

DECLASSIFIED
Authority *AWD 25000*
By *JPLW* NARA Date *3/26/98*

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DEF 12-1 CHICOM

INCOMING TELEGRAM *Department of State*

ZMR

48
Action
SS
Info

SECRET

NNNNZCZCMJA524VY
RR RUEHCR
DE RUASTP 08 23/0810Z
R 230745Z ZEA
FM AMBASSY TAIPEI
TO RUEHCR/SECSTATE WASHDC
INFO RUHLHQ/CINCPAC
RUMJDH/AMCONGEN HONGKONG
RUALOT/AMEMBASSY TOKYO
STATE GRNC

01980

1964 OCT 23 AM 11 00

TAIPEI 339

BT
SECRET ACTION DEPT 339 INFO CINCPAC 61 HKONG 72 TOKYO 63
OCT 23 4 PM

CINCPAC FOR POLAD

EMBTLS 324, 328, 329, 335.

IN WEEK SINCE INITIAL SHOCK OF CHICOM NUCLEAR EXPLOSION, OFFICIAL AND NON-OFFICIAL REACTION BECOMING INCREASINGLY CLEAR AND FIXED. AFTER EARLY HESITATION, PRESS HAS BEGUN PLAY EVENT WITH UNANIMITY STRONGLY SUGGESTING INSTRUCTIONS RECEIVED THROUGH GOVERNMENT OR KMT CHANNELS. EDITORIALS ALL MAJOR PAPERS STRONGLY EMPHASIZE THEME GRC MUST LAUNCH CFN 339 61 72 63 23 4 324 328 329 335

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PAGE TWO RUASTP 08 SECRET

COUNTERATTACK IN NEAR FUTURE AND DESTROY MAINLAND REGIME BEFORE NUCLEAR WEAPONS CAPABILITY ACHIEVED; US SHOULD DIRECTLY ASSIST THESE EFFORTS. CERTAIN PAPERS, INCLUDING GOVERNMENT OR KMT-OWNED, HAVE GONE BEYOND THIS, CRITICIZING US FOR "OBSTRUCTING" PAST GRC COUNTERATTACK EFFORTS, ASSERTING US MUST NOW ACTIVELY ASSIST COUNTERATTACK BOTH IN ITS OWN INTEREST (TO AVOID FUTURE NUCLEAR SHOWDOWN WITH PEIPING) AND AS MORAL OBLIGATIONS SINCE US "OBSTRUCTIONISM" GAVE PEIPING CHANCE BUILD "BOMB".

TOP GRC LEADERS HAVE EXPRESSED PRIVATE VIEW CCNE CAN CAUSE "CRISIS OF CONFIDENCE" ERODING PEOPLE'S WILL RESIST PEIPING BOTH ON TAIWAN AND ELSEWHERE; US AND GRC MUST ADOPT NEW POLICIES COPE WITH NEW SITUATION, PREFERABLY SHOULD TAKE SOME DRAMATIC STEP LESSEN PSYCHOLOGICAL IMPACT

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Authority *AWD 9500*
By *JPLW* NARA Date *3/26/98*INCOMING
TELEGRAMINCOMING CONTROL: 19801
CORRECTION ISSUED: 10/25/64

SECRET

5:30 p.m., fr

82
55
-2- 339, October 23, 4 p.m., from Taipei

CCNE. BELOW THIS TOPMOST LEVEL, EMBASSY HAS RECEIVED SOME REPORTS OF DISCOURAGEMENT AMONG KMT AND GOVERNMENT OFFICIALS. MANY FEEL PRESS TALK OF FIVE-YEAR PERIOD NECESSARY DEVELOP TRUE WEAPONS CAPABILITY IS IRRELEVANT; AS FAR AS EAST ASIA CONCERNED, CHICOMS NEED ACQUIRE ONLY SMALL NUMBER CRUDE WEAPONS. MANY THESE OFFICIALS WERE

PAGE THREE RUASTP 08 S E C R E T
LED BELIEVE CHICOMS HAD ONLY NEGLIGIBLE CAPILITY PRODUCE EVEN INITIAL TEST EXPLOSION; THEY NOW FEEL EITHER GRC INTELLIGENCE FAULTY OR GOVERNMENT DELIBERATELY DECEIVING THEM. REACTION ADVERSE EITHER CASE.

AMONG MILITARY, ALREADY EXISTING AWARENESS OF BLEAK PROSPECTS FOR SUCCESSFUL ACTION AGAINST MAINLAND IN ABSENCE FULL US COOPERATION SEEMS SHARPENED AND POSSIBLY FURTHER EXPOSED BY CCNE. AS RESULT THERE SOME SIGNS RESENTMENT AGAINST US FOR PAST RESTRAINTS, COUPLED WITH FEELING GRC MILITARY STRENGTH RELATIVE CHICOMS CAN ONLY DECLINE WITH PASSAGE OF TIME. ACTION MUST THEREFORE BE TAKEN NOW.

PARALLELING THIS THERE ARE SOME INDICATIONS OF SENTIMENT AMONG MILITARY IN FAVOR "DO OR DIE" ATTACK EVEN IF US SHOULD REFUSE COOPERATION.

PUBLIC REACTION MUCH MORE DIFFICULT TO JUDGE. THUS FAR EMBASSY HAS DETECTED NO EFFECT UPON ECONOMIC ACTIVITY. THERE ARE NO PRESENT INDICATIONS LOSS OF CONFIDENCE TAIWAN'S VIABILITY, RISE IN PRICES OR BLACKMARKET DOLLAR RATE, OR CAPITAL FLIGHT. LI KAN, DEPUTY GOVERNOR CENTRAL BANK, BELIEVES ECONOMIC EFFECTS WILL REMAIN MINIMAL.

PAGE FOUR RUASTP 08 S E C R E T
SOME EARLY REPORTS OF STUDENT EXPRESSIONS NATIONAL AND RACIAL PRIDE IN "ACCOMPLISHMENT OF CHINESE PEOPLE," BUT UNEASINESS ALSO SEEMS EVIDENT.

EMBASSY BELIEVES CCNE SERIOUS BLOW TO GRC LEADERSHIP AND ADVERSE MORALE FACTOR AMONG ARMED FORCES, MAGNITUDE OF WHICH WILL EMERGE GRADUALLY. GRC SEEKING MEANS MINIMIZE IMPACT AND RETRIEVE ITS POSITION IN ITS OWN EYES AND IN EYES OF WORLD. COMMANDO RAIDS AGAINST MAINLAND ONE VERY

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By	JPLW NARA Date 3/24/98

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-3- 339, October 23, 4 p.m., from Taipei.

LIKELY MANIFESTATION, ESPECIALLY IN PERIOD AROUND GIM'S BIRTHDAY (SEE FCT-8761). RENEWED DRIVE FOR ASIAN ANTI-COMMUNIST ALLIANCE POSSIBLE OTHER MANIFESTATION. GRC CAN BE EXPECTED ENDEAVOR ENLIST US HELP IN COUNTERING HARMFUL EFFECTS OF TEST EXPLOSION.

IT IS NOTEWORTHY THAT EXCEPT FOR GENERALIZED PRESS INTERVIEW WITH PM (EMBTTEL 335) THERE HAS BEEN NO PUBLIC STATEMENT OF GRC POSITIONS BY EITHER PRESIDENT OR ANY MEMBER CABINET. PRIMER HAS TOLD US THAT GRC HAD BEEN UNABLE TO COME UP WITH SUITABLE FORMULATION FOR PUBLIC STATEMENT.
GPI

WRIGHT
BT

Omission, correction to follow.

SECRET