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DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	William Clark to the President re: status report, 1p R 11/16/01 F98-054 #114	nd	P1/F1
2. memo	L. Paul Bremer to Clark re: status report, 2p R 12/6/05 M 03-1455 #25	2/26/82	P1/F1
3. memo	Clark to the President re: status report [annotated], 1p R 11/16/01 F98-054 #116	nd	P1/F1
4. memo	Donald Greg to Clark re: testimony, 1p R u ~ #17	1/28/82	P1/F1
5. talking points	re: session with SFRC [annotated], 11p	nd	P1/F1
6. memo	Richard Childress to Clark re: Arms Sales to Taiwan, 1p R 11/16/01 F98-054 #119	1/12/82	P1/F1
7. memo	Alexander Haig to Clark re: Aircraft decision, 4p R 12/06/05 M 03-1455 #27	1/9/82	P1/F1
8. talking points	re: meeting with congressional leadership, 3p	nd	P1/F1
9. talking points	re: meeting with Tsia Wei-ping, 2p	nd	P1/F1

RESTRICTIONS

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FUTURE FIGHTER SALES TO TAIWAN

by

Martin L. Lasater

January 1984
Los Angeles, California

EXECUTIVE SUMMARY

For the last thirteen years the United States has successfully pursued a two-track China policy permitting improved relations with the People's Republic of China, on the one hand, and continued good relations with the people of Taiwan, on the other. The balance between these two aspects of U.S. policy has been strained in recent years by the sensitive issue of advanced arms sales to Taiwan. The Taiwan Relations Act of 1979^(TRA) requires the United States to provide Taiwan with defensive weapons sufficient for the island's defense. The August 17, 1982, Joint Communiqué between the United States and the PRC commits the United States to hold its arms sales to Taiwan at current "qualitative" and "quantitative" levels.

Beginning around 1985 the TRA and the August 17 Communiqué will come into increasing contradiction as Taiwan's present inventory of fighters will become inadequate to maintain an effective deterrence over the Taiwan Strait. This presents a major policy problem for the United States: how to ensure Taiwan's adequate defense without violating the August 17 Communiqué, while at the same time serving U.S. interests through the preservation of the current dual-track China policy.

Several policy options are available to the United States. These range from refusing to sell Taiwan any aircraft to making available to Taipei our most advanced fighters. Based upon a careful analysis of U.S. interests in preserving the dual-track approach to its China policy, it is recommended that the Administration permit Northrop and Taiwan to coproduce a follow-on aircraft (the F-5G) in their facility on the island. To minimize the PRC negative reaction, efforts must be taken to "sugar-coat" the decision as well.

FUTURE FIGHTER SALES TO TAIWAN

by

Martin L. Lasater

Background

Since 1969 the United States has pursued two parallel objectives in its China policy: the development of friendly relations with the People's Republic of China (PRC) and the maintenance of support to the Republic of China (ROC) on Taiwan. The first objective served U.S. strategic and diplomatic interests, particularly during periods of Sino-Soviet confrontation, because friendly Sino-American relations greatly complicated Moscow's threat perceptions. A strong, Westward-leaning China was seen in Washington as an essential counter-balance to Soviet expansion in the Far East. China's strategic importance in Washington's eyes grew as the United States withdrew much of its forward deployed force in the Western Pacific during the final stages of the Indochina War.¹

The maintenance of friendly relations with the ROC also served U.S. interests. There was first of all the geostrategic importance of Taiwan, although perceptions of its value in this regard diminished rapidly once improved Sino-American relations became a possibility. But more importantly, the ROC had been an ally of the United States during World War II and throughout the turbulent period of the Cold War. Because of the shared experiences of many Americans and ROC citizens, and Taipei's efforts to move Taiwan in a more democratic and capitalistic direction, the ROC had many important friends in the United States. For the U.S. Government to "abandon" Taiwan would be politically impossible and morally reprehensible by most American standards of decency.² Moreover, there was also the very real consideration of the effect

an abandonment of Taiwan by the United States would have on other American allies, which in the wake of Vietnam were uncertain about U.S. commitments.

For these and other reasons, every Administration since that of Richard Nixon has found it necessary to pursue the twin objectives of seeking to improve relations with the PRC while maintaining close ties to Taiwan.

One of the most recent statements by a U.S. President linking these two objectives came on the eve of the signing of the August 17, 1982, Joint U.S.-PRC Communiqué. In his official remarks accompanying the Communiqué, President Reagan said:

Building a strong and lasting relationship with China has been an important foreign policy goal of four consecutive American administrations. Such a relationship is vital to our long-term national security interests and contributes to stability in East Asia. It is in the national interest of the United States that this important strategic relationship be advanced. This communiqué will make that possible, consistent with our obligations to the people of Taiwan.⁻³

However, the dual approach of the United States to its China policy has not been accepted by either of the two Chinese governments. Both Beijing and Taipei claim to be the legitimate government for all of China, including Taiwan. Neither the PRC nor Taiwan is likely to give up its claim in the immediate future. As one leading Nationalist official told me in January 1983 in a private interview in Taipei:

You must remember that we are Chinese, and in China such struggles for power have always been settled by war. There can never be "two kings under heaven." We cannot let China go, and the communists cannot let Taiwan go. Eventually, one or the other of us will prevail.

Although officially the United States takes no position on the future of Taiwan other than its expectation that the two Chinese governments will settle their differences peacefully, over the years successive administrations have adopted policies harmful to ROC interests. In the Shanghai

Communique of February 28, 1972, President Nixon spelled out the fundamental American policy on Taiwan's reunification with the mainland:

...the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves.

Later, on the occasion of the shift in U.S. diplomatic recognition from Taipei to Beijing,⁴ the Carter Administration formally accepted "the Government of the People's Republic of China as the sole legal Government of China" and acknowledged once again "the Chinese position that there is but one China and Taiwan is part of China."⁵ In the August 17, 1982, Joint Communique previously cited, the Reagan Administration reaffirmed the Carter statement and went on to say:

The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of "two Chinas" or "one China, one Taiwan." ⁶

Despite these and other U.S. efforts to accommodate to the greatest extent possible PRC sensitivities over Taiwan, Beijing continues to bristle on almost every occasion when traditional American friendship for Taipei is reaffirmed. The most recent example is China's barely veiled threat to cancel the long-awaited exchange visit between Premier Zhao Ziyang and President Reagan in the spring of 1984 because of congressional moves taken to ensure that Taiwan remains in the Asian Development Bank and that the future of Taiwan will be decided with the consent of the Taiwanese people.⁷

Policy Problem

The central concern of the PRC is that its policy of peaceful reunification with Taiwan is being undermined by continued gestures of U.S. support

for Taiwan. American unofficial relations with its former ally are formalized in the Taiwan Relations Act, signed with reservations by President Carter in April 1979 following Congress' complete rewriting of his Administration's guidelines for future relations with Taipei. Essentially, members of Congress felt that Taiwan's security was being compromised by the Carter Administration in its rush to establish strategic relations with the PRC.⁸

The Taiwan Relations Act (TRA) contains a number of provisions which greatly aggravate Beijing. For the purposes of this discussion, the most important of these relate to U.S. interests in Taiwan's security and arms sales provisions. The TRA states it is the policy of the United States "to provide Taiwan with arms of a defensive character." The Act goes on to say in Section 3:

(a) In furtherance of the policy set forth in section 2 of this Act, the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

(b) The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law. Such determination of Taiwan's defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress.

