

Message Text

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ORIGIN OES-09

INFO OCT-00 AF-10 ARA-11 EA-10 EUR-12 NEA-06 ADS-00
ACDA-12 CIAE-00 INR-10 IO-14 L-03 NSAE-00 NSC-05
EB-08 NRC-02 DODE-00 DOE-17 SS-15 SP-02 CEQ-01
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DRAFTED BY OES/NEP: RDEMING
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TO AMEMBASSY TOKYO PRIORITY
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY THE HAGUE
AMEMBASSY BRUSSELS

C O N F I D E N T I A L STATE 296435

E.O. 12065: GDS (11/14/85, PICKERING, T.R.)

TAGS: PARM, MNUC, ENRG, JA

SUBJECT: US JAPAN DISCUSSIONS ON POST INFCE REGIME
REF: (A) STATE 273943, (B) STATE 273943
1. (C) ENTIRE TEXT.

2. SUMMARY: IN DISCUSSION WITH ASSISTANT SECRETARY
PICKERING AND OTHERS ON NOVEMBER 8, JAPANESE DELEGATION
LED BY MOF DIRECTOR GENERAL YATABE COMMENTED IN DETAIL ON
US POST INFCE PAPER (REF. B). YATABE SAID THAT JAPAN RE-
COGNIZED NEED TO BUILD ON INFCE TO ESTABLISH INTERNATIONAL
NUCLEAR ORDER WHICH BALANCES ENERGY AND NON-PROLIFERATION
R-QUIREMENTS AND APPRECIATED OBJECTIVE OF US PAPER. HOW-
EVER IN A NUMBER OF RESPECTS VIEWS IN PAPER DID NOT COIN-
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CIDE WITH GOJ VIEWS OF "INFCE CONSENSUS", AND GOJ WAS
THEREFORE GRATIFIED THAT PAPER DID NOT REPRESENT FORMAL USG
POSITIONS. YATABE INDICATED THAT BASIC PROBLEM WAS THAT
US WAS ATTEMPTING TO ESTABLISH ECONOMIC CRITERIA WHICH
COULD BE UNIVERSALLY APPLIED IN TERMS OF DETERMINING WHETH-
ER FUEL CYCLE ACTIVITIES WERE JUSTIFIED. JAPAN'S VIEW WAS
THAT NON-PROLIFERATION EFFORTS SHOULD FOCUS ON WHERE THE
REAL RISKS WERE AND IN PARTICULAR SHOULD CONCENTRATE ON
CASES WHERE THERE WAS A CLEAR PROLIFERATION RISK AND NO
ECONOMIC JUSTIFICATION FOR THE ACTIVITY IN QUESTION. IN

PARTICULAR DISTINCTION HAD TO BE MADE BETWEEN THOSE COMMIT-

TED TO NON-PROLIFERATION AND WHO HAD ECONOMIC REQUIREMENTS FOR NUCLEAR ENERGY SUCH AS THE WESTERN DEMOCRACIES, INCLUDING JAPAN, AND POLICIES TOWARD STATES WHERE THESE TWO CONDITIONS DID NOT APPLY. JAPAN SAW THE CHALLENGE AS RESTORING NUCLEAR RELATIONS BETWEEN THE WESTERN DEMOCRACIES AND DEVELOPING A COMMON STAND ON FUEL CYCLE AND EXPORT POLICY TO BE APPLIED TO THOSE OUTSIDE THIS GROUP ON A CASE-BY-CASE BASIS. IN RESPONSE PICKERING SAID THAT WE SHARE JAPAN'S VIEWS THAT THE TWO IMPERATIVES OF ENERGY NEEDS AND NON-PROLIFERATION REQUIREMENTS HAD TO BE MET. HOWEVER, BLATANTLY DISCRIMINATORY APPROACHES HAD TO BE AVOIDED, AND THE US EVOLUTIONARY APPROACH WAS DESIGNED TO MINIMIZE IF NOT ELIMINATE OPEN DISCRIMINATION. WE RECOGNIZED THAT SOME STATES CLEARLY MET ECONOMIC AND NON-PROLIFERATION CRITERIA FOR FULL FUEL CYCLE DEVELOPMENT AND SOME DID NOT. HOWEVER, THERE WERE A NUMBER OF STATES THAT FELL SOMEWHERE IN BETWEEN. THE US PAPER ATTEMPTED TO BUILD ON WHAT WE SEE AS THE PRESENT OR EMERGING INFCE CONSENSUS AND TO ESTABLISH OBJECTIVE ECONOMIC CRITERIA FOR LEGITIMATE FUEL CYCLE DEVELOPMENT. END SUMMARY.

