

Current Class: SECRET
Current Handling: NODIS
Document Number: 1977STATE067316

E67

Page: 1
Channel: n/a

Case Number: 199902647

<<<<.>>>>

PAGE 01 STATE 067316
ORIGIN NODS-00

INFO OCT-01 ISO-00 /001 R

DRAFTED BY EA/ROC:BLEVIN:BDS
APPROVED BY EA:RHOLBROOKE
D - MR. CHRISTOPHER
T - MR. NYE
OES - MS. MINK
ACDA - ADM. DAVIES
S/S:R. PERITO
S/P - MR. ROMBERG/JKALICKI

Dept of State, RPS/IPS, Margaret P. Grafeld, Dir.
 Release Excise Deny Declassify
Date 5/11/04 Exemption _____

-----260213Z 117953 /62
R 260129Z MAR 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY TAIPEI

S E C R E T STATE 067316

NODIS

E.O. 11652: GDS

TAGS: MNUC, TW

SUBJECT: NUCLEAR REPRESENTATION TO THE ROC

1. WE HAVE DECIDED THAT DETERMINED AND FAR-REACHING ACTION IS REQUIRED TO ELIMINATE THE NUCLEAR PROLIFERATION RISK WE NOW FACE ON TAIWAN. ACCORDINGLY, THE AMBASSADOR IS REQUESTED TO CALL ON PREMIER CHIANG AT THE PREMIER'S EARLIEST CONVENIENCE TO MAKE A REPRESENTATION ON THE NUCLEAR ISSUE BASED ON THE TALKING POINTS PRESENTED BELOW. FOLLOWING ORAL PRESENTATION, AMBASSADOR SHOULD LEAVE FORMAL NOTE EMBODYING OUR POSITION. WE ALSO WISH TO PROVIDE THE ROC A SUGGESTED RESPONSE TO OUR SECRET

PAGE 02 STATE 067316

NOTE (TEXTS PROVIDED). IT WOULD PROBABLY BE AWKWARD FOR THE AMBASSADOR TO DO THIS WITH THE PREMIER; WE LEAVE IT TO THE EMBASSY AS TO HOW THIS MIGHT BE BEST HANDLED.

2. DEPARTMENT APPRECIATES EMBASSY'S HELPFUL COMMENTS AND SUGGESTIONS WHICH CONTRIBUTED SIGNIFICANTLY TO THIS IMPORTANT EFFORT. THE EMBASSY'S RECOMMENDATION ON THE

Current Class: SECRET

Page: 1

Case Number: 199902647

MODALITIES OF THE APPROACH WAS GIVEN CAREFUL CONSIDERATION, BUT WE BELIEVE THAT OUR OBJECTIVES WOULD BE BEST SERVED BY CONFINING OUR EFFORT TO THE HIGHEST LEVEL. THE PRESENTATION OF OUR POSITION IN WRITING SHOULD MINIMIZE THE DANGER OF CONFUSION OVER TECHNICAL ISSUES.

3. AT THE PRESENT STAGE, WE SEEK ROC AGREEMENT TO BASIC PRINCIPLES. THERE IS NO GIVE IN OUR POSITION ON THESE PRINCIPLES, ALTHOUGH OBVIOUSLY IMPLEMENTING DETAILS WILL HAVE TO BE WORKED OUT BETWEEN THE TWO COUNTRIES AT A TECHNICAL LEVEL. ONCE THE ROC AGREES TO OUR BASIC POSITION THIS PROCESS CAN BEGIN SHORTLY.

4. YOU SHOULD INFORM THE ROC THAT A PROMPT RESPONSE WOULD BE GREATLY APPRECIATED.

TALKING POINTS:

--I HAVE BEEN INSTRUCTED TO IMPRESS UPON YOU PRESIDENT CARTER'S DETERMINATION TO DO EVERYTHING IN HIS POWER TO PREVENT NUCLEAR PROLIFERATION.

--WE WELCOME YOUR RECENT STATEMENT OF SUPPORT FOR THE PRESIDENT'S POSITION, AS WELL AS THE ROC'S ADHERENCE TO THE NPT, YOUR OWN PUBLIC AVOWALS THAT THE ROC WOULD NOT MANUFACTURE NUCLEAR WEAPONS AND YOUR ASSURANCES OF LAST SEPTEMBER ON REPROCESSING.

SECRET

PAGE 03 STATE 067316

--AS YOU PROBABLY REALIZE, OUR NON-PROLIFERATION POLICY IS GLOBAL IN SCOPE AND MUST BE BASED ON LONG-TERM CONSIDERATIONS. WE MUST BE ABLE TO DEMONSTRATE THAT ASSURANCES AND OBLIGATIONS ARE NOT SUBJECT TO VIOLATION, PARTICULARLY IN COUNTRIES WHERE THERE IS A HIGH POTENTIAL FOR THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY. THIS IS ESPECIALLY TRUE IN THOSE COUNTRIES WHICH HAVE BEEN CLOSELY ASSOCIATED WITH US IN THE NUCLEAR FIELD.

--THE ROC CLEARLY FITS INTO THIS CATEGORY. YOU HAVE PUBLICLY ACKNOWLEDGED THAT THE ROC HAS THE CAPABILITY TO DEVELOP NUCLEAR WEAPONS.