(c) The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger.⁹

The Chinese strongly protested the passage of the TRA at first, but then muted their criticism after receiving assurances from President Carter that he would interpret the TRA in ways consistent with the normalization agreement of January 1, 1979.¹⁰ The TRA again came to the forefront of U.S.-China relations during the presidential election campaign of 1980, when presidential candidate Ronald Reagan spoke of his intentions to upgrade

relations with Taiwan.¹¹ Following strong PRC protests over his remarks, Reagan backed off^{from} saying he would improve relations with Taipei, but instead insisted that his policy would be governed by the full implementation of the TRA.¹²

Reagan's campaign statements, coupled with a strategic reassessment by Beijing of a reduced Soviet threat to China's interests*, have resulted in the PRC making arms sales to Taiwan the adverse cause célèbre in Sino-American relations. As a major Renmin Ribao commentary said in late December 1981:

...if you want to preserve and develop Sino-American relations, then the problem of U.S. arms sales to Taiwan must be solved on the basis of properly respecting China's sovereignty. There is no way this problem can be solved by ignoring China's sovereignty.¹³

Relations between the United States and the PRC became so strained over the Taiwan arms sales issue during the first few months of 1982 that many observers felt a severe retrogression in Sino-American ties was imminent.¹⁴ At the last minute, however, both governments pulled back from previously inviolate positions and compromised on the arms sales issue in the August 17, 1982, Joint Communiqué. In that Communiqué, the PRC stated that it was pursuing a "fundamental policy to strive for a peaceful solution to the Taiwan question." Acknowledging that policy, the United States pledged

that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution.¹⁵

*It is important to remember that China's decision to open to the United States in 1969-1972 was based upon a perception of a grave Soviet threat. Moreover, the normalization of relations in January 1979 was carefully timed to counter the possibility of a Soviet intervention along the Sino-Soviet border when the PRC briefly invaded Vietnam in February and March 1979. In mid-1980, however, Chinese statements indicated that PRC leaders perceived Western Europe and the Middle East to be higher priority Soviet targets than China.

Despite the artful ambiguity which defused Sino-American relations in the short-term, the Communique placed a number of landmines at the feet of future policymakers. First, the PRC rejected the American attempt to justify the Communique on the grounds that arms sales were tied to a peaceful resolution of the Taiwan issue. The People's Daily editorialized:

Taiwan is China's territory, and it is purely China's internal affairs as to in what way the Taiwan problem should be resolved. The United States has no right to ask China to make any commitment on the way in which the Taiwan problem should be settled, still less to demand settlement of the Taiwan problem by peaceful means as a precondition to the cessation of U.S. arms sales to Taiwan....¹⁶

Second, the English and Chinese versions of the Communique are different in critical respects, especially where references to the word "fundamental" are used to describe China's peaceful policy toward Taiwan. In the Chinese version, "fundamental policy" is translated into terms meaning "major policy" or "guideline."¹⁷ The use of "fundamental policy" played a very important role in Administration efforts to convince the Congress that the Communique did not violate the letter or spirit of the arms sales provisions of the TRA.¹⁸

Third, and most important, President Reagan and the State Department repeatedly emphasized that the Communique was not intended to supercede the Taiwan Relations Act. State Department legal advisor Davis R. Robinson told the Senate Subcommittee on Separation of Powers on September 27, 1982, that the Communique

is not an international agreement and thus imposes no obligations on either party under international law. Its status under domestic law is that of a statement by the President of a policy which he intends to pursue....The Taiwan Relations Act is and will remain the law of the land unless amended by Congress. Nothing in the Joint Communique obligates the President to act in a manner contrary to the Act or, conversely, disables him from fulfilling his responsibilities under it.¹⁹

The Chinese, however, took strong exception to any linkage between the TRA and the Communique. The PRC Foreign Ministry stated:

It must be pointed out that the present Joint Communique is based on the principles embodied in the Joint Communique on the Establishment of Diplomatic Relations between China and the United States and the basic norms guiding international relations and has nothing to do with the 'Taiwan Relations Act' formulated unilaterally by the United States. The 'Taiwan Relations Act' seriously contravenes the principles embodied in the Joint Communique on the Establishment of Diplomatic Relations between the two countries, and the Chinese government has consistently been opposed to it. All interpretations designed to link the present Joint Communique to the 'Taiwan Relations Act' are in violation of the spirit and substance of this communique and are thus unacceptable.²⁰

The policy problem facing the United States is the potential conflict between the August 17 Communique and the Taiwan Relations Act.

The TRA places no limitations on U.S. arms sales to Taiwan, but rather ties the level of sales to Taiwan's defensive needs. The August 17 Communique, on the other hand, places both quantitative and qualitative limitations on arms sales to Taipei, if the PRC continues to pursue a peaceful policy of reunification. The difficulty which the Communique presents to military experts in Washington and Taipei is that the threat to Taiwan can change much more rapidly than the United States can provide weapons. This is particularly true in the case of advanced weapons with which Taiwan's armed forces have had no experience. Moreover, as the PRC continues to modernize its military, the potential threat to Taiwan will grow because Taipei cannot match through its defense industry the advances made on the mainland. In the past, Taiwan has relied upon qualitative improvements in its purchases of weapons from the United States to maintain a minimum deterrence in the Taiwan Strait region. By capping the availability of future advanced weapon sales to Taiwan, the August 17 Communique has the unintended effect of

undermining Taiwan's defense -- which the TRA commits the United States to uphold.²¹

Although the Reagan Administration felt compelled to sign the August 17 Communique because of the adverse effects on Sino-American relations if some agreement could not have been reached with Beijing, the United States immediately stepped up its sale of arms to Taiwan once the Communique had been initialed. Two days after its announcement, the Administration notified Congress of its intent to sell Taiwan 30 F-5Es and 30 F-5Fs valued at \$622 million over the next two and one-half years.²² In November 1982 various armored vehicles worth \$97 million were sold to Taipei.²³ In February 1983 the Administration announced its intention to sell Taiwan 66 F-104Gs for a total of \$31 million.²⁴ And most significantly, in March 1983 the State Department released figures setting ceilings for arms sales to Taiwan at \$800 million for FY1983 and \$780 million for FY1984.²⁵

