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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name GREGG, DONALD: FILES

Withdrawer

CAS 5/15/2007

File Folder TAIWAN MILITARY/ ARMS SALES (11/21/1981-12/14/1981))

FOIA

F99-056

Box Number 10

JESPERSEN

23

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
36075	MEMO	DON GREGG TO BUD NANCE RE TAIWAN <i>R 10/19/2018 M909/1</i>	1	11/30/1981	B1
36076	MEMO	NANCE TO THE PRESIDENT THRU ED MEESE RE TAIWAN (ATTACHMENT 36075) <i>R 10/19/2018 M909/1</i>	1	ND	B1
36077	MEMO	ALEXANDER HAIG TO THE PRESIDENT RE TAIWAN <i>R 10/19/2018 M909/1</i>	2	11/27/1981	B1
36078	MEMO	NANCE TO THE PRESIDENT THRU ED MEESE RE US-CHINA <i>R 10/19/2018 M909/1</i>	1	12/3/1981	B1
36079	MEMO	DONALD GREGG TO BUD NANCE RE US-CHINA RELATIONS <i>R 10/19/2018 M909/1</i>	1	12/2/1981	B1
36080	MEMO	ALEXANDER HAIG TO THE PRESIDENT RE US-CHINA RELATIONS <i>R 11/20/2019 M909/1</i>	2	12/1/1981	B1
36081	FAX COVER SHEET	RE TAIWAN	1	12/14/1981	B1 B3
36082	MEMO AND REPORT	RE TAIWAN (MEMO AND REPORT ARE PAGINATED TOGETHER) (SAME TEXT AS 31610)	5	12/14/1981	B1 B3

The above documents were not referred for declassification review at time of processing

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THE WHITE HOUSE
WASHINGTON
November 23, 1981

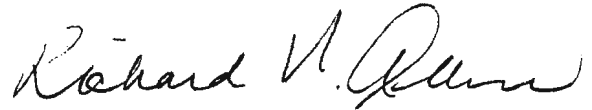
*China.
Office*
*Taiwan sales
arms sales*

Dear Mr. Tung:

Thank you for expressing your interest and concern on the issue of arms sales to Taiwan. Let me assure you that the decision, when it is made, will be based on the best information and judgments available.

I am sure, once our decisions have been made, you will find that your major concerns have been fully dealt with.

Sincerely,



Richard V. Allen
Assistant to the President
for National Security Affairs

Mr. S. T. Tung
1311 Josephine Street
Berkeley, California 94703

MEMORANDUM

NATIONAL SECURITY COUNCIL

6760
AL

November 19, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: DON GREGG *DG*

SUBJECT: Reply to Chinese-American Voicing Concerns
on Arms Sales to Taiwan

Attached (Tab I) is a letter for you to send replying to Mr. S. T. Tung who has expressed concerns on our overall Chinese policy (Tab II).

RECOMMENDATION:

That you sign the attached letter (Tab I).

Approve

[Signature]

Disapprove

Attachments:

Tab I RVA ltr to Tung

Tab II Tung ltr to RVA

1311 Josephine Street
Berkeley, Ca. 94703
Nov. 6, 1981

The Honorable Richard V. Allen
The White House
Washington, D.C.

Dear Mr. Allen:

According to news report, the recent talk between the President and Chinese foreign minister Huang Hua did not reach an agreement regarding the sale of weapons to Taiwan. Actually the question is very simple, and so is also the solution.

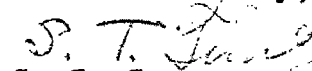
Both at the time when the Shanghai Communique was issued and at the time of the normalization of relations with China, the U.S. expressed its interest in the peaceful solution of the Taiwan question. At the time of the normalization and immediately after it, there was some fear that mainland China might take advantage of the new situation to invade Taiwan, hence the Senate resolution permitting the sale of weapons to Taiwan.

However, there has been no threat of an invasion of Taiwan from the mainland ever since. On the contrary, the Peking regime has been offering time and again to negotiate with Taiwan, but the latter has persistently and unconditionally turned it down. To sell weapons to Taiwan at this time would tend to make Taiwan even more adamant to negotiation. This is contrary to the interest of the United States.

It is the wish of all Chinese people, including President Chiang Chin-kuo, to have China reunified, but there is no prospect of reunification in the foreseeable future. The U.S. should persuade Taiwan to talk with Peking, instead of selling weapons to it. Some people might say that would be interfering with other country's internal affair. If that is true, the U.S. has been interfering all the time, notably the Middleeast. If the sale of weapons to one faction of a country against another is not interfering with internal affairs, why is the encouragement of a peaceful settlement?

For your information, may I add that this writer has been writing and lecturing on China for three decades, and he is not pro-Communist.