--BY NOW YOU ARE PROBABLY AWARE THAT THE US TEAM FOUND SERIOUS PROBLEMS WITH THE ACTIVITIES CARRIED OUT AT THE INSTITUTE OF NUCLEAR ENERGY RESEARCH (INER).

Current Class: SECRET

Page: 2

Case Number: 199902647

--I MUST FRANKLY STATE THAT FOLLOWING A REVIEW OF ALL THE AVAILABLE EVIDENCE, THE US IS CONVINCED THAT MUCH OF INER'S CURRENT ACTIVITIES HAVE FAR GREATER RELEVANCE TO A NUCLEAR EXPLOSIVE RESEARCH PROGRAM THAN TO THE ROC'S NUCLEAR POWER PROGRAM.

--THIS IS OF GREATEST CONCERN TO US AND UNLESS THE ROC'S NUCLEAR PROGRAM IS SIGNIFICANTLY MODIFIED TO ELIMINATE

ALL PROLIFERATION RISKS, WE WILL NOT BE ABLE TO CONTINUE COOPERATION ON PEACEFUL NUCLEAR ENERGY MATTERS. OTHER IMPORTANT RELATIONSHIPS BETWEEN US WILL ALSO SUFFER.

--WE RECOGNIZE THAT WE ARE REQUESTING MAJOR CHANGES IN THE ROC'S NUCLEAR PROGRAM, SOME OF WHICH ARISE FROM A CHANGE IN OUR OWN ATTITUDE TOWARD CERTAIN TYPES OF RESEARCH. NEVERTHELESS, WE SEE NO OTHER MEANS OF SUSTAINING BOTH OUR DEEP COMMITMENT TO NON-PROLIFERATION AND OUR PEACEFUL NUCLEAR RELATIONSHIP WITH THE ROC.

SECRET

PAGE 04 STATE 067316

--WE BELIEVE OUR MUTUAL INTERESTS ARE SERVED BY CONTINUED COOPERATION ON PEACEFUL NUCLEAR ENERGY MATTERS. FOR US TO BE SUFFICIENTLY ASSURED ABOUT THE ROC'S NUCLEAR PROGRAM TO PERMIT SUCH COOPERATION, WE DESIRE YOUR GOVERNMENT'S AGREEMENT ON THE FOLLOWING STEPS:

1. INCLUDE ALL PRESENT AND FUTURE ROC NUCLEAR FACILITIES AND MATERIALS UNDER THE US/ROC BILATERAL AGREEMENT FOR COOPERATION.
2. DISPOSE OF SPENT FUEL FROM EXISTING AND FUTURE REACTORS UNDER MUTUALLY ACCEPTABLE CONDITIONS.
3. TERMINATE ALL FUEL CYCLE ACTIVITIES AND REORIENT FACILITIES INVOLVING OR LEADING TO WEAPONS-USABLE MATERIALS, SUCH AS THE SEPARATION OR HANDLING OF PLUTONIUM AND URANIUM-233, AND DEVELOPMENT OF URANIUM ENRICHMENT AND HEAVY WATER PRODUCTION CAPABILITIES.
4. AVOID ANY PROGRAM OR ACTIVITY WHICH, UPON CONSULTATION WITH THE US, IS DETERMINED TO HAVE APPLICATION TO THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY.
5. TRANSFER ALL PRESENT HOLDINGS OF PLUTONIUM TO THE US UNDER APPROPRIATE COMPENSATORY ARRANGEMENTS.

Case Number: 199902647

6. PENDING ESTABLISHMENT OF A MUTUALLY ACCEPTABLE RESEARCH PROGRAM, DISPOSITION OF SPENT FUEL IN A MUTUALLY ACCEPTABLE MANNER, AND A MUTUAL DETERMINATION THAT EFFECTIVE SAFEGUARDS COULD BE APPLIED TO THE REACTOR AND ASSOCIATED FACILITIES, SUSPEND OPERATION OF THE TRR AND NOTIFY THE IAEA OF YOUR GOVERNMENT'S ACTION.

SECRET

PAGE 05 STATE 067316

--WE HAVE HEARD THAT THE IAEA IS ALSO CONCERNED ABOUT THE DIRECTION OF YOUR GOVERNMENT'S NUCLEAR RESEARCH PROGRAM. PROMPT AND FAVORABLE ROC ACTION ON THE ABOVE POINTS MIGHT EASE THESE IAEA CONCERNS AND PERHAPS REDUCE THE POSSIBILITY OF IAEA MEASURES WHICH COULD COMPLICATE BOTH OUR EFFORTS TO DEAL WITH THIS PROBLEM.

--WHILE THESE STEPS WILL INVOLVE SUBSTANTIAL REORIENTATION IN YOUR NUCLEAR RESEARCH PROGRAM, IN OUR VIEW THEY WILL NOT HAVE AN ADVERSE IMPACT ON YOUR CURRENT NUCLEAR POWER PROGRAM.

--TO AVOID MISUNDERSTANDING, WE ARE PROVIDING YOU THE US POSITION IN WRITING AND WOULD APPRECIATE YOUR GOVERNMENT'S REPLY IN WRITING.