The latter figures were especially important because they were far above the \$598 million in arms sold to Taiwan in 1979, the \$601 million sold in 1980, and the \$295 million sold in 1981 -- the base years as set by the August 17 Communique. In reconciling the higher figures for FY1983 and FY1984 with the Communique, the State Department explained that an inflationary index was being applied. Based upon this index, for example, the \$598 million in arms sold to Taiwan by the United States in 1979 would now be equivalent to \$830 million in current, inflated dollars.²⁶

In July 1983 another barrier seemingly posed by the August 17 Communique was also breached: the sale of new weapons to Taiwan. During that month, the Defense Security Assistance Agency notified Congress of its intention to sell Taiwan an arms package valued at \$530 million, including ship-to-air

and air-to-air missiles not previously in the ROC inventory. Beijing protested the sale, claiming that it "seriously contravenes" the August 17 Communique, but took no action.²⁷

Despite these efforts to remedy the negative effects of the Communique on Taiwan's defensive needs, the most pressing requirement for an adequate deterrent on the part of Taipei has not been met by the Reagan Administration: the need for a replacement aircraft for Taiwan's aging fighter inventory.²⁸ Such a plane is needed to balance the 10:1 ratio enjoyed by the PRC in fighter aircraft and to preserve the possibility of ROC air superiority over the Taiwan Strait. The latter is crucial to Taiwan's security. As one military analyst summarized:

Regardless of any abstract assessments, it must be accepted that the air situation holds the key to the military balance (in the Taiwan Strait region). Success or failure in the air will determine the outcome of any major conflict. If Peking, by a successful combination of surprise and mass could establish control of the air, the ability to occupy would follow. Alternatively, a blockade or a harassment campaign could bring about negotiations in a climate advantageous to the mainland.²⁹

Taipei has requested a replacement air defense fighter since 1978, but because the aircraft was such a visible transaction, both the Carter and Reagan Administrations have chosen to ignore and postpone a final decision. During the first year of the Reagan Presidency, it appeared that Taiwan would be able to purchase the so-called FX fighter in either its Northrop F-5G or General Dynamics F-16A/J79 configurations. Beijing strongly
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signalled that such a sale would derail Sino-American relations; and the United States, through the urging of Secretary of State Alexander Haig, determined in January 1982 that the FX would not be sold in the immediate future, but rather Taiwan could co-produce more F-5Es and F-5Fs in its Northrop

plant in central Taiwan. In announcing the Administration's decision, the State Department said:

A judgment has...been reached by the concerned agencies on the question of replacement aircraft for Taiwan. Their conclusion is that no sale of advanced fighter aircraft to Taiwan is required because no military need for such aircraft exists. Taiwan's defense needs can be met as they arise, and for the foreseeable future, by replacing aging aircraft now in the Taiwan inventory with comparable aircraft, and by extension of the F-5E co-production line in Taiwan.³¹

According to intelligence estimates, Taiwan's defense needs can be met adequately until the post-1985 period with the extension of the F-5E program and through the increased sale of weapons such as now being undertaken by the Reagan Administration.³² But the post-1985 period will be one of uncertainty. In the first place, the extended contract with Northrop will expire, necessitating another major decision by the Administration as to whether the co-production agreement should be continued yet another time. Second, although some upgrading of the F-5E/F is possible to increase its qualitative performance, these advances have almost completely been utilized. The small airframe of the F-5E/F and its limited engine capability severely restrict the addition of advanced avionics, air-defense missiles, and electronic countermeasures needed by the ROC Air Force. Third, the PRC is expected to begin deployment in significant numbers of a new fighter of its own around 1985, thus tipping the balance of power in the region even more heavily in favor of the mainland and upsetting Taiwan's delicate deterrent posture. Fourth, Taiwan's defense industry will be unable to produce domestically the aircraft needed for the island's deterrence. The F-5E/F, for example, could not be built on Taiwan without Northrop's help for another 10 to 15 years; and the F-5E/F, as noted above, is nearing the end of its utility as a deterrent to PRC aircraft. And fifth, the purchase of advanced fighters by Taiwan from sources other than

the United States is undesirable from a number of perspectives:

- 90% of Taiwan's weapons systems are of U.S. origin. To introduce a major foreign weapons systems into the critical air defense sector would greatly complicate Taiwan's logistics and training programs.
- The introduction of a major weapons system such as an advanced fighter commits both the seller and the buyer to a long-term relationship, lasting 10 years at minimum. This would complicate the already delicate political balance between Washington, Taipei, and Beijing.

What the United States faces, then, in the 1985 period is another major decision on the sale of an advanced fighter aircraft to Taiwan. By that point, the argument that Taiwan's defense needs can be met by another extension of the F-5E/F co-production agreement will appear rather weak in view of the PRC's steady improvement in its air strike, naval, and amphibious capabilities. Many in Congress, therefore, can be expected to press the Administration for a favorable decision on the sale of an advanced fighter to Taiwan, as the Taiwan Relations Act would indicate. Others in the Congress, and certainly within the Administration, however, will point to the qualitative restrictions in the August 17, 1982, Communique and Beijing's probable sharp reaction to urge the President to veto any sale of advanced aircraft to Taipei.

Policy Alternatives

The policy options available to the Administration include the following:

1. Refuse to sell Taiwan an advanced fighter and discourage other countries from selling such aircraft to Taiwan.
2. Refuse to sell Taiwan an advanced fighter, but encourage other countries to provide the aircraft.
3. Extend once again the Northrop-Taiwan co-production agreement for more F-5E/Fs.
4. Sell Taiwan an advanced fighter from the U.S. inventory. Choices range from the F-5G (or F-20) on the lower scale of improvement, to the F-16A or F-18 on the upper scale.

Each of these alternatives has strengths and weaknesses in terms of U.S. interests. From a broad strategic point of view, the maintenance of Sino-American relations is very important; but those relations are not so important as to justify an abandonment of Taiwan, which would have severe repercussions among our other Asian allies, notably Japan, South Korea, the Philippines, and Thailand. These countries prefer the status quo in which U.S.-PRC relations are normalized and the United States continues, unofficially, to support Taiwan.³³ Moreover, a complete abandonment of Taiwan would not go well politically in the United States, where most people also prefer the status quo.³⁴ It would appear, therefore, that the principle U.S. policy objective guiding the Administration's decision on the advanced fighter sale to Taiwan should be the preservation of the current dual-approach China policy: i.e., the maintenance and development of friendly U.S.-PRC ties; and continued unofficial, friendly relations with the people of Taiwan. Further, a least lip service must be paid to both the Taiwan Relations Act and the August 17 Joint Communiqué to satisfy domestic and PRC criticism of U.S. policy.