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3. AFTER GENERAL COMMENTS REFLECTED ABOVE YATABE WENT THROUGH THE US PAPER PARAGRAPH BY PARAGRAPH. FOLLOWING ARE HIS MAJOR COMMENTS.

4. WITH REFERENCE TO PARAGRAPH 1, YATABE SAID THAT JAPAN DID NOT BELIEVE THAT "ABUSE OF THE COMMERCIAL FUEL CYCLE" WAS A LIKELY ROUTE TO PROLIFERATION. RATHER THE GOJ BELIEVED THAT IF A STATE WENT NUCLEAR IT WOULD BE BY A CLANDESTINE DEDICATED WEAPONS PROGRAM. PICKERING RESPONDED THAT JAPAN'S VIEW PRESENTED SOME PROBLEMS FOR THE US SINCE INDIA AND PAKISTAN HAD DEMONSTRATED THAT OSTENSIVELY CIVIL NUCLEAR PROGRAMS COULD BE DIVERTED TO EXPLOSIVE DEVELOPMENT.

WITH RESPECT TO PARAGRAPH II YATABE SAID THAT THE NINE ELEMENTS PRESENTED BY US AS BASIS FOR POSSIBLE INFCE CONSENSUS DIFFERED WITH JAPANESE VIEW OF WHAT THE CONSENSUS WAS LIKELY TO BE. JAPAN COULD AGREE IN PRINCIPLE THAT STATES SHOULD HAVE ACCESS TO NUCLEAR MATERIALS AND FACILITIES BASED ON LEGITIMATE NUCLEAR ENERGY NEEDS BUT QUESTIONED WHO WOULD JUDGE THE LEGITIMACY OF THESE NEEDS. JAPAN COULD ALSO AGREE THAT ECONOMIC JUSTIFICATION SHOULD BE A PREREQUISITE FOR ADDITIONAL SENSITIVE NUCLEAR FACILITIES BUT COULD NOT AGREE THAT ESTABLISHMENT OF APPROPRIATE INSTITUTIONAL ARRANGEMENTS BE A PRECONDITION. INSTITUTIONAL ARRANGEMENTS MIGHT BE USEFUL ON A CASE-BY-CASE BASIS BUT

WERE NOT A "MAGIC SOLUTION" TO PROLIFERATION RISK.
YATABE SUGGESTED THAT PERHAPS "NO PROLIFERATION RISK"
SHOULD BE SUBSTITUTED IN THIS PARAGRAPH. PICKERING RE-
SPONDED THAT WE AGREED THAT INSTITUTIONS WERE NOT A
SOLUTION IN THEMSELVES, BUT WETHOUGHT THEY COULD HELP RE-
DUCE THE RISKS.

JAPAN COULD AGREE THAT PU RECYCLE IN LWRS WAS ECONOMICALLY
MARGINAL AT THE PRESENT TIME BUT NOTED THE WG-4 REPORT
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REFERENCE TO THE ENERGY SECURITY ARGUMENTS FOR RECYCLE.

YATABE NOTED THE SENTENCE IN SUBPARAGRAPH 5 THAT "ONLY ONE
COUNTRY HAS AT PRESENT OPTED FOR EARLY COMMERCIALIZATION
OF BREEDERS." HE ASSUMED THIS REFERRED TO FRANCE BUT
WANTED TO NOTE THAT JAPAN IS ALSO LOOKING TOWARD THE EARLY
COMMERCIALIZATION OF THE BREEDER. YATABE ALSO SAID THAT
THE LAST SENTENCE OF THE PARAGRAPH DID NOT REPRESENT THE
INFCE CONSENSUS AND SHOULD BE REVISED TO SAY THAT PLUTONIUM
SEPARATION PROGRAMS SHOULD NOT NOW BE LAUNCHED MERELY ON
THE ASSUMPTION THAT BREEDERS ARE THE REACTOR CHOICE FOR
THE FUTURE.

YATABE SAID THAT JAPAN SUPPORTED IPS, BUT QUESTIONED OUR
SENTENCE (SUBPARA 6) STATING OUR CONCERN THAT SUCH A
REGIME COULD BE USED TO JUSTIFY PREMATURE SEPARATION OF
PLUTONIUM AND ASKED IF THIS VIEW WAS WIDELY HELD WITHIN THE
USG. PICKERING RESPONDED THAT THIS WAS A REAL CONCERN AND
WAS SHARED BY MEMBERS OF CONGRESS WHO CLOSELY FOLLOWED NON-
PROLIFERATION POLICY.