--FOLLOWING RECEIPT OF YOUR REPLY, WE WOULD BE PREPARED TO SEND A TEAM OF NUCLEAR EXPERTS TO WORK OUT WITH YOUR SCIENTISTS THE DETAILS AND TECHNICAL ARRANGEMENTS REQUIRED TO GIVE EFFECT TO THE BASIC AGREEMENT REACHED BETWEEN OUR GOVERNMENTS.

--ADDITIONALLY, WE ARE WILLING TO PROVIDE TECHNICAL ADVICE AND ASSISTANCE IN REORIENTING INER'S RESEARCH ACTIVITIES TOWARD EXCLUSIVELY PEACEFUL PURPOSES.

--IN CONCLUSION, I AGAIN WISH TO STRESS THAT WE ARE COUNTING ON COMPLETE ROC COOPERATION IN OUR EFFORT TO REDUCE THE DANGERS OF PROLIFERATION FACING MANKIND. I BELIEVE WE BOTH HAVE AN OPPORTUNITY TO DEMONSTRATE TO THE REST OF THE WORLD OUR JOINT COMMITMENT TO NON-PROLIFERATION.

SECRET

PAGE 06 STATE 067316

Case Number: 199902647

--IF ASKED ABOUT THE US ATTITUDE TOWARD ROC DEVELOPMENT OF A HEAVY WATER REACTOR, YOU SHOULD STATE THAT WE WOULD HAVE TO STUDY THE MATTER. IMPLEMENTATION OF THE OTHER STEPS WE DISCUSSED SHOULD NOT AWAIT A DECISION ON THIS QUESTION.

--IF ASKED WHETHER COMPLIANCE WITH OUR REQUESTS WILL RESULT IN A GUARANTEED NUCLEAR FUEL SUPPLY, YOU SHOULD REPLY THAT WHILE WE CANNOT MAKE AN ABSOLUTE COMMITMENT BECAUSE OF CONGRESSIONAL AND INDEPENDENT REGULATORY AGENCY PREROGATIVES, WE WOULD DO OUR BEST TO SATISFY ROC REQUIREMENTS.

US NOTE TO THE ROC:

(COMPLIMENTARY OPENING)

THE GOVERNMENT OF THE UNITED STATES VIEWS THE PREVENTION OF FURTHER PROLIFERATION OF NUCLEAR WEAPONS AS ONE OF THE MOST IMPORTANT TASKS FACING THE INTERNATIONAL COMMUNITY, AND CONSIDERS IT VITAL THAT COUNTRIES AVOID ACTIVITIES WHICH IN ANY FASHION CAST DOUBT AS TO THEIR NUCLEAR INTENTIONS.

THE US BELIEVES IT IMPORTANT IN THAT REGARD, THAT THE REPUBLIC OF CHINA TAKE CERTAIN STEPS TO REORIENT ITS PROGRAM FOR THE PEACEFUL USES OF ATOMIC POWER IN ORDER TO DISPEL ANY RESIDUAL DOUBTS AS TO ROC INTENTIONS OR CAPABILITIES. TOWARD THAT END, THE US BELIEVES THE FOLLOWING MEASURES SHOULD BE ADOPTED:

1. ALL NUCLEAR MATERIALS, EQUIPMENT AND FACILITIES CURRENTLY IN THE REPUBLIC OF CHINA OR WHICH MAY SUBSEQUENTLY BE ACQUIRED OR CONSTRUCTED WOULD HENCEFORTH BE COVERED BY THE PROVISIONS OF ARTICLES VIII, X, XI, XII OF THE AGREEMENT FOR COOPERATION BETWEEN
SECRET

PAGE 07 STATE 067316

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA CONCERNING CIVIL USES OF ATOMIC ENERGY, SIGNED AT WASHINGTON, APRIL 4, 1972, AS AMENDED, IN THE SAME MANNER AS IF SUCH MATERIALS, EQUIPMENT AND FACILITIES HAD BEEN RECEIVED FROM THE UNITED STATES. IN THAT REGARD, WE WOULD APPRECIATE REAFFIRMATION BY THE ROC OF ITS OFFER TO OPEN ALL OF ITS NUCLEAR FACILITIES TO THE US GOVERNMENT ON A CONTINUING BASIS.

Case Number: 199902647

2. ALL SPENT FUEL FROM EXISTING AND FUTURE REACTORS LOCATED IN THE ROC WOULD BE DISPOSED OF UNDER CONDITIONS MUTUALLY ACCEPTABLE TO OUR TWO GOVERNMENTS.

3. THE ROC WOULD TERMINATE ALL FUEL CYCLE ACTIVITIES AND REORIENT FACILITIES INVOLVING OR LEADING TO WEAPONS-USABLE MATERIALS, SUCH AS THE SEPARATION OR HANDLING OF PLUTONIUM AND URANIUM-233, AND THE DEVELOPMENT OF URANIUM ENRICHMENT AND HEAVY WATER PRODUCTION CAPABILITIES.

4. THE ROC WOULD TRANSFER ALL PRESENT HOLDINGS OF PLUTONIUM TO THE US UNDER APPROPRIATE COMPENSATORY ARRANGEMENTS.

5. THE ROC WOULD HENCEFORTH AVOID ANY PROGRAM OR ACTIVITY WHICH, UPON CONSULTATION WITH THE US, IS DETERMINED TO HAVE APPLICATION TO THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY.