With these general comments in mind, each of the alternatives can be examined to evaluate how they meet U.S. policy objectives. Alternative 1 would be widely interpreted both at home and abroad as an abandonment of Taiwan. The arguments that Taiwan needs new fighters to replace its aging inventory and that a competent air force is essential to the island's security are too obvious and overwhelming to be ignored. Therefore, Alternative 1 can be effectively ruled out -- unless Taipei unexpectedly decides to negotiate reunification with the mainland. Our policy in the past has been not to pressure the ROC government in that direction.³⁵ It is assumed that this policy will continue, given the complexities involved in having to restructure our China policy should we actively intervene in the reunification issue.

Alternative 2, as already mentioned, is undesirable from the point of view of Taipei because of the logistical problems involved and is also undesirable from the perspective of Washington because of the introduction of another major player in the delicate political and military balance in the Taiwan Strait. ROC officials have said they would purchase a new fighter from another country -- Israel and France have been publicly mentioned as possibilities -- if the United States refuses to sell Taiwan what it needs.³⁶ Although in one sense, this would "get the United States off the hook" and probably meet Taiwan's defensive needs, the implications for

U.S. policy are serious. If the plane sold to Taiwan was too advanced, the PRC might react and step up military pressure on Taipei. At that point, the United States, not the third country, would get involved because of the requirements specified in the TRA. Also, the third country might be tempted to intervene in some way as mediator between Beijing and Taiwan, thereby complicating the U.S. role. It would appear that for purposes of diplomatic flexibility and political control, the Administration should avoid Alternative 2 if at all possible.

The advantages of Alternatives 1 and 2 over Alternatives 3 and 4 center on the PRC reaction and the decision's impact on Sino-American relations. Alternative 1 would not meet any protests from Beijing, although it probably would not result in any substantive improvement in Sino-American relations, either, given the PRC's current foreign and domestic policies. China is now pursuing a balanced, normalized relationship with both superpowers. Therefore, it is unrealistic to expect greater strategic cooperation from the PRC, even if significant concessions are made by the United States over Taiwan. Internally, of course, China is seeking to modernize with the assistance of Western trade

and technology. Since the successful modernization of China is the primary goal of the current leadership, it is doubtful they would undermine that modernization -- and their own leadership -- by cutting off commercial contact with the United States. Conversely, given the limited resources available to the PRC for purchases abroad, there is not much more China can do in terms of economic incentives to the United States to justify significant concessions over Taiwan.

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When Alternatives 3 and 4 are considered, however, some negative PRC reaction can be expected. What must be weighed are the relative costs to U.S. interests: are PRC reactions more damaging to U.S. interests than the deterioration of Taiwan's defense capabilities? Clearly, a continuum is involved here which must balance both sets of interests.

Just as there are limits to the extent China can reward or punish the United States economically, so there are limits to China's strategic cooperation with Washington. As previously noted, China is now pursuing a more balanced policy with both the United States and the Soviet Union. It is unlikely, therefore, that Beijing will ally militarily against Moscow on behalf of Washington unless China's own vital interests are threatened. The Kremlin, too, wants to improve Sino-Soviet relations, so there are reasons to believe that the Soviet leadership would hesitate to alienate Beijing while at the same time confronting the White House.

If Sino-American military cooperation is unlikely, then are there other strategic advantages to be gained in Sino-American relations? The answer is, of course, yes, particularly in two vital areas: political cooperation and geopolitics. In the first instance, Beijing and Washington can cooperate to counter Soviet expansion of influence in Asia and the Third World. In

the second place, China, by its very existence as a strong, stable country, is able to block further Soviet physical expansion in the Far East. Both assets are important to U.S. objectives to contain the Soviet Union.³⁸

To what extent, then, would these assets brought by the Chinese to Sino-American relations be placed in jeopardy by Alternatives 3 or 4? This appears to be the crux of the matter, since Sino-American economic interests are minor when compared to those shared by the United States and Taiwan.³⁹

Moreover, there is strong evidence that Beijing carefully separates the various elements of its foreign policy when dealing with the United States.

This latter point deserves closer attention because it provides data on which to forecast with at least some degree of accuracy what the PRC reaction might be to Alternatives 3 and 4.

Utilizing techniques of content analysis, the author examined all FBIS-translated statements from the PRC press/dealing with Sino-American relations during 1981 and 1982.⁴⁰

More than 270 substantive statements were identified in terms of their subject matter, source, degree of emphasis, date, and positive/negative attitude toward the United States. The findings were interesting on a number of counts.

- Statements relating to Taiwan dominated the Chinese press: over 45% of all statements dealt with Taiwan; while references to economic and strategic matters each constituted about 15% of the statements.
- Of all statements critical of the United States, 65% involved Taiwan.
- The economic aspect of Sino-American relations was mentioned favorably 70% of the time.
- There was no correlation over time ^{among} any of the three main issues: Taiwan, strategic cooperation, ^{AND} economic ties.
- Positive/negative statements about the United States were closely related to individual incidents between the two countries.

- About 40% of all PRC statements were favorable toward the United States, while 30% were unfavorable.
- References to strategic cooperation with the United States were mentioned favorably 35% of the time, unfavorably 20% of the time, and matter-of-factly (ie, neutral statement) 45% of the time.

Some important conclusions can be drawn from *these* data. First, the most important negative issue between the United States and the PRC is Taiwan; the most positive is economic cooperation; strategic cooperation is perceived with mixed feelings. Second, Beijing deals with these three main issues quite separately. In other words, advances or retrogressions in one area will not likely lead to significant advances or retrogressions in the others. Third, there is no real "friendship" on the part of the PRC toward the United States. Rather, Sino-American relations are seen in Beijing as a necessary arrangement given the current correlation of forces in the international community and the current leadership's emphasis on socialist modernization.

It can be readily seen, therefore, that U.S. interests in continuing to support stability and prosperity on Taiwan will inevitably risk alienating the PRC. Economically, on the other hand, the interests of the United States and the PRC are parallel. Economic relations are likely to continue on a positive trend, regardless of differences over Taiwan. Strategically, the United States and the PRC have important differences in perception, as well as critical areas of mutual interest. These need to be carefully noted.

- Strategic cooperation in the military sense is highly important to the United States, but less important to Beijing -- unless its territory or vital interests are threatened by the Soviet Union. Given the vast superiority of the USSR over the PRC, China will not risk a war with Moscow. Therefore, it is unrealistic for Washington to expect Beijing to ally with the United States, Japan, and NATO in an armed confrontation with the Soviet Union. U.S. concessions on Taiwan would probably not alter this basic Chinese reluctance to challenge militarily the USSR.