Yours sincerely,


S. T. Tung

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BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

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CY TO BAKER

CY TO DEEVER

CY TO BRADY

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Comments:

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MEMORANDUM

6957

NATIONAL SECURITY COUNCIL

~~SECRET~~

November 30, 1981

ACTION

MEMORANDUM FOR BUD NANCE

FROM: DON GREGG *DG*

SUBJECT: U.S.-China Differences on Taiwan Arms Sales (C)

We received on Saturday a memorandum to the President from the Secretary of State (Tab A) laying out a scenario for dealing with the question of arms sales to Taiwan. (S)

Basically, Haig's technique is to:

-- Delay the decision on fighter aircraft sales to Taiwan indefinitely.

-- Hold our level of arms sales to Taiwan to that achieved during the last year of the Carter Administration.

-- Speed up technology transfer to China. (S)

While there may be nothing intrinsically wrong with any of these concepts these are issues about which the President feels strongly, and he should focus on the fact that indefinite delay of the decision on arms sales to Taiwan will narrow his options. (S)

I have attached at Tab I a memo from you to the President (through Ed Meese) making these same points and urging that the question of arms sales to Taiwan be put on an early NSC or NSPG agenda. (C)

RECOMMENDATION:

That you forward the attached memo to Meese and the President.

Approve _____ Disapprove _____

Bob Kimmitt concurs.

Attachments:

Tab I Nance memo to President
Tab A Haig memo to President

~~SECRET~~

Review on 11/30/87

~~SECRET~~

M909 #36075
rw
10/19/88

30076
~~SECRET~~

MEMORANDUM

6957

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: ED MEESE
FROM: JAMES W. NANCE
SUBJECT: US-China Differences on Arms Sales to Taiwan (C)

The Secretary of State has sent you a 2-page memorandum (Tab A) laying out a scenario for dealing with the Taiwan arms sales problem and mollifying the Chinese. (S)

The basic thrust of Secretary Haig's proposals will be to:

- Delay the decision on fighter aircraft sales to Taiwan indefinitely.
- Limit our arms sales to Taiwan to the level achieved in the last year of the Carter Administration.
- Speed up technology transfer to China. (S)

The NSC Staff believes that indefinite delay of the fighter aircraft question will increasingly narrow your options, and that holding arms sales to Taiwan to the Carter level raises political questions which you need to consider. (S)

For these reasons we feel that the subjects of US-PRC differences and Taiwan arms sales should be dealt with at an NSC or NSPG meeting in the near future. (S)

RECOMMENDATION:

That we schedule a discussion of these matters at an NSC meeting early in December.

Approve _____ Disapprove _____

Attachment:
Tab A Haig memo to President

~~SECRET~~

Review on 11/30/87

REF M909 #36076
BY RW 10/29/87

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36077

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THE SECRETARY OF STATE

WASHINGTON

November 27, 1981

SENSITIVEDECLASSIFIED

MEMORANDUM FOR THE PRESIDENT

FROM: Alexander M. Haig, (S)

BY

M909 #36077

ARA DATE 10/14/8

SUBJECT: Resolving US-China Differences on Taiwan Arms Sales

We are at a critical juncture in China policy. Careful management is essential if we are to avoid a set-back which could gravely damage our global strategic policy and harm our long-term ability to support Taiwan.

I am sending you separately a memorandum on the potential repercussions of a US-China breach. In this paper, I will outline the origins of our problem and how we can overcome it.

The origins are:

--Unrealistic Chinese expectations, created by past US linkage of reduction of tensions in the Taiwan Strait to reduction of US military support for Taiwan, and nurtured by Carter officials such as Brzezinski, who--off the written record--told the Chinese arms sales would gradually decline once normalization occurred.

--Disillusionment in Beijing at the lack of tangible benefits to China in the technology transfer and economic modernization areas since normalization, and a perception that this Administration, like the last, says it wants to further the process but in practice still treats China as an enemy. Poor bureaucratic performance in implementing your June 4 guidelines has been killing us in this respect.

--Disgust with the Carter Administration's inability to stand up to Moscow, and a feeling that we now believe that so long as we talk tough to the Soviets we can ignore China's sensitivities with regard to Taiwan.

--Our campaign rhetoric which gave Beijing the impression we wanted to reverse normalization and pursue a "two China" policy. This transformed the replacement aircraft question, which might otherwise have been manageable, into a symbolic challenge to China's sovereignty and territorial integrity.

-- The conclusion of Beijing's hard liners, as this situation developed, that they must seek to force a change in US policy, even at the risk of a US-China breach and thus to shift the focus of our dispute to encompass all US arms sales to Taiwan.