6. PENDING ESTABLISHMENT OF A RESEARCH PROGRAM ACCEPTABLE TO OUR TWO GOVERNMENTS, DISPOSITION OF SPENT FUEL IN A MUTUALLY ACCEPTABLE MANNER, AND A MUTUAL DETERMINATION THAT EFFECTIVE SAFEGUARDS COULD BE APPLIED TO THE REACTOR AND ASSOCIATED FACILITIES, THE ROC WOULD SUSPEND OPERATION OF THE TRR AND
SECRET

PAGE 08 STATE 067316

WOULD SO NOTIFY THE IAEA.

AGREEMENT TO THESE MEASURES BY THE GOVERNMENT OF THE REPUBLIC OF CHINA WILL BE OF SIGNIFICANCE IN ASSURING A CONTINUATION OF OUR MUTUAL COOPERATION IN THE USE OF NUCLEAR POWER TO PRODUCE ELECTRICITY. MOREOVER, BY UNDERTAKING THESE MEASURES THE ROC CAN MAKE AN IMPORTANT CONTRIBUTION TO A REDUCTION IN THE DANGERS OF NUCLEAR PROLIFERATION, AND TO THE SOLUTION OF GLOBAL ENERGY PROBLEMS.

(COMPLIMENTARY CLOSING)

SUGGESTED ROC REPLY:

(COMPLIMENTARY OPENING)

THE GOVERNMENT OF THE REPUBLIC OF CHINA, AS A PARTY TO THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS, AND AS A PARTY TO SAFEGUARDS AGREEMENTS WITH

Case Number: 199902647

THE INTERNATIONAL ATOMIC ENERGY AGENCY STRONGLY SUPPORTS THE GOAL OF NON-PROLIFERATION, AND REITERATES ITS DETERMINATION TO UTILIZE NUCLEAR POWER EXCLUSIVELY FOR PEACEFUL PURPOSES. TO THAT END, THE GOVERNMENT OF THE REPUBLIC OF CHINA IN ITS NOTE OF SEPTEMBER 17, 1976, INDICATED THAT IT WOULD HENCEFORTH NOT ENGAGE IN ANY ACTIVITIES RELATED TO REPROCESSING.

IN ORDER TO PUT PERMANENTLY TO REST ANY QUESTION AS TO ITS DETERMINATION TO UTILIZE THE ATOM SOLELY FOR PEACEFUL PURPOSES, THE ROC HAS DECIDED UPON THE FOLLOWING ADDITIONAL POLICIES:

1. ALL NUCLEAR MATERIALS, EQUIPMENT AND FACILITIES CURRENTLY IN THE REPUBLIC OF CHINA OR WHICH MAY SUBSEQUENTLY BE ACQUIRED OR CONSTRUCTED SHALL HENCE-
SECRET

PAGE 09 STATE 067316

FORTH BE COVERED BY THE PROVISIONS OF ARTICLES VIII, X, XI, AND XII OF THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES

OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA CONCERNING CIVIL USES OF ATOMIC ENERGY, SIGNED AT WASHINGTON, APRIL 4, 1972, AS AMENDED, IN THE SAME MANNER AS IF SUCH MATERIALS, EQUIPMENT AND FACILITIES HAD BEEN RECEIVED FROM THE UNITED STATES. IN THAT REGARD, THE GOVERNMENT OF THE REPUBLIC OF CHINA REAFFIRMS ITS OFFER TO OPEN ALL OF ITS NUCLEAR FACILITIES TO THE US GOVERNMENT ON A CONTINUING BASIS.

2. ANY SPENT FUEL FROM EXISTING AND FUTURE REACTORS LOCATED IN THE ROC WILL BE DISPOSED OF UNDER CONDITIONS MUTUALLY ACCEPTABLE TO OUR TWO GOVERNMENTS.
3. THE ROC WILL TERMINATE ALL FUEL CYCLE ACTIVITIES AND REORIENT FACILITIES INVOLVING OR LEADING TO WEAPONS-USABLE MATERIALS, SUCH AS THE SEPARATION OR HANDLING OF PLUTONIUM AND U-233, AND THE DEVELOPMENT OF URANIUM ENRICHMENT AND HEAVY WATER PRODUCTION CAPABILITIES.
4. THE ROC WILL TRANSFER ALL PRESENT HOLDINGS OF PLUTONIUM TO THE US UNDER APPROPRIATE COMPENSATORY ARRANGEMENTS.

Current Class: SECRET
Current Handling: NODIS
Document Number: 1977STATE067316

Page: 8
Channel: n/a

Case Number: 199902647

5. THE ROC WILL HENCEFORTH AVOID ANY PROGRAM OR ACTIVITY WHICH, UPON CONSULTATION WITH THE US, IS DETERMINED TO HAVE APPLICATION TO THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY.