- Strategic cooperation in the political sense is important to both China and the United States, for neither wants to see the Soviet Union expand its sphere of influence in Asia or elsewhere. Therefore, cooperation in this area would likely continue, regardless of Sino-American differences over Taiwan.
- Fundamentally, the strategic interests of the United States and the PRC are being met at the present time. These interests are, from the perspective of the United States, a strong China able to prevent Soviet physical expansion in the Far East; and, from the perspective of the PRC, an American nuclear umbrella deterring a Soviet first-strike or conventional attack designed to destroy China's potential as a major power. These parallel interests are not likely to be changed by continued U.S. support of Taiwan.

With these general remarks made, Alternatives 3 and 4 can now be examined. Alternative 3 will essentially continue the status quo in terms of Sino-American relations -- i.e., Washington and Beijing will disagree over arms sales to Taiwan, with PRC protests coming each time a major sale is announced. A strong protest could be expected if the Northrop-Taiwan co-production agreement ~~were~~ extended, but little substantively would be changed in U.S.-PRC relations. On the other hand, the growing disparity between the armed forces of the PRC and Taiwan cannot be ignored. The threat to Taiwan's security is looming larger, and there is a limit to Beijing's patience over Taipei's refusal to negotiate reunification. Therefore, the continuation of the F-5E program will be viewed by many as a step backward in the U.S. commitment to Taiwan's defense. This will certainly be the case for those living on Taiwan, who clearly understand that their security is heavily dependent upon U.S. concern for their future. The extension of the of the F-5E program would probably be seen as the "beginning of the end," and a significant flight of investment capital and talent would likely result. This, in turn, would have a very negative effect on Taiwan's economy and lead to greater social unrest. Thus, the very stability the United States wishes

to preserve on Taiwan might be undermined if Alternative 3 is adopted.

Moreover, the likelihood of the PRC taking advantage of a weakened Taiwan are probably greater than if Taiwan remained strong and unified. Alternative 3 would probably result in smoother U.S.-PRC relations over the short-term, but might well lead to a major confrontation over Taiwan a few years down the road.

Alternative 4 would risk an immediate negative PRC reaction, perhaps even a downgrading of political relations should a highly advanced fighter be sold to Taiwan. Beijing would interpret such a move as a decision in Washington to preserve a separate Taiwan. Since this is a fundamental issue of principle with the PRC, the sale of an advanced fighter like the F-18 or F-16A would likely result in a major retrogression or disruption of friendly Sino-American relations. Moreover, Beijing might feel at that point it had nothing to lose but to attempt one of several available military options to bring Taiwan under its control. It would appear, therefore, that the sale of a highly advanced fighter to Taiwan is not in the U.S. interest.

Policy Recommendation

If a fine line can be drawn between minimizing the PRC's negative reaction, on the one hand, and minimally upgrading Taiwan's air defense capabilities, on the other, then a way may be found to continue the dual approach which has characterized U.S. China policy since the early 1970s. This policy, despite its delicate balancing of often contradictory objectives, has served U.S. interests admirably and should be continued. Unfortunately, the differing policy guidelines established by the Taiwan Relations Act and the August 17, 1982, Joint Communique have made the balancing task much more difficult. The situation will become acute around 1985 when a fundamental

decision must be made: whether to allow Taiwan's crucial air defense capabilities to lag dangerously behind the offensive capabilities of the PRC in the Taiwan Strait, or to upgrade Taiwan's air force through the sale of a more advanced fighter and risk a strong PRC response.

In the interest of preserving the dual-approach China policy of the past, the sale of some sort of advanced fighter seems imperative.

Otherwise, U.S. support of Taiwan will be seen to be eroding, the balance of power in the Taiwan Strait will shift increasingly in the PRC's favor, our regional allies will doubt our commitments to their security, and the stage will be set for a major confrontation between the United States and the PRC over the use of force in the Taiwan Strait. Clearly, what is needed is some action on the part of the United States to restore balance in its China policy. If Taiwan's deterrent capabilities could be minimally upgraded, and the PRC not overly offended, then the dual approach could be preserved.

It would appear that, of the options available to the United States, the best policy would be to permit Northrop and Taiwan to upgrade their coproduction facility on the island and begin to produce a limited number of F-5G. The F-5G is a follow-on aircraft to the F-5E/F, providing about 60% more thrust, improved avionics and armaments, better radar, quicker response time, and improved maintainability. In short, the F-5G would meet Taiwan's minimum air defense needs for the remainder of the century, but would not represent a significant increase in Taiwan's current capabilities.

If the F-5G would satisfy Taiwan's needs and give its citizens a sense of confidence in the future, as well as meet U.S. obligations under the Taiwan Relations Act, what will be the PRC's reaction and how can the sale be justified under the August 17 Communique?

The reaction from China will obviously be negative, but probably significantly less so than if a more advanced fighter such as the F-16A were sold. The latter would give Taiwan an offensive threat against the mainland, whereas the F-5G has very limited ground attack capabilities. Would the sale of an obviously defensive aircraft cause Beijing to change its fundamental strategic, political, and economic directions? The answer to that question has to be no. Essential U.S. interests in a stable, peaceful, moderate, and independent China will not be damaged. Would Beijing cut off relations with the United States? As previously noted, China distinguishes between various aspects of its relations with the United States. Therefore, economic and strategic relations probably would not be damaged at all. Political relations would be affected, but the extent to which damage would be done is a variable largely in U.S. hands. Determining factors would include: (a) how many F-5G would to be built, (b) the publicity surrounding the sale, (c) Taiwan's behavior over the sale -- i.e., whether ROC authorities flaunted the sale or were circumspect in their comments, (d) the justification used to explain the sale -- i.e., whether China was named as a threat or whether it was made to appear as a natural evolution of the aircraft production contract between Northrop and Taiwan, and (e) U.S. efforts to explain beforehand the sale to the Chinese so as not to appear devious. U.S. domestic critics to the sale might be countered by references to a "qualitative index" to meet evolving threats, comparable to the "inflation index" announced in March 1983.

The biggest advantage of this policy option is that, once the initial "smoke" has cleared, Sino-American relations can again be held in proper balance on the dual-track approach which has characterized U.S. China policy over the last 13 years. An option in either direction -- i.e., towards more

advanced fighter sales, or less advanced sales -- would tilt the balanced policy toward either Beijing or Taipei and effectively undermine the ideal U.S. position.

It is therefore recommended that in the 1985 debate over the issue of an advanced aircraft sale to Taiwan the Administration adopt the following policy: sell Taiwan a limited number of F-5G by permitting Northrop and Taiwan to refit their existing coproduction facility on the island. At the same time, every effort should be taken to minimize the damage this would bring to U.S.-PRC relations. Such a policy is necessary to preserve the dual-track China policy the United States has followed since 1969.

