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Dept. of State, RPS/IPS, Margaret P. Grafe, Dir.
 Release () Excise () Deny () Declassify
Date 4/30/07 Exemption _____

LIMDIS

E.O. 11652: GDS
TAGS: MNUC, TW
SUBJECT: U.S. TECHNICAL TEAM VISIT

REF: TAIPEI 3158

1. ON THE MORNING OF 28 MAY 1977, WE MET WITH MEMBERS OF THE U.S. TECHNICAL TEAM (HELFRICH, MENZEL AND WYMER) TO DISCUSS DEVELOPMENTS RELATED TO THEIR THREE DAYS OF DISCUSSIONS WITH ROC OFFICIALS REGARDING THE PROCESS OF IMPLEMENTING OUR RECENT NUCLEAR AGREEMENT. WE WERE FAVORABLY IMPRESSED WITH THE RESULTS THEY REPORTED, AND BY THE PROGRESS THEY APPEAR TO HAVE MADE IN RE-DIRECTING ROC NUCLEAR RESEARCH ACTIVITIES INTO AREAS OF MINIMAL PROLIFERATION RISK. IN THE MONTHS AHEAD, VISITS OF THIS SORT, EITHER BY TEAMS OR BY INDIVIDUALS KNOWLEDGEABLE IN A VARIETY OF SPECIALIZED FIELDS, WILL BE AN ESSENTIAL MEANS OF KEEPING US INFORMED OF ROC NUCLEAR ACTIVITIES AND DEVELOPMENTS, AND WILL ALSO HELP TO GUIDE ROC SCIENTISTS AND OFFICIALS AWAY FROM PROSCRIBED ACTIVITIES. SUCH VISITATIONS NEED NOT BE REGULARLY SCHEDULED, BUT SHOULD BE FAIRLY FREQUENT, PERHAPS SIX TIMES A YEAR. (AT THE SAME TIME WE DO NOT WISH TO RULE OUT THE POSSIBILITY EVENTUALLY OF ASSIGNING A SCIENTIST PERMANENTLY TO THE MISSION AT
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SOME TIME IN THE FUTURE.)

2. WHILE ON THE SUBJECT OF VISITS, WE UNDERSTAND FROM

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THE TECHNICAL TEAM THAT INER DIRECTOR CHIEN CHI-PENG WILL BE TRAVELLING TO THE U.S. WITH TWO SUBORDINATES THIS MONTH, AND THAT HE HAS BEEN INVITED BY ERDA TO OAK RIDGE AND ARGONNE NATIONAL LABORATORIES TO DISCUSS PROBLEMS RELATING TO ALTERNATE FUEL CYCLES, ENERGY DEVELOPMENT PROGRAMS, ENERGY STORAGE PROGRAMS, ET ETCETRA. WE SHOULD TAKE ADVANTAGE OF CHIEN'S VISIT AS A MEANS OF FOSTERING CLOSE COOPERATIVE RELATIONSHIPS BETWEEN HIM AND INER AND VARIOUS U.S. ENERGY RESEARCH LABORATORIES AND AGENCIES. THIS WOULD PROVIDE A USEFUL BASIS FOR "MISSIONARY WORK" TO STEER INER AWAY FROM PROLIFERATION-RELATED RESEARCH AND DEVELOPMENT INTO BROADER ENERGY QUESTIONS AND OTHER STRICTLY "PEACEFUL USES" AREAS. IF CHIEN HIMSELF AND INER CAN BE CONVINCED THAT RESEARCH AND DEVELOPMENT IN THESE AREAS HOLDS REAL PROMISE FOR THEM AND THEIR COUNTRY FOR THE FUTURE, WE WILL HAVE PLANTED AN IMPORTANT SEED.

3. FOR OUR PART, WE INTEND TO CONTINUE TO EXERT OUR INFLUENCE WITH THE TAIWAN POWER COMPANY (TAIPOWER) TO ENCOURAGE IT TO WORK CLOSELY WITH INER, DESPITE ITS PAST RELUCTANCE TO DO SO. WE HOPE THAT THE POWER GENERATION NEEDS TO TAIPOWER WILL ACT AS A LEVER ON INER, AND THAT CLOSER ASSOCIATION BETWEEN THESE TWO ORGANIZATIONS WILL ASSIST US TO IMPLEMENT OUR NON-PROLIFERATION AND NUCLEAR ENERGY POLICIES. CONTACT WITH TAIPOWER IN WASHINGTON, EITHER BY THE DEPARTMENT OR BY EXIMBANK, SHOULD ALSO BE USED TO PROMOTE THIS END.