6. THE GOVERNMENT OF THE REPUBLIC OF CHINA HAS
SECRET

PAGE 10 STATE 067316

DECIDED TO REORIENT THE ACTIVITIES AT INER. ACCORDINGLY, THE ROC HAS SUSPENDED OPERATION OF THE TRR PENDING ESTABLISHMENT OF A MUTUALLY ACCEPTABLE RESEARCH PROGRAM, DISPOSITION OF SPENT FUEL IN A MUTUALLY ACCEPTABLE MANNER, AND MUTUAL DETERMINATION THAT EFFECTIVE SAFEGUARDS CAN AND WILL BE APPLIED TO THE REACTOR AND ASSOCIATED FACILITIES AND HAS SO NOTIFIED THE IAEA.
VANCE

SECRET

PAGE 01 STATE 067316
ORIGIN NODS-00

INFO OCT-01 ISO-00 /001 R

66011
DRAFTED BY S/S:RPERITO:WES
APPROVED BY S/S:RPERITO

-----260556Z 121773 /21

O 260507Z MAR 77 ZFF4
FM SECSTATE WASHDC
TO WHITE HOUSE IMMEDIATE

S E C R E T STATE 067316

NODIS
FOR DR. Z. BRZEZINSKI ONLY

FOL RPT STATE 067316 ACTION TAIPEI DATED 26 MAR 77

QUOTE: S E C R E T STATE 067316

NODIS

E.O. 11652: GDS

TAGS: MNUC, TW

Current Class: SECRET

Page: 8

Case Number: 199902647

SUBJECT: NUCLEAR REPRESENTATION TO THE ROC

1. WE HAVE DECIDED THAT DETERMINED AND FAR-REACHING ACTION IS REQUIRED TO ELIMINATE THE NUCLEAR PROLIFERATION RISK WE NOW FACE ON TAIWAN. ACCORDINGLY, THE AMBASSADOR IS REQUESTED TO CALL ON PREMIER CHIANG AT THE PREMIER'S EARLIEST CONVENIENCE TO MAKE A REPRESENTATION ON THE NUCLEAR ISSUE BASED ON THE TALKING POINTS PRESENTED BELOW. FOLLOWING ORAL PRESENTATION, AMBASSADOR SHOULD LEAVE FORMAL NOTE EMBODYING OUR POSITION. WE
SECRET

PAGE 02 STATE 067316

ALSO WISH TO PROVIDE THE ROC A SUGGESTED RESPONSE TO OUR NOTE (TEXTS PROVIDED). IT WOULD PROBABLY BE AWKWARD FOR THE AMBASSADOR TO DO THIS WITH THE PREMIER; WE LEAVE IT TO THE EMBASSY AS TO HOW THIS MIGHT BE BEST HANDLED.

2. DEPARTMENT APPRECIATES EMBASSY'S HELPFUL COMMENTS AND SUGGESTIONS WHICH CONTRIBUTED SIGNIFICANTLY TO THIS IMPORTANT EFFORT. THE EMBASSY'S RECOMMENDATION ON THE MODALITIES OF THE APPROACH WAS GIVEN CAREFUL CONSIDERATION, BUT WE BELIEVE THAT OUR OBJECTIVES WOULD BE BEST SERVED BY CONFINING OUR EFFORT TO THE HIGHEST LEVEL. THE PRESENTATION OF OUR POSITION IN WRITING SHOULD MINIMIZE THE DANGER OF CONFUSION OVER TECHNICAL ISSUES.

3. AT THE PRESENT STAGE, WE SEEK ROC AGREEMENT TO BASIC PRINCIPLES. THERE IS NO GIVE IN OUR POSITION ON THESE PRINCIPLES, ALTHOUGH OBVIOUSLY IMPLEMENTING DETAILS WILL HAVE TO BE WORKED OUT BETWEEN THE TWO COUNTRIES AT A TECHNICAL LEVEL. ONCE THE ROC AGREES TO OUR BASIC POSITION THIS PROCESS CAN BEGIN SHORTLY.

4. YOU SHOULD INFORM THE ROC THAT A PROMPT RESPONSE WOULD BE GREATLY APPRECIATED.

TALKING POINTS:

--I HAVE BEEN INSTRUCTED TO IMPRESS UPON YOU PRESIDENT CARTER'S DETERMINATION TO DO EVERYTHING IN HIS POWER TO PREVENT NUCLEAR PROLIFERATION.

--WE WELCOME YOUR RECENT STATEMENT OF SUPPORT FOR THE PRESIDENT'S POSITION, AS WELL AS THE ROC'S ADHERENCE TO THE NPT, YOUR OWN PUBLIC AVOWALS THAT THE ROC WOULD NOT MANUFACTURE NUCLEAR WEAPONS AND YOUR ASSURANCES OF LAST SEPTEMBER ON REPROCESSING.

Case Number: 199902647

SECRET

PAGE 03 STATE 067316

--AS YOU PROBABLY REALIZE, OUR NON-PROLIFERATION POLICY IS GLOBAL IN SCOPE AND MUST BE BASED ON LONG-TERM CONSIDERATIONS. WE MUST BE ABLE TO DEMONSTRATE THAT ASSURANCES AND OBLIGATIONS ARE NOT SUBJECT TO VIOLATION, PARTICULARLY IN COUNTRIES WHERE THERE IS A HIGH POTENTIAL FOR THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY. THIS IS ESPECIALLY TRUE IN THOSE COUNTRIES WHICH HAVE BEEN CLOSELY ASSOCIATED WITH US IN THE NUCLEAR FIELD.

--THE ROC CLEARLY FITS INTO THIS CATEGORY. YOU HAVE PUBLICLY ACKNOWLEDGED THAT THE ROC HAS THE CAPABILITY TO DEVELOP NUCLEAR WEAPONS.