#

NOTES

1. For U.S. perceptions of China's strategic value during the Nixon and Ford Administrations, see Henry Kissinger, White House Years (Boston: Little, Brown & Co., 1979).
2. For an interesting view of Washington-Taipei relations from the ROC perspective, see James C.H. Shen, The U.S. & Free China (Washington, D.C.: Acropolis Books Ltd., 1983).
3. "Presidential Statement on Issuance of Communique, August 17, 1982," U.S. Congress, House, Committee on Foreign Affairs, China-Taiwan: United States Policy (Washington, D.C.: Government Printing Office, 1982), p. 33. (Hereafter, Government Printing Office will be GPO.)
4. For a discussion of changing U.S. perceptions of Asia since the January 1, 1979, shift in diplomatic relations from Taipei to Beijing, see U.S. Congress, House, Committee on Foreign Affairs, Subcommittee on Asian and Pacific Affairs, The New Era in East Asia (Washington, D.C.: GPO, 1981).
5. The text of the Shanghai Communique and Joint Communique on the Establishment of Diplomatic Relations between the U.S. and the PRC on January 1, 1979, can be found in Appendix B, Frederica M. Bunge, et. al., China: A Country Study (Washington, D.C.: American University, 1981), pp. 519-522.
6. The text of the August 17, 1982, Communique can be found in Appendix 1, China-Taiwan: United States Policy, pp. 31-32.
7. See Christian Science Monitor, December 1, 1983, p. 1.
8. See Lester L. Wolff and David L. Simon, eds., Legislative History of the Taiwan Relations Act (Jamaica, NY: American Association for Chinese Studies, 1982).
10. For the text of Chinese Foreign Minister Huang Hua's protest over the TRA to U.S. Ambassador to China Leonard Woodcock, see Xinhua, March 23, 1979, translated in Foreign Broadcast Information Service, Daily Report: China, March 26, 1979, p. K1. (Hereafter the Daily Reports are FBIS-China.) See also President Carter's remarks on signing the TRA in Office of the White House Press Secretary, "Statement by the President on Public Law 96-8 (H.R. 2479)," April 10, 1979.
9. The text of the TRA and a discussion of its security implications can be found in Robert L. Downen, Of Grave Concern (Washington, D.C.: Georgetown University, 1981).
11. The speech most offending Beijing was delivered by Reagan in Detroit on June 13, 1980, in which he spoke of reestablishing official relations with Taipei. See Xinhua, June 13, 1980, FBIS-China, June 16, 1980, p. B3.

12. Press Release, "Ronald Reagan on U.S. Policy Toward Asia and the Pacific," Los Angeles, California, August 25, 1980.
13. Renmin Ribao, December 31, 1981, FBIS-China, December 31, 1981, p. B1.
14. See the statement of John H. Holdridge, Assistant Secretary of State for East Asian and Pacific Affairs, China-Taiwan: United States Policy, pp. 2-8.
15. Paragraph 6 of the Communique, in ibid., p. 31.
16. "People's Daily Urges U.S. to Strictly Observe Agreement," Embassy of the People's Republic of China in Washington, D.C., Press Release No. 82/017 (August 17, 1982), p. 9.
17. Hungdah Chiu, "An Analysis of Certain Problems of the U.S.-China Joint Communique on U.S. Arms Sales to Taiwan (17 August 1982) and the Need to Clarify the U.S. Position on Certain Vital Issues," p. 1, ms.
18. See, for example, John Holdridge's testimony before the House Committee on Foreign Affairs, China-Taiwan: United States Policy, p. 13.
19. Statement of Davis R. Robinson, Legal Advisor, Department of State, before the Subcommittee on Separation of Powers of the Senate Judiciary Committee, September 27, 1982, pp. 1-2, ms.
20. "Chinese Foreign Ministry Spokesman on China-U.S. Joint Communique," Embassy of the People's Republic of China in Washington, D.C., Press Release No. 82/017 (August 17, 1982), p. 7.
21. For an extensive discussion of the PRC current, mid-, and long-term threat to Taiwan, see Martin L. Lasater, The Security of Taiwan (Washington, D.C., Georgetown University, 1982); Martin L. Lasater, Taiwan: A Current Threat Assessment (Washington, D.C.: The Heritage Foundation, 1984); and Martin L. Lasater, "The Future Threat to Taiwan," Strategic Review, forthcoming.
22. Washington Post, August 20, 1982, p. A16.
23. New York Times, December 1, 1982, p. A6.
24. See L. J. Lamb, "R.O.C.'s Air Force Buys F-104s," Asian Bulletin, 8, 3 (March 1983), pp. 5-7.
25. Washington Post, March 22, 1983, p. A12.
26. Ibid.
27. Washington Post, July 24, 1983, p. A23.
28. Taiwan's needs were outlined in U.S. Congress, Senate, Committee on Foreign Relations, Implementation of the Taiwan Relations Act: The First Year (Washington, D.C.: GPO, June 1980), p. 23.

29. Prepared statement of Colonel Angus M. Fraser (USMC, Ret.) in U.S. Congress, Senate, Committee on Foreign Relations, Taiwan (Washington, D.C.: GPO, 1979), p. 811.
30. The PRC downgraded diplomatic relations with The Netherlands in May 1981 after months of threats following a Dutch decision to build Taiwan two submarines. Beijing's statements at the time clearly indicated that the threat to downgrade was aimed primarily at the United States and the incoming Reagan Administration which seemed intent on selling Taiwan an advanced fighter. See, for instance, Xinhua, January 17, 1981, FBIS-China, January 19, 1981, p. G2.
31. U.S. Department of State Press Release, January 11, 1982.
32. Interviews by the author in Washington, D.C., during the summer of 1983.
33. See Chapter Two, "Taiwan's Strategic Value," in Lasater, The Security of Taiwan, pp. 22-38.
34. Louis Harris told a meeting of the nuclear freeze movement on July 27, 1982, in Washington: "By 70 to 25 percent, the vast majority of Americans now believe the People's Republic of China is a friendly nation toward the U.S." Nuclear Weapons Freeze Campaign, Press Release, July 27, 1982. Another poll at the same time, conducted by Sindlinger & Company, revealed that 51% of Americans felt the United States should continue to sell Taiwan advanced fighter aircraft and 84% felt Taiwan should be a "separate country." The Heritage Foundation, letter sent to Members of Congress dated August 19, 1982.
35. The ROC government in its statement on the August 17, 1982, Joint U.S.-PRC Communique said that the United States on July 14, 1982, told the ROC that the United States "will not play any mediation role between Taipei and Peiping" and "will not exert pressure on the Republic of China to enter into negotiations with the Chinese Communists." Coordination Council for North American Affairs, Washington, D.C. office, Press Release of August 17, 1982, p. 3. The Coordination Council for North American Affairs is the private institution handling "unofficial" relations with the United States for the ROC.
36. Interviews with ROC officials by the author in Taipei, January 1983.
report by
37. The most complete, relatively unbiased assessment of China's economy can be found in the nine volume World Bank, China: Socialist Economic Development (Washington, D.C.: World Bank, March 10, 1982). Also see sections on China in U.S. Congress, Joint Economic Committee, East-West Trade: The Prospects to 1985 (Washington, D.C.: GPO, 1982) and U.S. Congress, Senate, Committee on Foreign Relations, East-West Trade: Focus on the Pacific (Washington, D.C.: GPO, 1982).
38. For a more complete examination of China's strategic value to the United States, see Martin L. Lasater, "Sino-American Strategic Cooperation," Background (Washington, D.C.: The Heritage Foundation, 1983).

