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DRAFTED BY EA/ROC:DGBROWN:BDS
APPROVED BY EA:WHGLEYSTEEN, JR.
OES/NGT - L. NOSENZO
ERDA - G. HELFRICH (SUBS.)
EA/ROC: B. LEVIN
S/S SESTEINER
T/D - DR. SCHEINMAN (INFO)

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R 210111Z MAY 77 FM SECSTATE WASHDC TO AMEMBASSY TAIPEI

S E C R E T STATE 117288

EXDIS

E.O. 11652: XGDS-1

TAGS:MNUC, TW

SUBJ: US TECHNICAL TEAM VISIT, VICTOR CHENG VISIT TO WASHINGTON

1. DURING MEETING WITH US TECHNICAL TEAM LEADER (HELFRICH) IN WASHINGTON MAY 18, CAEC SECGENVICTOR CHENG DISCUSSED US TECHNICAL TEAM VISIT. PREDICTABLY, HIS MAIN INTEREST WAS IN RESOLVING PROBLEMS CONCERNING TRR, SO THAT REACTOR MIGHT RESUME OPERATION. CHENG EXPRESSED VIEW THAT MOST IMPORTANT ASPECT OF TRR PROBLEM WAS AGREEMENT ON SPENT FUEL DISPOSAL. HE BELIEVED ROC WOULD AGREE TO DISPOSE OF FUEL OUTSIDE TAIWAN AND HOPED THIS WOULD CLEAR WAY FOR EARLY RESUMPTION OF TRR OPERATION. SECRET

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2. IN RESPONSE, HELFRICH SAID THAT TEAM WAS PREPARED ONLY TO CONDUCT EXPLORATORY TALKS ON AD REFERENDUM BASIS AND URGED CHENG TO ENSURE THAT OTHER ROC OFFICIALS UNDERSTOOD THAT IMPLEMENTATION OF THE VARIOUS ASPECTS OF RECENT

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NUCLEAR AGREEMENT WOULD REQUIRE CONSIDERABLE TIME.
HELFRICH STRESSED TEAM WISHED TO REVIEW ALL ASPECTS OF
AGREEMENT, NOT JUST THOSE RELEVANT TO TRR. WITH RESPECT
TO TRR, TEAM COULD ONLY BEGIN DISCUSSION OF THE THREE
CONDITIONS ON TRR RESUMPTION (SAFEGUARDS, FUEL DISPOSAL
AND AGREED RESEARCH PROGRAM). HELFRICH FOREWARNED CHENG

THAT IT WOULD PROBABLY TAKE CONSIDERABLE TIME AND EFFORT TO SATISFACTORILY EXPLORE THESE COMPLEX AND DIFFICULT ISSUES, WHICH ARE POLITICAL AS WELL AS TECHNICAL IN NATURE. TECHNICAL EXPERTS WERE ON TEAM IN ORDER TO DISCUSS WAYS OF REORIENTING INER RESEARCH PROGRAMS IN MANNER WHICH MIGHT BE MUTUALLY ACCEPTABLE TO ROC AND US.

- 3. CHENG ALSO SAID THAT ONLY A FEW VERY SENIOR OFFICIALS AT INER WERE AWARE OF AGREEMENT. HE MENTIONED THAT INER EMPLOYEES HAD BEEN TOLD THAT TRR WAS SHUT DOWN "FOR MAINTENANCE", AN EXPLANATION WHICH HE RECOGNIZED WOULD NOT REMAIN CREDIBLE INDEFINITELY. CHENG SAID ROC WISHED TO CONFINE DISCUSSION OF NUCLEAR AGREEMENT TO A RELATIVELY FEW PEOPLE AND SUGGESTED THAT FIRST MEETING WITH INER ON WEDNESDAY MIGHT BEST BE HELD IN TAIPEI RATHER THAN AT LUNGTAN. HELFRICH SAID US UNDERSTOOD PROBLEM AND WOULD ACCOMMODATE ROC SUGGESTIONS ON ARRANGING MEETINGS. HE ADDED THAT EMBASSY WOULD BE IN TOUCH WITH CHENG ON SCHEDULING PRIOR TO TEAM'S ARRIVAL.
- 4. ON MAY 19, CHENG REITERATED ABOVE DURING MEETING WITH DEPUTY UNDERSECRETARY FOR SECURITY ASSISTANCE NYE. DR. NYE EXPRESSED OUR SATISFACTION WITH RECENT AGREEMENT AND OUR HOPE FOR SATISFACTORY IMPLEMENTATION LEADING TO SECRET

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CONTINUED COOPERATION. IN LATTER CONNECTION, NYE TOLD CHENG THAT EXECUTIVE BRANCH HAD JUST RECENTLY RECOM-MENDED NRC APPROVAL OF EXPORT OF 20 PERCENT ENRICHED FUEL FOR TSINGHUA REACTOR. (DETAILED MEMCON WILL BE POUCHED TO EMBASSY.)

5. HELFRICH, WHO ALSO PARTICIPATED IN MAY 19 MEETING, CAN PROVIDE EMBASSY WITH ADDITIONAL DETAILS ON CHENG'S DISCUSSIONS. CHRISTOPHER

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