--BY NOW YOU ARE PROBABLY AWARE THAT THE US TEAM FOUND SERIOUS PROBLEMS WITH THE ACTIVITIES CARRIED OUT AT THE INSTITUTE OF NUCLEAR ENERGY RESEARCH (INER).

--I MUST FRANKLY STATE THAT FOLLOWING A REVIEW OF ALL THE AVAILABLE EVIDENCE, THE US IS CONVINCED THAT MUCH OF INER'S CURRENT ACTIVITIES HAVE FAR GREATER RELEVANCE TO A NUCLEAR EXPLOSIVE RESEARCH PROGRAM THAN TO THE ROC'S NUCLEAR POWER PROGRAM.

--THIS IS OF GREATEST CONCERN TO US AND UNLESS THE ROC'S NUCLEAR PROGRAM IS SIGNIFICANTLY MODIFIED TO ELIMINATE

ALL PROLIFERATION RISKS, WE WILL NOT BE ABLE TO CONTINUE COOPERATION ON PEACEFUL NUCLEAR ENERGY MATTERS. OTHER IMPORTANT RELATIONSHIPS BETWEEN US WILL ALSO SUFFER.

--WE RECOGNIZE THAT WE ARE REQUESTING MAJOR CHANGES IN THE ROC'S NUCLEAR PROGRAM, SOME OF WHICH ARISE FROM A CHANGE IN OUR OWN ATTITUDE TOWARD CERTAIN TYPES OF RESEARCH. NEVERTHELESS, WE SEE NO OTHER MEANS OF SUSTAINING BOTH OUR DEEP COMMITMENT TO NON-PROLIFERATION AND
SECRET

PAGE 04 STATE 067316

OUR PEACEFUL NUCLEAR RELATIONSHIP WITH THE ROC.

--WE BELIEVE OUR MUTUAL INTERESTS ARE SERVED BY CONTINUED COOPERATION ON PEACEFUL NUCLEAR ENERGY MATTERS. FOR US TO BE SUFFICIENTLY ASSURED ABOUT THE ROC'S NUCLEAR PROGRAM TO PERMIT SUCH COOPERATION, WE DESIRE YOUR GOVERNMENT'S AGREEMENT ON THE FOLLOWING STEPS:

Case Number: 199902647

1. INCLUDE ALL PRESENT AND FUTURE ROC NUCLEAR FACILITIES AND MATERIALS UNDER THE US/ROC BILATERAL AGREEMENT FOR COOPERATION.
2. DISPOSE OF SPENT FUEL FROM EXISTING AND FUTURE REACTORS UNDER MUTUALLY ACCEPTABLE CONDITIONS.
3. TERMINATE ALL FUEL CYCLE ACTIVITIES AND REORIENT FACILITIES INVOLVING OR LEADING TO WEAPONS-USABLE MATERIALS, SUCH AS THE SEPARATION OR HANDLING OF PLUTONIUM AND URANIUM-233, AND DEVELOPMENT OF URANIUM ENRICHMENT AND HEAVY WATER PRODUCTION CAPABILITIES.
4. AVOID ANY PROGRAM OR ACTIVITY WHICH, UPON CONSULTATION WITH THE US, IS DETERMINED TO HAVE APPLICATION TO THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY.
5. TRANSFER ALL PRESENT HOLDINGS OF PLUTONIUM TO THE US UNDER APPROPRIATE COMPENSATORY ARRANGEMENTS.
6. PENDING ESTABLISHMENT OF A MUTUALLY ACCEPTABLE RESEARCH PROGRAM, DISPOSITION OF SPENT FUEL IN A MUTUALLY ACCEPTABLE MANNER, AND A MUTUAL DETERMINATION THAT EFFECTIVE SAFEGUARDS COULD BE APPLIED TO THE REACTOR AND ASSOCIATED FACILITIES, SUSPEND OPERATION OF THE TRR AND NOTIFY THE IAEA OF YOUR
SECRET

PAGE 05 STATE 067316

GOVERNMENT'S ACTION.

--WE HAVE HEARD THAT THE IAEA IS ALSO CONCERNED ABOUT THE DIRECTION OF YOUR GOVERNMENT'S NUCLEAR RESEARCH PROGRAM. PROMPT AND FAVORABLE ROC ACTION ON THE ABOVE POINTS MIGHT EASE THESE IAEA CONCERNS AND PERHAPS REDUCE THE POSSIBILITY OF IAEA MEASURES WHICH COULD COMPLICATE BOTH OUR EFFORTS TO DEAL WITH THIS PROBLEM.

--WHILE THESE STEPS WILL INVOLVE SUBSTANTIAL REORIENTATION IN YOUR NUCLEAR RESEARCH PROGRAM, IN OUR VIEW THEY WILL NOT HAVE AN ADVERSE IMPACT ON YOUR CURRENT NUCLEAR POWER PROGRAM.

--TO AVOID MISUNDERSTANDING, WE ARE PROVIDING YOU THE US POSITION IN WRITING AND WOULD APPRECIATE YOUR

Case Number: 199902647

GOVERNMENT'S REPLY IN WRITING.

--FOLLOWING RECEIPT OF YOUR REPLY, WE WOULD BE PREPARED TO SEND A TEAM OF NUCLEAR EXPERTS TO WORK OUT WITH YOUR SCIENTISTS THE DETAILS AND TECHNICAL ARRANGEMENTS REQUIRED TO GIVE EFFECT TO THE BASIC AGREEMENT REACHED BETWEEN OUR GOVERNMENTS.

