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Authority: NND 969016
JW NARA Date 8-12

FSE 13 Chinat

XRAE 13 IAEA



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TELEGRAM

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ACTION EA-14

INFO OCT-01 EUR-20 IO-12 ADP-00 ACDA-19 CIAE-00 INR-09
L-03 NSAE-00 NSC-10 OST-04 RSE-01 SCI-05 GAC-01 OMB-01
DODD-00 PM-00 H-02 P-03 PRS-01 SS-14 USIA-12 T-03

RSR-01 AEC-11 /155 W

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R 160917Z JAN 79
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 7502
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY OTTAWA
USMISSION EC BRUSSELS
USMISSION IAEA VIENNA
AMCONSUL HONG KONG

C O N F I D E N T I A L TAIPEI 0338

SURJ: PROPOSED REPROCESSING PLANT FOR REPUBLIC OF CHINA

REF: STATE 00285

1. AMBASSADOR CALLED ON FONMIN SHEN CHANG-HUAN JAN 15 TO DISCUSS PROPOSED NUCLEAR REPROCESSING PLANT. CHU CHIN-KANG, DIRECTOR OF INTERNATIONAL AFFAIRS, MOFA AND POLCONS ATTENDED.

2. AMBASSADOR MADE ALL POINTS PARA 2-7 REFTEL AND GAVE SHEN FULL TALKING PAPER DRANN FROM THESE PARAS (PHRASING POINT 5 IN TERMS OF NOT WISHING TO RISK PRESENT ARRANGEMENTS RATHER THAN MENTIONING OUR FALL BACK POSITION). AMBASSADOR THEN SUMMARIZED US APPROACH, SAYING THAT USING REPROCESSING FACILITIES ABROAD WOULD: (1) MAKE SURE THE ROC'S FUEL NEEDS ARE FULLY COVERED; (2) BE MORE ECONOMICAL THAN INVESTMENT IN A REPROCESSING FACILITY IN TAIWAN; AND (3) REDUCE THE RISK OF A

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DEBATE IN THE IAEA WHICH MIGHT LEAD TO A TERMINATION OF PRESENT MODEST IAEA INSPECTION ACTIVITIES ON TAIWAN.

3. SHEN PROFESSED HIS IGNORANCE OF THIS TECHNICAL SUBJECT; HE NOTED THAT THE MATTER HAD ALREADY BEEN DISCUSSED BY CHU AND POLCOUNS, AND THAT THE ROC HAD THUS HAD OPPORTUNITY TO EXAMINE THE PROBLEM. HE EXPLAINED THAT WHILE THERE HAS BEEN A RECOMMENDATION THAT THE ROC DEVELOP ITS OWN REPROCESSING FACILITIES, THE RECOMMENDATION HAS NOT SO FAR BEEN APPROVED BY THE ROC. SHEN SAID THE VIEWS OF THE US GOVERNMENT ARE A VERY USEFUL REFERENCE FOR THE ROC IN MAKING ITS DECISION, THAT HE WOULD PASS THEM ON TO THE AUTHORITIES, AND THAT THEY WOULD BE GIVEN FULL CONSIDERATION. HE REAFFIRMED THAT THE ROC HAS NOT MADE ANY DECISION TO PROCEED.

4. COMMENT: WE ARE REASONABLY ENCOURAGED BY SHEN'S RESPONSE AND BELIEVE THAT ROC WILL THINK HARD BEFORE TRYING TO GO AHEAD IN FACE OF EXPLICIT US OPPOSITION TO REPROCESSING PLANT. WE WILL FOLLOW UP WITH VICTOR CHENG OF ROC ATOMIC ENERGY COUNCIL OF PROCUREMENT ABOARD OF REPROCESSING SERVICES OF NUCLEAR MATERIAL. GOS MCCONAUGHY

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