRC-IAEA SAFEGUARDS AGREEMENT COVERING THE REACTOR. THE NEXT STEPS WOULD BE 1) COMPLETION OF THE DESIGN STUDY BY SIEMENS; 1) SIGNING OF THE CONTRACT BETWEEN GRC AND SIEMENS FOR CONSTRUCTION OF THE REACTOR; 3) REACTOR CONSTRUCTION; 4) SUBCONTRACTING OF FUEL ELEMENT CONSTRUCTION BY SIEMENS, PERHAPS TO NUKEM, AND 5) OPERATION BY THE GRC.

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By <u>TS</u> NARA Date <u>4/7/89</u>

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-2- 3292, APRIL 15, FROM: BONN

THE REACTOR IN QUESTION IS NATURAL URANIUM OXIDE-FUELED,  
AND THE GRC OR NUKEM WOULD NOT BE RESTRICTED TO DEALING WITH  
SUPPLIERS OF ENRICHED URANIUM FOR FUEL.

THE OFFICIAL REITERATED THAT IF THE US GOVERNMENT HAS SERIOUS  
OBJECTIONS (NOT OF A COMMERCIAL NATURE) TO SUCH A SALE, THE  
SCIENCE MINISTRY WOULD LIKELY NOT PRESS FOR A FAVORABLE DECISION  
BY THE FONOFF.

EMBASSY HAS NOT COMMUNICATED CONTENTS OF REFEELS TO MINISTRY,  
BUT IS AWAITING DEPARTMENT GUIDANCE.  
HILLENBRAND

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