--ADDITIONALLY, WE ARE WILLING TO PROVIDE TECHNICAL ADVICE AND ASSISTANCE IN REORIENTING INER'S RESEARCH ACTIVITIES TOWARD EXCLUSIVELY PEACEFUL PURPOSES.

--IN CONCLUSION, I AGAIN WISH TO STRESS THAT WE ARE COUNTING ON COMPLETE ROC COOPERATION IN OUR EFFORT TO REDUCE THE DANGERS OF PROLIFERATION FACING MANKIND. I BELIEVE WE BOTH HAVE AN OPPORTUNITY TO DEMONSTRATE TO THE REST OF THE WORLD OUR JOINT COMMITMENT TO NON-PROLIFERATION.

SECRET

PAGE 06 STATE 067316

--IF ASKED ABOUT THE US ATTITUDE TOWARD ROC DEVELOPMENT OF A HEAVY WATER REACTOR, YOU SHOULD STATE THAT WE WOULD HAVE TO STUDY THE MATTER. IMPLEMENTATION OF THE OTHER STEPS WE DISCUSSED SHOULD NOT AWAIT A DECISION ON THIS QUESTION.

--IF ASKED WHETHER COMPLIANCE WITH OUR REQUESTS WILL RESULT IN A GUARANTEED NUCLEAR FUEL SUPPLY, YOU SHOULD REPLY THAT WHILE WE CANNOT MAKE AN ABSOLUTE COMMITMENT BECAUSE OF CONGRESSIONAL AND INDEPENDENT REGULATORY AGENCY PREROGATIVES, WE WOULD DO OUR BEST TO SATISFY ROC REQUIREMENTS.

US NOTE TO THE ROC:

(COMPLIMENTARY OPENING)

THE GOVERNMENT OF THE UNITED STATES VIEWS THE PREVENTION OF FURTHER PROLIFERATION OF NUCLEAR WEAPONS AS ONE OF THE MOST IMPORTANT TASKS FACING THE INTERNATIONAL COMMUNITY, AND CONSIDERS IT VITAL THAT COUNTRIES AVOID ACTIVITIES WHICH IN ANY FASHION CAST DOUBT AS TO THEIR NUCLEAR INTENTIONS.

THE US BELIEVES IT IMPORTANT IN THAT REGARD, THAT THE REPUBLIC OF CHINA TAKE CERTAIN STEPS TO REORIENT ITS PROGRAM FOR THE PEACEFUL USES OF ATOMIC POWER IN ORDER TO DISPEL ANY RESIDUAL DOUBTS AS TO ROC INTENTIONS OR

Case Number: 199902647

CAPABILITIES. TOWARD THAT END, THE US BELIEVES THE FOLLOWING MEASURES SHOULD BE ADOPTED:

1. ALL NUCLEAR MATERIALS, EQUIPMENT AND FACILITIES CURRENTLY IN THE REPUBLIC OF CHINA OR WHICH MAY SUBSEQUENTLY BE ACQUIRED OR CONSTRUCTED WOULD HENCEFORTH BE COVERED BY THE PROVISIONS OF ARTICLES VIII, SECRET

PAGE 07 STATE 067316

X, XI, XII OF THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA CONCERNING CIVIL USES OF ATOMIC ENERGY, SIGNED AT WASHINGTON, APRIL 4, 1972, AS AMENDED, IN THE SAME MANNER AS IF SUCH MATERIALS, EQUIPMENT AND FACILITIES HAD BEEN RECEIVED FROM THE UNITED STATES. IN THAT REGARD, WE WOULD APPRECIATE REAFFIRMATION BY THE ROC OF ITS OFFER TO OPEN ALL OF ITS NUCLEAR FACILITIES TO THE US GOVERNMENT ON A CONTINUING BASIS.

2. ALL SPENT FUEL FROM EXISTING AND FUTURE REACTORS LOCATED IN THE ROC WOULD BE DISPOSED OF UNDER CONDITIONS MUTUALLY ACCEPTABLE TO OUR TWO GOVERNMENTS.

3. THE ROC WOULD TERMINATE ALL FUEL CYCLE ACTIVITIES AND REORIENT FACILITIES INVOLVING OR LEADING TO WEAPONS-USABLE MATERIALS, SUCH AS THE SEPARATION OR HANDLING OF PLUTONIUM AND URANIUM-233, AND THE DEVELOPMENT OF URANIUM ENRICHMENT AND HEAVY WATER PRODUCTION CAPABILITIES.

4. THE ROC WOULD TRANSFER ALL PRESENT HOLDINGS OF PLUTONIUM TO THE US UNDER APPROPRIATE COMPENSATORY ARRANGEMENTS.

5. THE ROC WOULD HENCEFORTH AVOID ANY PROGRAM OR ACTIVITY WHICH, UPON CONSULTATION WITH THE US, IS DETERMINED TO HAVE APPLICATION TO THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY.

