



DEPARTMENT OF STATE

Washington, D.C. 20520

~~GS FYI~~
SAA 200165360000 (6)

~~URGENT~~

*Christopher
took final
copy to
Taiwan
RH*

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December 22, 1978

TO: D - Mr. Oxman
S/AS - Kelley
T/D - Salmon
EA - Zinoman, Thayer
OES/NET - Nosenzo
PM/NP - Humphreys
ACDA/NP - Van Doren

FROM: L/N - Ronald J. Bettauer **RJB**
SUBJ: Taiwan Memo on Nuclear Issues

Attached is a redraft of the paper distributed by Mr. Van Doren this morning. (I have already cleared this draft with Messrs. Michel and Orlins in L.)

As you know, Mr. Christopher requested Mr. Pickering to provide this memo today. I need your clearance and comments on a most urgent basis. I would appreciate hearing from you by 4:30, at which time I will commence typing the draft in final.

L/N: RJBettauer:avw
20495 12/22

cc: L - Mr. Hansell
OES - Mr. Pickering

STATE DEPT. DECLASSIFICATION REVIEW

Retain Class'n Change to _____
 Declassify in part and excise as shown
EO 12958, 25X(6), (9) Release 12/2001

Declassify After _____
the occurrence of _____
IPS by *[Signature]* Date (obtained)
JUL 11 2002

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DEPARTMENT OF ENERGY DECLASSIFICATION REVIEW	
1ST REVIEW DATE: <i>6/1/03</i>	DETERMINATION (CIRCLE NUMBER(S))
AUTHORITY: <input type="checkbox"/> AOC <input type="checkbox"/> ADC <input type="checkbox"/> ADD	1. CLASSIFICATION RETAINED
NAME: <i>Harold Ryle</i>	2. CLASSIFICATION CHANGED TO:
2ND REVIEW DATE: <i>6/7/03</i>	<input checked="" type="checkbox"/> 3. CONTAINS NO DOE CLASSIFIED INFO
AUTHORITY: <i>[Signature]</i>	4. COORDINATE WITH:
NAME: <i>[Signature]</i>	5. CLASSIFICATION CANCELLED
	6. CLASSIFIED INFO BRACKETED
	7. OTHER (SPECIFY):

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TO: The Deputy Secretary
FROM: E - Herbert Hansell
OES - Thomas Pickering
ACDA/NPP - Charles Van Doren
SUBJ: Nuclear Agreements with the ROC

BACKGROUND:

Under United States law, the U. S. may export major nuclear material and equipment only if:

-- there is "agreement for cooperation" with a foreign "nation, group of nations or regional defense organization."

-- the applicable export licensing criteria under the Nuclear Non-Proliferation Act are met, including IAEA safeguards, a no-explosive guarantee, adequate physical security, and consent rights concerning retransfers and reprocessing.

These requirements are met, in the case of the ROC, by the agreement for cooperation between the ROC and the U. S., as supplemented by the relevant IAEA safeguards agreement [

In view of the sensitive nature of our nuclear relationship, it is thus essential to confirm that these agreements will continue in force after January 1, both with respect to materials, equipment and technology previously exported and with respect to pending and future exports.

we believe

it necessary to confirm that these

Since export licensing decisions are made by the independent Nuclear Regulatory Commission, it will be essential to document the fact that the authorities in Taiwan agree that ~~our agreements~~ and our agreements and our

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safeguards and control rights under them remain in force.

While not requirements of U. S. law for export of nuclear material or equipment, any change in status of Taiwanese adherence to the Nuclear Non-Proliferation Treaty and the Limited Test Ban Treaty would certainly weigh heavily. These are multilateral treaties, some of whose parties still maintain diplomatic relations with the ROC. Taiwan's continued adherence should present neither legal or political difficulties. It is nevertheless important to confirm that the authorities in Taiwan continue to consider Taiwan bound by these treaties.