YATABE SAID THAT JAPAN FULLY SUPPORTED OUR POSITION ON RE-
DUCING ENRICHMENT IN RESEARCH REACTORS AND STRENGTHENED
SAFEGUARDS. IN RESPONSE TO A QUESTION FROM THE US SIDE,
YATABE SAID JAPAN WILL SUBSCRIBE TO AN EFFORT AT THE NPT
REVIEW CONFERENCE TO MAKE FULL SCOPE SAFEGUARDS THE NORM
FOR NEW NUCLEAR SUPPLY COMMITMENTS.

YATABE QUESTIONED WHETHER THE PAPER'S STATEMENT THAT
"PROJECTED SEPARATION CAPACITY APPEARS TO BE ADEQUATE TO
MEET PLUTONIUM MEANS" (FINAL PARAGRAPH OF SECTION II) RE-
PRESENTED AN INFCE CONSENSUS AND ASKED HOW WE DEFINED "PRO-
JECTED PLUTONIUM SEPARATION CAPACITY." OPLINGER (NSC)
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SAID THAT THE INTENT OF THIS PARAGRAPH WAS THAT REPROCESS-
ING CAPACITY SHOULD BE BASED ON LEGITIMATE PU FUEL CYCLE
REQUIREMENTS AS DEFINED EARLIER RATHER THAN BE DETERMINED
BY SPENT FUEL ARISING AND SHOULD BE BASED ON INTERNATIONAL

CAPACITY

RATHER THAN STRICTLY NATIONAL NEEDS. YATABE SAID THAT JAPAN TOOK THE POSITION THAT NATIONAL CAPACITY, INCLUDING REPROCESSING CONTRACTS, SHOULD MEET NATIONAL NEEDS, BUT COULD AGREE WITH THE WASTE MANAGEMENT POINT.

5. PARAGRAPH III AND IV. YATABE SAID THAT JAPAN BELIEVED THAT CURRENT BILATERAL SUPPLY ARRANGEMENTS WERE SATISFACTORY IF THERE WERE NO ARBITRARY OR UNILATERAL CHANGES BY SUPPLIERS IN NON-PROLIFERATION CONDITIONS OR ARBITRARY USE OF RIGHTS OF CONSENT. ADDED MEASURES MIGHT BE APPROPRIATE FOR SMALL PROGRAMS BUT NOT FOR LARGE PROGRAMS.

WITH REGARD TO WHETHER SUPPLY ASSURANCES SHOULD DEPEND ON FOREGOING SENSITIVE FACILITIES OR PLACING THEM UNDER INTERNATIONAL AUSPICES, YATABE SAID HE WAS NOT PREPARED TO TAKE A POSITION.

YATABE SAID HE CERTAINLY AGREED THAT THE EXERCISE OF NATIONAL CONTROLS COULD CLEARLY BE MADE MORE STABLE AND PREDICTABLE AND THAT THIS SHOULD BE DISCUSSED IN DETAIL BETWEEN THE US AND JAPAN.

WITH REGARD TO MANAGING SENSITIVE FACILITIES, YATABE SAID THE KEY WAS TO REINFORCE THE IAEA SAFEGUARDS SYSTEM AND IPS COULD BE A PART OF THIS. HOWEVER, THE US SEEMED TO HAVE IN MIND AN INTERNATIONAL PLUTONIUM MANAGEMENT SYSTEM THAT WOULD CONTROL THE MATERIAL FROM THE "CRADLE TO THE GRAVE." JAPAN BELIEVED THAT CERTAIN STEPS INCLUDING FUEL FABRICATION SHOULD BE OUTSIDE OF THE IPS SYSTEM
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AND THAT SAFEGUARDS COULD ADEQUATELY PROTECT FROM DIVERSION DURING THESE STAGES. PICKERING SAID THAT WE BELIEVED THAT BECAUSE OF THE SPECIAL DANGERS ASSOCIATED WITH PLUTONIUM, SPECIAL CONTROLS WERE NEEDED BEYOND SAFEGUARDS INCLUDING CONTROL OVER END USE.

