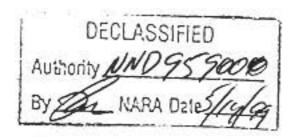
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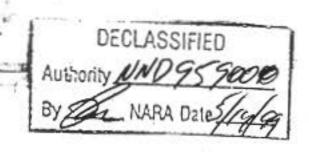


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came to Taiwan under auspices of the International Atomic Energy Agency (IAEA) to do a siting study for the possible location of two 450 MW atomic power plants, one to be located in the north of the island and the other to be located in the south of the island; one to come "on stream" in 1972 or 73 and the other to come "on stream" three to four years thereafter. Mr. McCullen said that after he arrived, the Taiwan Power Company representative David S. L. Chu (CHU, Shu-ling) with whom his group has been working most closely, stated that he, Chu, had been asked to request the IAEA siting team to advise the GRC on the selection of a possible site for a 200 MW reactor to be used as a pilot plant, and which was to be completed and in operation by 1968 or 69.

- 2. When asked by Mr. McCullen what relation Taiwan Power had to such a proposed plant, Mr. Chu said Tai Power's only interest was that Tai Power had been requested merely to advise the GRC on which of two inland sites was preferable for the location of the proposed 200 MW pilot plant. Upon questioning, Mr. Chu informed Mr. McCullen that the pilot plant was to be sponsored by what Chu called a "consortium" made up of one or two universities (possibly National Tsing Hua University where the present GRC Atoms for Peace reactor is located and National Taiwan University) and other "interests" within the GRC. Mr. McCullen said that Chu mentioned two proposed inland sites: one near Hsinchu (which would place the 200 MW reactor near the present Atoms for Peace reactor) and the other site was near Shihmen Dam (which would place the proposed 200 MW reactor in the vicinity of the Chung-shan Science Research Institute which is under control of the GRC military). Mr. McCullen said that Mr. Chu would provide no further information than that given above.
- 3. Mr. McCullen said his IAEA siting team would be unable to assist the GRC in choosing an inland site for the 200 MW reactor and that his policy would be to "stall" so as not to get involved in a GRC proposal "which I don't like at all". Mr. McCullen said his first reaction was that the other members of the consortium no doubt included the GRC military. When asked what the "consortium" planned to do with the 200 MW of power, McCullen said Mr. Chu was very vague and indicated that this was a question the consortium had not considered.



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- 4. When asked where the GRC would be able to purchase a 200 MW reactor, Mr. McCullen said he did not believe the United States or Canada would be willing to sell such a reactor because of safeguard requirements; the French would probably be unwilling to sell because of their relations with the Chicoms; he was unsure as to what the West German reaction would be to a GRC request; and this left the Swedes who "just might be interested because I understand they are interested in selling a reactor to the Yugoslavs and hence they might be willing to consider a Chinese (GRC) request".
- 5. Note: Given the sensitive nature of the information and the position held by Mr. McCullen, the Embassy requests that the source of this information not be divulged.

For the Charge d'Affaires ad Interim:

Robert L. Brown Counselor of Embassy for Economic Affairs