39. Total trade between the United States and the PRC in 1982 was about \$5 billion; trade between the United States and Taiwan during the same period was about \$13.5 billion.
40. Martin L. Lasater, "PRC Perceptions of Sino-American Relations: 1981-1982," unpublished manuscript.

~~SECRET~~

164 Add-on
1064

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~

March 3, 1982

MEMORANDUM FOR L. PAUL BREMER III
Executive Secretary
Department of State

SUBJECT: Status Report on Arms Sales to Taiwan

The President has read and approved your February 26 memorandum on the status of arms sales to Taiwan. His approval was with the proviso that no inordinate delay by the PRC should be tolerated.

Michael O. Wheeler

Michael O. Wheeler
Staff Secretary

DECLASSIFIED

White House Guidelines, August 26, 1997
By ju sh NARA, Date 10/28/99

~~SECRET~~

Derivative C1 By State
Review on March 3, 2002
Reason: Extended by State Memo dated 2/26/82

~~SECRET~~

DESC REQUEST FOR STATUS RPT ON ARMS SALES TO TAIWAN

KEYWORDS TAIWAN ARMS SALES

DOCDATE 820224

RCVDATE 820224

STATUS C

I ACTION WHEELER SGD MEMO TO BREMER

I ACTOFF GREGG

INFO KIMMITT SHOEMAKER CHINA OFFICE

UPDATES 820301 NOTED BY CLARK

 820303 PRES APPROVED RECOM

 820303 WHEELER SGD MEMO TO BREMER

SOURCES WHEELER GREGG BREMER

 GREGG WHEELER

ADDON GREGG STATE STATE

DISPATCH BREMER BREMER

FILE/OC PA

STAFF/OFF GREGG

END OF DOCUMENT

~~SECRET~~

1064 Add-on

MEMORANDUM

~~SECRET~~

THE WHITE HOUSE

WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: Status Report on Arms Sales to Taiwan

DECLASSIFIED
NLS F98-054 #114
BY CA NARA DATE 11/16/01

Issue

Is the current status of arms sales to Taiwan satisfactory from the United States point of view?

Facts

- Formal notification to Congress of a \$60 million spare parts sale to Taiwan has been delayed pending resolution of our efforts to settle our dispute with the PRC over continued arms sales.
- Both Congress and Taiwan representatives were told in late January that this delay would be for no more than a few weeks.
- To make certain that Taiwan does not run out of spare parts, a "bridge" case has been approved for \$21.5 million that will keep Taiwan in spare parts through May.
- We will not countenance inordinate negotiating delay on the part of the Chinese and will proceed with notification if they appear to be continuing their tactics of delay.

Discussion

This report is useful in that it commits State to the following actions:

- If no Chinese response has been received by next Tuesday (March 2), Ambassador Hummel will be told to inform the Chinese that time is running out, and that we will proceed with notification if an expeditious response is not received.
- State will brief both Congress and the Taiwan representation next week of the further short delay.
- As soon as the spare parts notification issue has been resolved, State will revert to its original arms procurement schedule which would have action on the entire package completed by the end of August.

Recommendation

Okay No



That you approve the contents of this memorandum with the specific proviso that any inordinate delay by the PRC will not be tolerated.

Attachment

Tab A Status Report dated 2/26/82

~~SECRET~~ Review on February 26, 2002

Prepared by:
Donald Gregg

~~SECRET~~

1064
3/2 pm

Mr. McFarlane:

The message Richard Darmen rec'd from
Air Force One:

The President approved the recommendation
on Taiwan Arms sales.

Wilma

TAB I was #1064

retyped & submitted to Pres on 3/2

Smear ✓
RCM paid to go
ahead & process
with an
"RR"

~~SECRET~~

1064 Add-on

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

March 3, 1982

ACTION

MEMORANDUM FOR MICHAEL O. WHEELER

FROM: DONALD GREGG *mg*
SUBJECT: Presidential Approval of State Memorandum -
Status Report on Arms Sales to Taiwan

Attached, as requested, is a memorandum to Jerry Bremer conveying the President's approval of State's memorandum of February 26.

RECOMMENDATION

That you sign and forward the memorandum to State at Tab I.

Approve ✓

Disapprove _____

Attachments

Tab I Memo for Signature
Tab II NSC Internal Note
Tab III Previous correspondence

cc: Norman Bailey
Bob Kimmitt
China Office

DECLASSIFIED
White House Guidelines, August 28, 1997
By mg NARA, Date 10/27/05

~~SECRET~~

Review on March 3, 2002

~~SECRET~~

~~SECRET~~



DEPARTMENT OF STATE

Washington, D.C. 20520

32 FEB 26 11:29

February 26, 1982

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSE

Subject: Status Report on Arms Sales to Taiwan

Last December, we sent informal notification to Congress on two FMS cases for Taiwan involving aircraft spare parts, one for \$37 million and the other for \$60 million. Because of a subsequent amendment to the FMS legislation, when Congress reconvened in late January it was no longer necessary to include the \$37 million case in the formal notification. We therefore processed that case, and the Letter of Offer and Acceptance was signed by AIT on February 1.

In mid-January, the President approved a short delay in Congressional notification of the \$60 million spares case while our efforts with Beijing to resolve the Taiwan arms dispute were underway. Assistant Secretary John Holdridge briefed key Congressional leaders and appeared in secret session before the Senate Foreign Relations Committee on January 28. He informed them of our intended action on the \$37 million case and explained that we would be delaying formal notification on the \$60 million case a few weeks. The previous day, John Holdridge had met with Taiwan's representative, Dr. Tsai Wei-ping, and informed him of the delay. Tsai indicated he understood the reasons for the delay and offered no objection.

John Holdridge assured Tsai, and the Congress, that we would take all necessary steps to ensure that there would be no interruption in the flow of spare parts to Taiwan. To make certain that the pipeline would be kept open throughout the period of delay in notification, we approved a "bridge" case in mid-February for \$21.5 million. This will provide Taiwan with adequate spares through May. Before approving the bridge, we informed key Congressional staffers and met again with Dr. Tsai to tell him of the bridge and reassure him that the \$60 million case and August 25 package would be moving forward according to the timeframe that we spoke of in January.

