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S E C R E T TAIPEI 927

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E.O. 11652: GDS
TAGS: MNUC, TW
SUBJECT: U.S. NUCLEAR TEAM CONCLUSIONS AND RECOMMENDATIONS

REF: STATE 034218

1. WE REGARD THE PRELIMINARY CONCLUSIONS OF THE U.S. NUCLEAR TEAM, AS STATED IN REFERENCE, TO BE CONSISTENT WITH OUR LESS TECHNICALLY-BASED PERCEPTIONS REGARDING GROC NUCLEAR INTENTIONS. WE ARE GRATEFUL TO THE TEAM FOR PROVIDING A MORE TECHNICALLY EXPERT APPRAISAL OF THE APPARENT DIRECTION OF ROC RESEARCH AND DEVELOPMENT IN THE NUCLEAR FIELD, AND FOR PROVIDING A TECHNICAL CONFIRMATION OF OUR SUSPICIONS ABOUT THE PARTICULAR ROLE OF INER IN IMPLEMENTING THE APPARENT GROC DECISION TO ACQUIRE THE CAPABILITY TO PRODUCE A NUCLEAR EXPLOSIVE DEVICE.

2. REGARDING PARA. 3.A. REFTTEL, WE WOULD BE INTERESTED TO KNOW WHAT FACILITIES IN PARTICULAR ARE "RELATED" TO THE ACTIVITIES DESCRIBED, AND WHETHER RESEARCH INTO THE USE OF THORIUM AS A POTENTIAL SOURCE OF U-233 IS UNDER CONSIDERATION HERE. REGARDING PARA .3.B., IS THE PLUTONIUM UNDER CONSIDERATION SIMPLY THAT WHICH HAS BEEN SOLD TO THE GROC BY THE U.S., OR DOES IT INCLUDE ALL PLUTONIUM KNOWN TO BE LOCATED ON TAIWAN?

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REGARDING E.C., WOULD THE TERMINATION OF ROC EFFORTS TO DEVELOP A DOMESTIC HEAVY WATER PRODUCTION CAPABILITY ALSO INVOLVE THE RESTRICTION OF EFFORTS TO DESIGN AND CONSTRUCT A HEAVY WATER

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REGARDING PARA. 3.D., WOULD THE USG BE WILLING TO PURCHASE ALL TRR SPENT FUEL RODS, AND REMOVE THEM FROM TAIWAN? REGARDING PARA. 3.F., WE ASSUME THAT THESE PROCEDURES WOULD BE DEVELOPED BY COMPETENT USG AGENCIES, BUT IF THEY ARE TO BE BINDING, USG OFFICIALS WILL HAVE TO HAVE UNLIMITED AND CONTINUING ACCESS TO THE ENTIRE RANGE OF GROC RESEARCH AND DEVELOPMENT FACILITIES INCLUDING ANYTHING POSSIBLY RELATED TO NUCLEAR MATTERS.

3. IT IS OUR CONSIDERED OPINION THAT THE ONLY WAY THE GROC CAN BE EFFECTIVELY STOPPED IN ITS APPARENT INTENTION TO ACQUIRE A NUCLEAR WEAPONS CAPABILITY IS FOR THE USG TO TAKE A VERY STRONG POSITION REGARDING ITS WHOLE NUCLEAR RESEARCH AND DEVELOPMENT PROGRAM. WE WOULD BE INCLINED TO CONSIDER HOLDING OVER THE HEAD OF THE GROC IN THE FORTHCOMING DISCUSSIONS THE FOLLOWING POSSIBLE ACTIONS UNLESS WE ARE SATISFIED CONCERNING FUTURE GROC INTENTIONS: SHUTTING DOWN THE TRR, TERMINATING ALL PLUTONIUM HANDLING ACTIVITIES, ENDING ALL ACTIVITIES RELATED TO NUCLEAR SPENT FUEL REPROCESSING RESEARCH AND COMPLETELY RE-DIRECTING BOTH FUNDS AND EFFORT INTO AREAS WHERE THERE ARE MORE PRACTICAL "PEACEFUL USES" APPLICATIONS FOR THE GROC.

4. FINALLY, WE ASSUME THAT ALL OF THE QUESTIONS RAISED ABOVE, TOGETHER WITH ANY OTHER QUESTIONS ON INSPECIONS, COMPLIANCES, SANCTIONS, ET CETERA, WILL BE CONSIDERED IN TERMS OF A POST-NORMALIZATION SITUATION. THE DEPARTMENT WILL RECOGNIZE THAT IN SUCH A SITUATION ROC ACTIONS WILL PROBABLY BE AFFECTED BY ITS PERCEPTION OF ITS SECURITY FOLLOWING THE TERMINATION OF THE US/ROC MUTUAL DEFENSE TREATY.

5. OUR RECOMMENDATIONS ABOUT THE MOST EFFECTIVE MANNER OF UNDERTAKING NEGOTIATIONS WITH THE GROC ON THE U.S. NUCLEAR

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TEAM'S CONCLUSIONS AND RECOMMENDATIONS, AS WELL A A DISCUSSION OF OUR INTEREST IN BRINGING THE GROC'S PUBLIC POSITION ON NUCLEAR MATTERS-- THAT IS, AS PREMIER CHIANG RECENTLY STATED, THAT THEY HAVE THE "CAPABILITY OF DEVELOPING NUCLEAR WEAPONS" BUT "WILL NEVER ENGAGE IN THE PRODUCTION OF SUCH WEAPONS"-- MORE IN LINE WITH ITS ASSURANCES TO US REGARDING ITS NUCLEAR RESEARCH ACTIVITIES, WILL BE SUBJECTS OF SEPTELS.
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