We have recently initiated renegotiation of the U.S.-ROC nuclear agreement for cooperation because :

-- there is a ceiling in the current agreement on the amount of enrichment Taiwan can get from the U. S., which must be increased to accommodate Taiwan's needs.

-- The Nuclear Non-Proliferation Act calls for renegotiation to upgrade these agreements.

These negotiations can continue.

Our understanding of the urgency of the matters discussed above is as follows:

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-- Nuclear Exports: A delay would not cause extreme difficulty, except a delay approaching six months on the two pending reactor exports might result in Westinghouse invoking a force major^{er} clause to assess penalties of the Taiwanese. (We understand there are currently these two reactor export license applications, a fueling reload application for another reactor, and two research reactor fueling applications, currently pending at the NRC.)

-- Renegotiation of the Agreement: While Waiwan perceives urgency to raising the ceiling to permit efficient planning, we believe there is no extreme urgency.

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TALKING POINTS :

-- The U. S. intends to continue its nuclear cooperation with Waiwan;

-- Because of the sensitivity of the nuclear area [] in addition to [] in addition to the more general public confirmation you are providing that you regard existing treaties and agreements as continuing in force, we believe it critical that we receive confidential written confirmation (see Tab A).

Drafted: LN-RB + ADA/NP-CLD

ADA-CV Doren

OES/NO-LV Nosenzo

MI/NA-M Humphries

T/D Salmon

S/AS Kelley

EA-Zimmerman

EA-Thayer

D- ~~Sping~~ Oxman

L-Michel-OK

L/EA-Wilms-OK

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Draft Assurance

TAB A

The authorities on Taiwan confirm that they regard all existing treaties and international agreements to which they are party as remaining in full force and effect after January 1, 1979. Thus, Taiwan will continue to honor its obligations under agreements it has with the United States for cooperation by exchanges of [redacted] and under all multilateral agreements in the nuclear field, including the relevant safeguards agreement, the Non-Proliferation Treaty, and the Limited Test Ban Treaty. The authorities on Taiwan also confirm that they regard their 1969 safeguards agreement with the IAEA as continuing in force.

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TAB B

AGREEMENTS IN THE NUCLEAR FIELD

The principal relevant agreements with the U.S. include the following:

(a) Agreement for ^{June 14} cooperation, ^{entered into force June 23, 1972} as amended on ~~March 15~~ ^{April 17} 1974 (2305ST 945; TIAS 7364; 25 UST 913, TIAS 7834). This contains the basic conditions of our supply.

(b) Trilateral Safeguards Agreement, dated December 6, 1971, between the United States, the Republic of China and the International Atomic Energy Agency (22 UST 1837, TIAS 7228). This provides for safeguards on U.S.-supplied material and equipment.

(d) Limited Test Ban Treaty.

(e) Non-Proliferation Treaty.

Other relevant agreements with the U.S. include:

(i) Agreement providing for a grant for the acquisition of nuclear research and training equipment and materials, ~~effected~~ ^{effected} by an exchange of notes dated October 16 and December 2, 1959; (10 UST 2023; TIAS 4371; 361 UNTS 115). This agreement included a peaceful use guaranty with respect to the equipment and materials obtained through use of the grant.

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(ii) six toll enrichment contracts with the U.S. Department of ENERGY, concluded in 1972-74.

Also relevant from a non-proliferation perspective is one agreement to which the United States is not a party:

Safeguards Agreement dated October 13, 1969 between the Republic of China and the IAEA (IAEA INFCIRC/133). Under this agreement the Republic of China submitted its Taiwan Research Reactor Facility to IAEA safeguards. Since the NPT requires all peaceful nuclear activities to be under safeguards, but the Republic of China was unable to negotiate a comprehensive safeguards agreement with IAEA after its ouster from the Agency, this agreement is an essential part of the fulfillment of Taiwan's safeguards obligations under the NPT. It is also of special significance to the IAEA Research Reactor. ~~It is also of special significance to the IAEA Research Reactor.~~

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