**ACTION:** 

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## Foreign Service of the United States of America

AMERICAN EMBASSY VIENNA INCOMING

Glassification

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0 R 222255Z AUG 73 MIAA8 FM SECSTATE WASHDC

TO RUEHTP/AMEMBASSY TAIPEI IMMEDIATE 4493 INFO RUMJDH/AMCONSUL HONG KONG 3040

1973 AUS 213

RUEHCR/USLO PEKING 0864 RUEIKO/AMEMBASSY TOKYO 9039

RUFHAU/USMISSION IAEA VIENNA 2529

BT

SECRET STATE 167237

E.O. 11652: GDS

TAGS: PARM, PFOR, MCAP, TW

SUBJECT: ROC NUCLEAR REPROCESSING PLANT

(A) TAIPEI 4872; (B) TAIPEI 4874; (C) STATE 12137 (D) TAIPEI 675

**EXIM** 1. DOCUMENTS PROMISED BY POUCH RELATING TO THE ROC NUCLEAR INS FUEL PROCESSING PROPOSAL (REF A) HAVE NOT YET ARRIVED. CON THEIR ARRIVAL SOMETIME SOON WOULD, IN ANY EVENT, LEAVE TOO LITTLE TIME FOR THOROUGH ANALYSIS BEFORE CHENG'S AUGUST MIAA UNIDO / 24 DEPARTURE. BUT, IN VIEW OF CHENG'S REQUEST FOR PRELIM-PA INARY USG REACTION BEFORE THEN AND BECAUSE MUCH OF THIS GROUND HAS BEEN COVERED BEFORE (REFS C AND D), WE CONCUR AC AC/P IN EMBASSY'S RECOMMENDATION THAT A FIRM, NEGATIVE RESPONSE RF BE MADE TO CHENG BEFORE HIS DEPARTURE. THE EMBASSY IS INSTRUCTED TO MAKE THIS RESPONSE ALONG THE FOLLOWING LINES. WE AGREE THAT THE FOREIGN MINISTER LEVEL IS APPROPRIATE. FILES

WE ARE WILLING TO AMEND THE AGREEMENT COVERING THE ROC NUCLEAR FUEL NEEDS FOR EIGHT REACTORS SCHEDULED FOR OPERA-ON BEFORE 1986.

AAIM 12/2 AMH DJP A .... 10 CFJ SNI RH CJH NH SMM U. IDO FT SK

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- 3. WE HAVE NO OBJECTION IN PRINCIPLE TO REPROCESSING OF SPENT NUCLEAR FUEL ABROAD AND ARE WILLING TO CONSIDER WITH AN OPEN MIND ROC REPROCESSING ARRANGEMENTS IN ACCORDANCE WITH ARTICLE VIII OF OUR BILATERAL AGREEMENT.
- 4. AS FOR ROC ACQUISITION OF A NUCLEAR FUEL REPROCESSING PLANT THEMSELVES, WE AGREE WITH THE EMBASSY'S INTERPRE-TATION OF THIS MATTER AND ALSO AGREE THAT A PROMPT, FIRM AND NEGATIVE REACTION IS IN ORDER. THE EMBASSY'S PRE-SENTATION SHOULD ECHO THAT MADE IN JANUARY (REFS C AND D). THE EMBASSY MAY ALSO WISH TO ADD THAT WE ARE UNAWARE OF ANY INFORMATION WHICH WOULD INDICATE THAT ACQUISITION OF

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A NUCLEAR FUEL REPROCESSING PLANT TO SERVICE SPENT FUEL FROM EVEN EIGHT REACTORS OF THE TYPE CONTEMPLATED IS ECONOMIC, LET ALONE MORE ECONOMICAL THAN HAVING THE FUEL REPROCESSED ELSEWHERE; THIS IS BECAUSE ECONOMIES OF SCALE ARE PARTICULARLY EVIDENT IN NUCLEAR FUEL REPROCESSING. ONCE AGAIN THE CHINESE SHOULD BE LEFT NO DOUBT ABOUT THE SERIOUSNESS WITH WHICH WE VIEW THIS MATTER OR ABOUT THE FIRMNESS OF OUR NEGATIVE REACTION. OUR PRESENTATINS TO CHENG HERE WILL PARALLEL YOURS. ROGERS

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