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\$885203 BEIJIN 02139 00 OF 02 2403332 B16759 PAGE 81 INFO: SMP (B1) ----- 24/85187 A9 (TOTAL COPIES: 081) ACTION DES-89

INFO LOG-80 ACDA-13 AMAD-81 CEQ-81 CIAE-88 CTME-88 EAP-88 EB-00 EUR-03 H-01 INRE-80 INR-81 10-19 HEA-80 NRC-82 MSAE-88 01C-82 PM-88 SHP-00 ADS-80 EPAE-00 SP-88 SS-00 SVC-88 TST-82 T-81 /063W

R 2483272 JAN 92 FM AMENBASSY BEIJING TO SECSTATE WASHDC 6346 INFO AMEMBASSY SEOUL AHEMBASSY ISLAMABAD USDOC WASHDO AMENBASSY NEW DELBI AMEMBASSY BOXH WHITEHOUSE WASHDO AMENBASSY PARIS DIA WASHDO SECDEF WASHDO AMCONSUL SHANGHAI DOE GERMANTOWN AMENBASSY ALGIERS AHENBASSY HOSCOV AMEMBASSY TOXYO AMCONSUL SHENYANG AHCONSUL HONG KONG AHCONSUL GUAHGZHOU USDOE VASHDC AMCONSUL CHENGOU

CONFIDENTIAL BEIJING 802139

DEPT FOR DES/SCT, DES/N AND EAP/CM DEPT PASS HRC WHITEHOUSE FOR MSC AND OSTP

E.O.: 12356/8ADR TAGS: KSCA: TRGY: ENRG: KNNP: CB: PK: FR SUBJECT: RECENT MUCLEAR DEVELOPMENTS IN CHINA

REF: 91 BEIJING 33793

CONFIDENTIAL - ENTIRE TEXT

A SOURCE AT THE GERMAN EMBASSY REPORTED THAT THE CHINESE HAD APPROACHED A GERMAN FIRM FOR AN ESTIMATE ON THE COST OF REACTOR COOLING EQUIPMENT FOR THE PAKISTANI REACTOR. THE GERMAN FIRM, KNOWN TO OUR SOURCE ONLY BY ITS ACRONYM, KSB, REPORTEDLY REFUSED TO QUOTE A PRICE FOR EQUIPMENT DESTINED FOR THE PAKISTAN REACTOR DUE TO THE LACK OF FULL-SCOPE SAFEGUARDS. THE GERMAN FIRM TOLD THE CRINESE THAT IN THE ABSENCE OF SUCH SAFEGUARDS, AN EXPORT LICENSE WOULD NOT BE FORTHCOMING FROM THE GERMAN GOVERNMENT THE CHINESE, ACCORDING TO OUR SOURCE, THEN ASKED FOR A QUOTATION ON THE SAME EQUIPMENT FOR CHIMA'S QINSHAN II REACTOR, SCHEDULED TO BE BUILT LATER THIS DECADE, WHICH THE GERMANS PROVIDED.

6. THE FRENCH EMBASSY VOLUNTEERED THAT PAKISTAN'S

PRIME MINISTER HAD REQUESTED TWO 988 MW PLANTS FROM FRANCE DURING THE PM'S RECENT VISIT TO PARIS. HE SAID THE GOF'S RESPONSE WAS THE SAME AS ITS RESPONSE TO CHINA'S REQUEST TO PURCHASE FRENCH EQUIPMENT FOR THE PAKISTAN REACTOR.

BEIJIN 02139 80 OF 02 240333Z

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ALGERIA, NPT

7. THE FRENCH EMBASSY SOURCE SAID THAT UNDER THE AUSPICES OF THE FRENCH-CHINESE NUCLEAR HOMPROLIFERATION PROTOCOL, FRANCE HAD SENT A DELEGATION TO BEIJING IN MID-DECEMBER TO REGISTER FRENCH CONCERN OVER CHINA'S SALE OF THE HUCLEAR REACTOR TO ALGERIA. THE CHINESE ARE QUOTED AS SAYING: "WE GOT CAUGHT THIS TIME IN ALGERIA, BUT THIS WILL NOT MAPPEN AGAIN." THE FRENCH DELEGATION WAS NOT CONFORTED WITH THIS DOUBLE ENTENDRE. WHEN PRESSED, THE CHINESE SAID CHINA WILL ACCEDE TO THE HPI BY MARCH. THE FRENCH WERE SURPRISED THAT THE CHINESE HEVER ASKED WHEN FRANCE WOULD ACCEDE TO THE NPT ("IN HAY," OUR SOURCE VOLUNTEERED.)

UPDATE OH CHINESE TRANSIT VISAS TO ALGERIA

THE FRENCH EMBASSY HAS FINALLY COMPLETED ITS STUDY OF HOW MANY CHINESE NUCLEAR SPECIALISTS HAVE OBTAINED TRANSIT VISAS IN BEILING TO TRANSIT PARIS TO

ALGERIA TREFTEL). ACCORDING TO RECORDS IN PARIS DATING BACK TO 1983, THE TOTAL NUMBER OF CHINESE NUCLEAR EXPERTS TRANSITING PARIS TO ALGERIA BETWEEN 1983 AND 1991 WAS 5,127, ALL FROM CHINA'S NUCLEAR IMDUSTRY. OF THE 5,127, 1,235 IDENTIFIED THEMSELVES AS "NUCLEAR SPECIALISTS." IN 1983, THE STUDY SHOWS 2B PERCENT OF ALL TRANSIT VISA REQUESTS TO ALGERIA WERE FROM CHINA'S KUCLEAR INDUSTRY; IN 1998 THE FIGURE JUMPED TO OVER 88 PERCENT. THE FRENCH EMBASSY WILL MAKE AVAILABLE THE ANALYSIS AND GRAPHICS TO US AFTER THE STUDY HAS BEEN FIRST SUBMITTED TO THE GOF.

ERAH

9. OUR GERMAN EMBASSY SOURCE PASSED ON TO US THAT CHIC REPORTEDLY WAS ARRANGING TO SELL HUCLEAR REACTOR FUEL RODS TO IRAN. HOWEVER, ACCORDING TO THE STORY, MOFERT DENIED CHIC PERMISSION TO EXPORT THE FUEL. REPORTEDLY BECAUSE OF U.S. CONCERN OVER CHINA'S NUCLEAR SALES TO IRAN. ROY

NOTE BY DO/CC: (III) ONISSION OF PARAS, 2-4. CORRECTION TO FOLLOW.

UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: DONALD A JOHNSTON DATE/CASE ID: 27 AUG 2003 200102166

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