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SENSITIVE

We will continue to hold firm in the face of unacceptable Chinese demands. Just as we must not take Beijing for granted, we cannot build a relationship based on mutual respect if we allow ourselves to be pushed around. Indeed, we will proceed with sales to Taiwan over the coming months, as I have already reported to you. There are, nonetheless, things we can do to allay Beijing's suspicions and get our relations back on track.

First, we must recognize that mainland capabilities and intentions do not require a level of US arms sales above the final year of the Carter Administration, which provided an unusually high ceiling. We can agree to stay within this level, so long as Beijing pursues a peaceful Taiwan policy. We can also decide the replacement aircraft issue in this context, when the right time comes. These positions can be conveyed now to the Chinese in general terms.

Second, while we cannot specify a time-certain for ending arms sales, we can develop formulations linking our future actions to genuine progress on peaceful reunification. You can also state publicly that you view Beijing's efforts as a constructive and hopeful sign that the Taiwan issue, ultimately, can be peacefully resolved. This can be done in a way which does not pressure Taiwan; indeed we will be developing a program, including proceeding with a new office for CCNAA, to reassure Taiwan that the US will stand by its commitments and not give in to undue pressures from the mainland.

Third, we must fully implement your June 4 decisions which were intended to achieve a controlled but significant liberalization of technology transfer. A reaffirmation of your determination to treat China as a friendly nation, by you, or on your behalf, would be a great help in dealing with entrenched bureaucrats who tend to treat China as a quasi-enemy. To build a long-term, strategic relationship with China, and to enhance its value as a counterweight to the USSR, we must make available the technology Beijing needs for energy development and industrial growth.

If we can do these things, I believe we can resolve the current US-China crisis. My talks last month, and subsequent intelligence, have convinced me the Chinese will hang tough until we make some credible gestures toward respecting their position; but they do not want to break with us and will be willing to compromise.

With your support, I can pursue this strategy over the next two months and hope to resolve our problems through discussions, which will begin shortly in Beijing, at Ambassador Hummel's level. In the meantime, we will carry forward our planned sales to Taiwan, and I will be developing a strategy designed to reassure Taipei that, whatever our precise decision on the aircraft issue, which will not be taken until sometime next year, we will do nothing to jeopardize their interests or compromise our ability to provide to Taiwan the defensive equipment it needs.

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SENSITIVE

03 DEC 1981

~~SECRET~~
SENSITIVE

President has seen 12/11/81
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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~Secret~~
ARC

~~SECRET/SENSITIVE~~

ACTION

December 3, 1981

MEMORANDUM FOR THE PRESIDENT

THROUGH: ED MEESE *Ans seen*
FROM: JAMES W. NANCE *Buz*
SUBJECT: Secretary Haig's Paper on Downgrading US-China Relations

BY *LW* M909 #36078
DATE 10/14/18

Secretary Haig has forwarded the attached paper listing a series of negative developments which could follow from a downgrading of US-PRC relations. The unspecified "trigger" for this downgrading would be a Chinese response to our continued selling of arms to Taiwan.

We believe that the Secretary's paper does not sufficiently address the following considerations:

- The actions, if taken, would impact negatively on US interests, but would be equally injurious to China's interests.
- The basic fact is that the PRC needs us far more than we need it.

We find ourselves in an awkward position in dealing with the Taiwan-PRC issue in part because we have allowed the Chinese for some time to build up their rhetoric and momentum on the Taiwan arms sales issue. The Chinese leadership feels vulnerable on this matter, and we certainly should not unnecessarily offend the Chinese by selling Taiwan arms it does not need. Of equal certainty is the fact that we cannot allow our perception of our own interests to be unduly influenced by what the PRC may or may not do.

Secretary Haig promises further analysis on this subject and it is our recommendation that you await such papers and not respond specifically to this document.

In our view the points raised in this paper should be considered in the NSC meeting which you have already approved for later this month.

RECOMMENDATION

That we not react to this memorandum, but await Secretary Haig's further analysis.

Approve *CRN*

Disapprove _____

Attachment

Tab A Secretary Haig's Memo

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Derived from State

~~SECRET~~
SENSITIVE

cc: Vice President
Jim Baker
Mike Deaver

MEMORANDUM

~~SECRET~~
~~SENSITIVE~~

7002

36079

NATIONAL SECURITY COUNCIL

~~SECRET/SENSITIVE~~

December 2, 1981

ACTION

MEMORANDUM FOR BUD NANCE

FROM: DONALD GREGG *Dg*
SUBJECT: Secretary Haig's Memo on Downgrading US-China Relations

I find Secretary Haig's memorandum to be a strange piece of analysis for the following reasons:

- It lays out a worst case scenario which I think is highly unlikely to occur.

- It obscures the damages to China's interests which would be inevitable if the PRC made the moves suggested in the memorandum.