4. REGARDING THE TECHNICAL TEAM'S FINDINGS DURING ITS VISIT, WE WERE SOMEWHAT CONCERNED TO LEARN THAT INER HAD CONTINUED TO OPERATE IT'S PLUTONIUM PROCESS LINE (PARAGRAPH 5D REFTTEL) -- AN ACTIVITY WE WOULD REGARD AS PROSCRIBED UNDER THE TERMS OF OUR NOTE WHICH CALLED FOR A TERMINATION

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OF ALL FUEL CYCLE ACTIVITIES INVOLVING WEAPONS-USABLE MATERIAL SUCH AS PLUTONIUM. WE ARE ALSO CONCERNED THAT THE AMOUNT OF MATERIAL UNACCOUNTED FOR (MUF) FOR THE U.S. AND BELGIAN PLUTONIUM IS SOMEWHAT LARGER THAN WOULD BE NORMALLY ANTICIPATED (ALTHOUGH NOT ENOUGH TO FABRICATE A NUCLEAR DEVICE). HOWEVER, TEAM LEADER HELFRICH ASSURED US THAT WE CAN BE REASONABLY CERTAIN THE SITUATION AT INER IS UNDER CONTROL, AND THAT THEY HAVE AGREED TO "STAND DOWN" IN THOSE QUESTIONABLE AREAS, NAMELY, IN PLUTONIUM HANDLING AND PROCESSING, THORIUM CONVERSION, HEAVY WATER REACTOR DEVELOPMENT, AND HOT LAB UTILIZATION.

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5. IT IS OUR UNDRSWNDING THAT A STATEMENT HAS BEEN APPROVED BY INER AND CAEC FOR OUR CONTINGENCY USE AT POSSIBLE

NRC OR CONGRESSIONAL HEARINGS. (STATEMENT WILL FOLLOW IN SEPTTEL.) MEANWHILE WE WILL BE CONTINUING QUIETLY TO ENCOURAGE ROC OFFICIALS TO ASSUME INCREASINGLY THE POSTURE OF A STRONG ADVOCATE OF THE NON-PROLIFERATION CAUSE AND, AS EVIDENCE OF THIS, TO DEMONSTRATE THE REORIENTATION OF THEIR NUCLEAR RESEARCH AND DEVELOPMENT ACTIVITIES ON TAIWAN WITHIN THE CONTEXT OF PRESIDENT CARTER'S RECENT ENERGY AND NON-PROLIFERATION STATEMENTS. NOT ONLY WOULD SUCH A POSTURE SERVE OUR OWN POLICY INTERESTS, BUT ALSO IT WOULD PROVIDE THE ROC WITH AN OPPORTUNITY FOR EXPLAINING TO ITS OWN PEOPLE THE CLOSURE AND REORIENTATION OF NUCLEAR RESEARCH FACILITIES ON A BASIS OTHER THAN U.S. PRESSURES.

6. WHILE WE ARE ENCOURAGED AND COMFORTED BY THE PROGRESS THE U.S. NUCLEAR AND TECHNICAL TEAMS HAVE MADE THUS FAR IN ASSISTING US TO DEAL WITH WHAT ALL SEE AS A POTENTIALLY SERIOUS PROLIFERATION THREAT HERE ON TAIWAN, WE MUST AVOID COMPLACENCY. THE UNDERLYING SECURITY FEARS OF THE ROC, WHETHER MILITARILY OR POLITICALLY CONCEIVED, WILL CONTINUE TO EXIST AS OUR OWN ROLE AND POLICIES

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IN ASIA DEVELOP AND CHANGE, AND OUR "PROTECTION" BECOMES INCREASINGLY LESS CREDIBLE. THESE FEARS WILL CONTINUE TO PROVIDE SOME ELEMENTS OF THE ROC WITH AN ARGUMENT FOR NUCLEAR WEAPONS DEVELOPMENT. IT IS WITH THIS PERCEPTION FIRMLY IN MIND THAT WE URGE THE CONTINUATION OF VISITS OF INDIVIDUALS WHO CAN SPEAK WITH AUTHORITY AND UNDERSTANDING ON VARIOUS TECHNICAL SUBJECTS INCLUDING, BUT NOT LIMITED TO, THOSE IN THE NUCLEAR FIELD. WHILE WE BELIEVE THAT A GREAT DEAL OF PROGRESS HAS BEEN MADE TO DATE, WE ARE NOT ASSURED BY ANY MEANS THAT THE PROBLEM HAS BEEN TOTALLY SOLVED, OR THAT IT MAY NOT RECUR AGAIN IN THE FUTURE WHEN THE SUPERVISION AND PRESSURE OF THE USG IS RELAXED. THIS MAY BE ESPECIALLY TRUE IN A POST-NORMALIZATION SITUATION UNLESS WE FIND MEANS OF KEEPING UP THE ASSOCIATION AND "SURVEILLANCE" IN THAT PERIOD ALSO.

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