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INCOMING TELEGRAM Department of State

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45 CONFIDENTIAL Action NNNNVV FHE532VV OL A302 RR RUEHC RUASTP RUEPXG EUR DE RUFHOL 1183 0841640 ZNY CCCCC Info R 251606Z MAR 66 1966 MAR 25 AM 11 59 FM AMEMBASSY BONN TO RUEHC/SECSTATE WASHDC 3000 SS RUASTP/AMEMBASSY TAIPEI FIVE G INFO RUEPXG/AEC GERMANTOWN FE RUFHBS/AMEMBASSY BRUSSELS BUSEC 31 NSC BT CONFIDENTIAL MAR 25 INR ACDA SUBJ: GERMAN NUCLEAR REACTOR FOR TAIWAN SCI

RSR

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

THE REPUBLIC OF CHINA WISHES TO PURCHASE FROM THE SIEMENS COMPANY A MULTI-PURPOSE RESEARCH REACTOR SIMILAR TO THE 50-MEGAWALL MIFR WHICH

RECENTLY WENT CRITICAL AT THE FRG'S KARLSRUHE RESEARCH CENTER.

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

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

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