6. PENDING ESTABLISHMENT OF A RESEARCH PROGRAM ACCEPTABLE TO OUR TWO GOVERNMENTS, DISPOSITION OF SPENT FUEL IN A MUTUALLY ACCEPTABLE MANNER, AND A MUTUAL DETERMINATION THAT EFFECTIVE SAFEGUARDS COULD BE APPLIED TO THE REACTOR AND ASSOCIATED FACILI-

SECRET

PAGE 08 STATE 067316

Case Number: 199902647

TIES, THE ROC WOULD SUSPEND OPERATION OF THE TRR AND WOULD SO NOTIFY THE IAEA.

AGREEMENT TO THESE MEASURES BY THE GOVERNMENT OF THE REPUBLIC OF CHINA WILL BE OF SIGNIFICANCE IN ASSURING A CONTINUATION OF OUR MUTUAL COOPERATION IN THE USE OF NUCLEAR POWER TO PRODUCE ELECTRICITY. MOREOVER, BY UNDERTAKING THESE MEASURES THE ROC CAN MAKE AN IMPORTANT CONTRIBUTION TO A REDUCTION IN THE DANGERS OF NUCLEAR PROLIFERATION, AND TO THE SOLUTION OF GLOBAL ENERGY PROBLEMS.

(COMPLIMENTARY CLOSING)

SUGGESTED ROC REPLY:

(COMPLIMENTARY OPENING)

THE GOVERNMENT OF THE REPUBLIC OF CHINA, AS A PARTY TO THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS, AND AS A PARTY TO SAFEGUARDS AGREEMENTS WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY STRONGLY SUPPORTS THE GOAL OF NON-PROLIFERATION, AND REITERATES ITS DETERMINATION TO UTILIZE NUCLEAR POWER EXCLUSIVELY FOR PEACEFUL PURPOSES. TO THAT END, THE GOVERNMENT OF THE REPUBLIC OF CHINA IN ITS NOTE OF SEPTEMBER 17, 1976, INDICATED THAT IT WOULD HENCEFORTH NOT ENGAGE IN ANY ACTIVITIES RELATED TO REPROCESSING.

IN ORDER TO PUT PERMANENTLY TO REST ANY QUESTION AS TO ITS DETERMINATION TO UTILIZE THE ATOM SOLELY FOR PEACEFUL PURPOSES, THE ROC HAS DECIDED UPON THE FOLLOWING ADDITIONAL POLICIES:

1. ALL NUCLEAR MATERIALS, EQUIPMENT AND FACILITIES CURRENTLY IN THE REPUBLIC OF CHINA OR WHICH MAY

SECRET

PAGE 09 STATE 067316

SUBSEQUENTLY BE ACQUIRED OR CONSTRUCTED SHALL HENCEFORTH BE COVERED BY THE PROVISIONS OF ARTICLES VIII, X, XI, AND XII OF THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES

OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA CONCERNING CIVIL USES OF ATOMIC ENERGY, SIGNED AT WASHINGTON, APRIL 4, 1972, AS AMENDED, IN THE SAME MANNER AS IF SUCH MATERIALS, EQUIPMENT AND FACILITIES HAD BEEN RECEIVED FROM THE UNITED

Case Number: 199902647

STATES. IN THAT REGARD, THE GOVERNMENT OF THE REPUBLIC OF CHINA REAFFIRMS ITS OFFER TO OPEN ALL OF ITS NUCLEAR FACILITIES TO THE US GOVERNMENT ON A CONTINUING BASIS.

2. ANY SPENT FUEL FROM EXISTING AND FUTURE REACTORS LOCATED IN THE ROC WILL BE DISPOSED OF UNDER CONDITIONS MUTUALLY ACCEPTABLE TO OUR TWO GOVERNMENTS.

3. THE ROC WILL TERMINATE ALL FUEL CYCLE ACTIVITIES AND REORIENT FACILITIES INVOLVING OR LEADING TO WEAPONS-USABLE MATERIALS, SUCH AS THE SEPARATION OR HANDLING OF PLUTONIUM AND U-233, AND THE DEVELOPMENT OF URANIUM ENRICHMENT AND HEAVY WATER PRODUCTION CAPABILITIES.

4. THE ROC WILL TRANSFER ALL PRESENT HOLDINGS OF PLUTONIUM TO THE US UNDER APPROPRIATE COMPENSATORY ARRANGEMENTS.

5. THE ROC WILL HENCEFORTH AVOID ANY PROGRAM OR ACTIVITY WHICH, UPON CONSULTATION WITH THE US, IS DETERMINED TO HAVE APPLICATION TO THE DEVELOPMENT OF A NUCLEAR EXPLOSIVE CAPABILITY.

SECRET

PAGE 10 STATE 067316

6. THE GOVERNMENT OF THE REPUBLIC OF CHINA HAS DECIDED TO REORIENT THE ACTIVITIES AT INER. ACCORDINGLY, THE ROC HAS SUSPENDED OPERATION OF THE TRR PENDING ESTABLISHMENT OF A MUTUALLY ACCEPTABLE RESEARCH PROGRAM, DISPOSITION OF SPENT FUEL IN A MUTUALLY ACCEPTABLE MANNER, AND MUTUAL DETERMINATION THAT EFFECTIVE SAFEGUARDS CAN AND WILL BE APPLIED TO THE REACTOR AND ASSOCIATED FACILITIES AND HAS SO NOTIFIED THE IAEA. VANCE UNQUOTE CHRISTOPHER

SECRET

<< END OF DOCUMENT >>