- It ignores the fact that China needs us far more than we need China.

In short, I consider this as a hortatory paper designed to inhibit and delay full consideration of fighter aircraft sales to Taiwan.

Attached is a brief memorandum from you to the President, through Ed Meese, making these basic points, and suggesting that no specific reaction to this paper is required. The paper also notes that these are points which should be addressed at the upcoming NSC meeting.

RECOMMENDATION

That you forward the attached memorandum to Mr. Meese and the President at Tab I.

Approve *Bud*

Disapprove _____

Pipes, Stearman, Wettering, Shoemaker, & Bailey concur. Others had no comment.

Attachments

Tab I Memo for JWN Signature
A Secretary Haig's memo to the President

cc: Pipes, Stearman, Wettering, Shoemaker, Rentschler, Tanter, Bailey, China Office

DECLASSIFIED

~~SECRET/SENSITIVE~~

Derived from State
Review on December 2, 2001

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~~SENSITIVE~~

BY *LW*

M909 #36079

10/1/81

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36080

BY NLRR M909 #36080
fw NARA DATE 11/20/19

7002

THE SECRETARY OF STATE

WASHINGTON

December 1, 1981

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-SENSITIVE

81 DEC 1 P11:00

MEMORANDUM FOR: THE PRESIDENT

From: Alexander M. Haig, Jr.

Subject: Downgrading U.S. - China Relations: U.S. Interests

WHITE HOUSE
SITUATION ROOM

Our recent tough exchanges with the PRC over Taiwan raise the prospect of a serious downgrading of our relationship with China. This memorandum outlines our preliminary thoughts on some of the most serious implications. I am asking Bill Casey to do a fuller assessment, and we also will be back to you with further analysis.

In general the Chinese do not have to choose between us and the Soviets. A downturn in relations with us does not mean a Sino-Soviet rapprochement. Moreover, the Chinese would continue to do those things which they now do because they are in China's interest and coincidentally have some benefit or policy similarity to our actions. However, we do see the following serious implications:

Soviet Union. Even a short-term breach would come as a relief to the Soviets, whose planners must now take into account growing U.S.-China cooperation. A return to confrontation could give Moscow more freedom to maneuver because we would need to reconsider our Pacific force deployments and contingency planning.

Allies. A deterioration in relations with China would lead our allies (most of whom have advocated a balanced approach to China) to think we had failed to conduct our foreign policy wisely. It would also present some of our friends and allies, such as Japan and Pakistan, who are close both to the U.S. and China, with serious policy problems.

Afghanistan/Kampuchea. The Soviets and their Vietnamese surrogates would undoubtedly gain encouragement to stay the course in Afghanistan and Kampuchea. We could expect increasing difficulties in maintaining a common front on these questions with Pakistan and ASEAN, respectively. Again, a more serious split could embolden the Soviets and their proxies to go for more.

Third World. There would be negative implications for our position in the Middle East, Africa, and on most other Third World issues, where, Chinese support has strengthened our relations with Third World countries. Despite differences over

~~SECRET~~ - SENSITIVE

RDS-3 11/25/01

~~SECRET~~ - SENSITIVE

- 2 -

tactics, the Chinese have generally supported us because we are the main counterweight to the Soviets. We could expect to see them strengthen identification with the Third World and equate our status with the Soviet Union as an untrustworthy superpower.

Taiwan. While Taiwan might appear to gain in the short term, Taiwan's long-term security interests could suffer. In the time between a downgrading and any future effort to compose US-China differences, Beijing would likely seek to build pressures on the US government, internally and externally, for a resumption of Ambassadorial relations. Its price for a resumption would be elimination of all US arms sales to Taiwan. If waged effectively, such a campaign might ultimately reduce our ability to support Taiwan at present levels.

Development of U.S.-China Relationship. We should expect that a breach would lead to a cut-back of our very broad political, cultural and economic relations across the board. Perhaps the most serious consequence would be a general weakening of our influence in moving China toward ideals and policies more compatible with our own. These are intangible results, however, and are not subject to precise measure.

Intelligence. Intelligence collection could be affected, and I am suggesting to Bill Casey that he give you an appraisal on that directly.

Trade. Effects on our interests are impossible to measure, but we would likely lose a significant portion, if not all, of our approximate \$2.0 billion trade surplus. China, now our third largest agricultural market worldwide, would to the extent possible shift to alternative suppliers of wheat, corn, and cotton; our sales of manufactured goods, heavy industrial equipment and advanced technology would all be affected to the extent competitors from Europe and Japan are available. Potential cooperation in other fields -- offshore oil and nuclear power -- could be similarly affected.

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36081	FAX COVER SHEET RE TAIWAN	1	12/14/1981	B1 B3

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