DECLASSIFIED

NLS 103-1455#25

BY CW NARA, DATE 12/6/05

~~SECRET~~
RDS-3 2/25/02

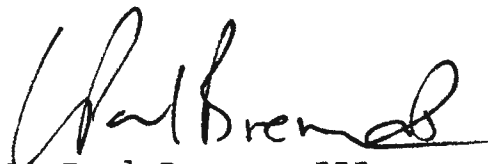
~~SECRET~~

-2-

At this crucial stage in our discussions with the Chinese, we do not believe that we should proceed on the \$60 million case now. By next Tuesday, we expect to have a response from the Chinese to our latest proposal. If, however, they ask for a further delay, or if their response is not forthcoming, we will instruct Ambassador Hummel to inform them that time is running out and if no results are obtained expeditiously we will proceed with the spare parts notification.

Congress expects formal notification on the spares in early March. We have kept members of Congress closely informed on this issue, and we will brief both them and Dr. Tsai next week that there will be a further short delay in notification. We expect continued Congressional support for our approach in the near term so long as we maintain our consultations with them.

As soon as notification of the spare parts case has gone forward, we will move rapidly ahead to the next items for sale to Taiwan, beginning with Sea Chaparral Missiles. This timetable will permit us to complete action on the entire package approved by the President, including Congressional notification where necessary, by the end of August as we have previously planned.



L. Paul Bremer, III
Executive Secretary

~~SECRET~~

~~SECRET~~

1064 Add-on

46

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

February 26, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DONALD GREGG *DG*
SUBJECT: Status Report on Arms Sales to Taiwan

In response to the President's question of February 24, State has prepared a short memorandum summarizing the current status of our arms sales to Taiwan. I believe that the President should see this memorandum.

RECOMMENDATION

OK No

☒ — That you sign the attached memorandum (Tab I) which comments on and transmits State's report (Tab A).

Attachments

Tab I Memorandum for Signature to the President
 A State's Status Report dated 2/26/82
Tab I Previous correspondence

cc: Norman Bailey
 Bob Kimmitt

DECLASSIFIED
White House Guidelines, August 28, 1997
By M311 NARA, Date 1/27/99

~~SECRET~~

Review on February 26, 2002

~~SECRET~~

~~SECRET~~

MEMORANDUM

1064 Add-on

~~SECRET~~

THE WHITE HOUSE

ACTION

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*
SUBJECT: Status Report on Arms Sales to Taiwan

Issue

Is the current status of arms sales to Taiwan satisfactory from the United States point of view?

Facts

- Formal notification to Congress of a \$60 million spare parts sale to Taiwan has been delayed pending resolution of our efforts to settle our dispute with the PRC over continued arms sales.
- Both Congress and Taiwan representatives were told in late January that this delay would be for no more than a few weeks.
- To make certain that Taiwan does not run out of spare parts, a "bridge" case has been approved for \$21.5 million that will keep Taiwan in spare parts through May.
- We will not countenance inordinate negotiating delay on the part of the Chinese and will proceed with notification if they appear to be continuing their tactics of delay.

Discussion

This report is useful in that it commits State to the following actions:

- If no Chinese response has been received by next Tuesday (March 2), Ambassador Hummel will be told to inform the Chinese that time is running out, and that we will proceed with notification if an expeditious response is not received.
- State will brief both Congress and the Taiwan representation next week of the further short delay.
- As soon as the spare parts notification issue has been resolved, State will revert to its original arms procurement schedule which would have action on the entire package completed by the end of August.

Recommendation

OK

No

RR

That you approve the contents of this memorandum with the specific proviso that any inordinate delay by the PRC will not be tolerated.

Attachment

Tab A Status Report dated 2/26/82

Prepared By:

Donald Gregg

~~SECRET~~ Review on February 26, 2002

~~SECRET~~

Returned a resubmitted to Pres.
Discussed orally
3/1/82

DECLASSIFIED
1598-054 # 116
BY *CAS* NLS
DATE *11/16/01* NARA, DATE



DEPARTMENT OF STATE

Washington, D.C. 20520

~~SECRET~~SENSITIVE

January 28, 1982

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSE

Subject: Holdridge Testimony Before the SFRC

Attached please find a copy of the current draft
of Assistant Secretary Holdridge's testimony today
before the Senate Foreign Relations Committee.

A handwritten signature in black ink, appearing to read "L. Paul Bremer, III".

L. Paul Bremer, III
Executive Secretary

Attachment:

As stated.

DECLASSIFIED
Department of State Guidelines, July 21, 1997
By MJH NARA, Date 10/27/06

~~SECRET~~

RDS-3 1/28/02

~~SECRET~~

1064
VIA LDX

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~

February 24, 1982

MEMORANDUM FOR L. PAUL BREMER, III
Executive Secretary
Department of State

SUBJECT: Request for Status Report on Arms Sales to Taiwan

It is requested that your appropriate office prepare a report summarizing the current status of arms sales to Taiwan including:

- Notifications to Congress;
- The "bridging" action on spare parts;
- Other recent reassurances given Taiwan concerning downstream requests.

This report is requested by close of business, February 25, 1982.

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

DECLASSIFIED
White House Guidelines, August 28, 1997
By mon NARA, Date 90/27/99

~~SECRET~~

Review on February 24, 1988

~~SECRET~~

~~SECRET~~

1064

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

February 24, 1982

ACTION

MEMORANDUM FOR MIKE WHEELER

FROM: DONALD GREGG *Dg*
SUBJECT: Request to State

I called over to State the request you passed along for an update on the status of Congressional notification re arms for Taiwan. State has started to work but says they cannot respond to a telephonic request (per Bremer) and thus needs a formal request. Such a memorandum is attached.

Recommendation

That you sign and forward the memorandum to State at Tab I.

Approve ✓

Disapprove

Attachment

Tab I Memorandum for Signature

DECLASSIFIED
White House Guidelines, August 28, 1997
By M77 NARA, Date 6/27/99

cc: China Office

~~SECRET~~

Review on February 24, 1988

~~SECRET~~

UNCLASSIFIED UPON REMOVAL OF
CLASSIFIED ENCLOSURE(S)

12311427142

NSC/S PROFILE

~~SECRET~~

ID 8201064

RECEIVED 24 FEB 82 20

TO BREMER

FROM WHEELER

DOCDATE 24 FEB 82

GREGG

24 FEB 82

KEYWORDS: TAIWAN

ARMS SALES

SUBJECT: REQUEST FOR STATUS REPORT ON ARMS SALES TO TAIWAN

ACTION: WHEELER SGD MEMO TO BREMER DUE: 25 FEB 82 STATUS D FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

KIMMITT

SHOEMAKER