

Intelligence Note

46
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Subject: REPUBLIC OF CHINA: GRC Nuclear Weapons Program

Although the GRC is currently in the process of ratifying the Nuclear Non-Proliferation Treaty, it nevertheless appears to be giving some consideration to developing its own nuclear weapons program. Following the first Chinese Communist nuclear explosion, President Chiang issued orders which eventually led to the organization of the military research institute, now known as the Chung Shan Science Institute (CSSI), engaged primarily in research in the fields of nuclear energy and missile technology. CSSI has recently acquired a 40 megawatt (MW) natural uranium, heavy water reactor from Canada, is considering the purchase of a heavy water reactor from Siemens of West Germany, plans to construct a chemical reprocessing plant, and has requested foreign firms to study the possibility of constructing a heavy water plant on Taiwan.

Ref 12-1 Clinton

In line with this expanding interest in advanced nuclear facilities CSSI has also instituted a program to locate radioactive minerals on Taiwan and to study the conversion of radioactive substances into fissionable materials.

Capabilities and Limitations. In 1966 the Intelligence Community estimated that the Republic of China probably had sufficient, trained technical manpower to build a nuclear device, but would have to import almost all facilities

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-2-

and materials for such a program.* The facilities that the GRC has already procured or has under consideration would be sufficient for a nuclear weapons development program that, if pursued energetically, could produce one or two low-yield nuclear bombs a year once the Canadian reactor goes critical (1973). Although the financial strain of developing such a program would be great, the expanding Taiwanese economy would be able to absorb the expense, provided that the decision were made to accept the costs. Because of its dependence upon external sources for reactors and fuel, however, the GRC could embark upon a weapons program only if it were prepared to flout international safeguards and find a supplier equally willing to do so. Finding such suppliers, is not impossible, but it could be, both practically and politically, extremely difficult.

The key question is thus whether or not the GRC will be willing to make the political decision, face the economic costs, and take the political risks of embarking on a nuclear weapon program. It is quite obvious that there is a faction within the GRC which, with either the acquiescence or support of the President, favors the development of a nuclear weapons program or at least wishes to maximize Taiwan's ability to exercise the option. At the same time there are also elements who strongly oppose such a program because of its political and economic costs.

Considerations Pro and Con. Although it is difficult to envisage any military justification for such a program, there are political and psychological reasons why a small-scale nuclear weapons program would be attractive to the GRC.

* See NIE 4-66 of 20 January, 1966: "The Likelihood of Further Nuclear Proliferation," (SECRET/CONTROLLED DISSEM).

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-3-

One important element would be that of international prestige. With a vested interest in demonstrating that its technical and scientific capabilities are not completely overshadowed by those of the mainland regime, the GRC would expect to have its status greatly enhanced by joining the other four permanent members of the Security Council in possessing this ultimate symbol of a major state. It would also give the mainland-oriented government and military on Taiwan a tremendous psychological boost.

Since Communist China exploded its first nuclear device, Taiwan has felt more than ever vulnerable to attack and more than ever dependent on US protection. Yet a number of factors in recent years have fed GRC doubts about the extent and reliability of US protection. Not the least important, Taipei has seen the growth of substantial sentiment in the US against further involvement in Asian wars and a growing American willingness to reach a detente with Peking. The possibility that the US might decide at some future date to remove the nuclear umbrella from Taiwan would add substantially to the attractiveness of an independent nuclear capability in the eyes of its GRC advocates.

On the other hand, pursuit of a program to develop an independent nuclear weapons system will inevitably lead to strong disagreements within the GRC. It could also lead to the contingency most dreaded by many Chinese, a serious split between the GRC and its strongest supporter, the United States. Acquisition of a nuclear capability would also have detrimental effects on the GRC's relations with neighboring nations such as Japan, especially if this development flouted international safeguards and/or the Nuclear Non-Proliferation

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Treaty. Taiwan obviously would have to weigh very carefully the advantages of any such program against these major disadvantages. Those Chinese who see US support as already diminishing, however, might feel the price worth paying.

In addition to those who would oppose development of a nuclear weapons program because of its impact on the GRC's external relations, there certainly are others who would oppose it for domestic reasons. Within the military there are undoubtedly groups who feel that the enormous cost of an independent nuclear program could be better spent on sophisticated conventional hardware which would be of more direct benefit to the armed forces. The leaders in the economic field could also be expected to oppose a program which will generate little if any direct benefit for the civilian sector on Taiwan and will divert enormous amounts of money from economic development.

Conclusion. Over the next five years, we can expect the GRC nuclear program to continue to stress those components that could be turned to nuclear weapons production, thereby keeping open a nuclear option. During this period, those in charge of Taiwan's economic development may strengthen their opposition to a nuclear weapons program and increasingly emphasize its economic and political costs. As long as President Chiang remains in power, however, they will probably not be able to sidetrack efforts to strengthen GRC ability to exercise the nuclear option. If Chiang passes from the scene, on the other hand, opponents of a nuclear weapons program will probably press their case more strongly and effectively.

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