ON INTERNATIONAL/MULTINATIONAL AUSPICES FOR SENSITIVE FACILITIES, YATABE REPEATED THAT JAPAN SAW NO "MAGIC" IN INTERNATIONAL ARRANGEMENTS AND BELIEVED THAT IN SOME CASES THEY COULD BE DISADVANTAGEOUS. FOR EXAMPLE A MULTINATIONAL FACILITY INVOLVING LIBYA AND PAKISTAN WOULD BE LESS PROLIFERATION RESISTANT THAN A NATIONAL FACILITY IN JAPAN. PICKERING RESPONDED THAT SUCH APPROACHES SHOULD NOT BE DISMISSED AS THEY COULD PROVIDE AN ADDITIONAL BARRIER TO ABROGATION OF SAFEGUARDS OR DIVERSION OF MATERIAL, PARTICULARLY IN "GRAY" STATES. HE SAID THAT THE INDUSTRIALIZED STATES NEEDED TO SET AN EXAMPLE INCLUDING AGREEMENT THAT WHEN NEW FACILITIES ARE

JUSTIFIED THEY SHOULD BE PLACED UNDER SUCH ARRANGEMENTS.

HE ASKED JAPAN TO CAREFULLY CONSIDER THIS.

CONCERNING THE TECHNICAL BASIS FOR ACQUISITION OF SENSITIVE FACILITIES, YATABE SAID THE GOJ BELIEVED THAT IT WAS EXTREMELY DIFFICULT TO DEFINE TECHNICAL CRITERIA FOR ECONOMIC JUSTIFICATION. INSTEAD JAPAN BELIEVED THAT THERE HAD TO BE A TACIT UNDERSTANDING AMONG KEY COUNTRIES BECAUSE AN OPEN TECHNICAL BASIS WOULD ONLY STIMULATE A NORTH/SOUTH CONFRONTATION.

YATABE SAID THAT JAPAN SUPPORTED EXPANDED TECHNICAL COOPERATION ON REACTOR SAFETY, SPENT FUEL DISPOSITION AND WASTE DISPOSAL. ASSISTING DEVELOPING COUNTRIES WITH
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ENERGY ASSESSMENTS WAS NOT WITHIN THE SCOPE OF INFCE OR THE IAEA, AND THERE IS THE DANGER THAT SUCH EFFORTS COULD BE INTERPRETED BY LDCS AS A PRETEXT TO KEEP THEM AWAY FROM NUCLEAR POWER.

ON POST-INFCE FORA YATABE SAID GENERAL DISCUSSIONS SHOULD CONTINUE BETWEEN KEY COUNTRIES ON AN INFORMAL BASIS BUT SHOULD BE "NON-EXISTANT TO THE EYES OF OTHERS." IN ADDITION THERE SHOULD BE FOLLOW-ON ACTIVITIES IN AREAS SUCH AS IPS, AND THE IAEA SHOULD PLAY A CENTRAL ROLE IN THESE ACTIVITIES. SPENT FUEL MANAGEMENT, HOWEVER, SHOULD PROBABLY BE PURSUED ON A REGIONAL BASIS OUTSIDE THE IAEA. PICKERING RESPONDED THAT WE WERE SEEKING A "HALF WAY HOUSE" BETWEEN NO POST-INFCE DISCUSSIONS AND A YUGOSLAV TYPE CONFERENCE TO NEGOTIATE THE TERMS OF NUCLEAR TRADE. WE SHOULD FOCUS MORE ON THE IAEA BUT NOT GIVE THE IAEA CONTROL OF POST-INFCE MECHANISMS. AL CARNESALE NOTED THAT MOST PARTICIPANTS FOUND THE TCC A VALUABLE MECHANISM, AND THERE WAS SOME MOVEMENT TO RECONSTITUTE IT AS A COMMITTEE. YATABE QUESTIONED WHETHER SUCH A GROUP WOULD COUNTER EFFECTIVELY THE YUGOSLAV INITIATIVE.

PICKERING RESPONDED THAT ISSUES IN A YUGOSLAV TYPE CONFERENCE MIGHT BE REFERRED TO SUCH A COMMITTEE AND MIGHT DELAY CONFRONTATION. YATABE SAID THAT SOME MECHANISM TO CONTINUE WORK ON SUCH THINGS AS PU AND URANIUM SUPPLY AND DEMAND MIGHT BE USEFUL BUT A DEFACTO CONTINUATION OF INFCE SHOULD BE AVOIDED. PICKERING AGREED THERE SHOULD BE NO "SON OF INFCE."

6. OTHER ISSUES DISCUSSED REPORTED SEPTEL. VANCE

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