August 23, 1980
US Embassy Japan Telegram 14873 to State Department, 'GAO Review: Nuclear Nonproliferation Act of 1978'

Citation:
http://digitalarchive.wilsoncenter.org/document/145136

Summary:
The telegram describes the US Embassy in Tokyo reporting Japan's criticism of the Nuclear Nonproliferation Act of 1978 but its unwillingness to be strongly opposed in fear of a cut-off in enrichment services and nuclear reactor components.

Original Language:
English

Contents:
- Scan of Original Document
SECRET

Department of State

SECRET SECTION #1 OF 05 TOKYO 14673

E.O. #1 06/21/80 (SHERMAN, W.G.) OR M
TASS: ASEG, PARR, ENRG, TECH, JA
SUBJECT: GAO REVIEW; NUCLEAR NON-PROLIFERATION ACT OF 1978

REF: (A) STATE 21547, (B) STATE 211418

1. (SECRET - ENTIRE TEXT)


A JAPANESE OFFICIALS VIEW U.S. NON-PROLIFERATION POLICY AS TOO STRICT IN TERMS OF FAILING TO RECOGNIZE NUCLEAR ENERGY AS THE ONLY READILY AVAILABLE ALTERNATIVE ENERGY SOURCE IN SOME OF THE ADVANCED INDUSTRIAL NATIONS. IN PARTICULAR, JAPANESE ENERGY POLICY EMPHASIZES DIVERSIFICATION IN ORDER TO REDUCE AN ALMOST 100% DEPENDENCE ON IMPORTED OIL, EVEN IF THE DIVERSIFICATION LEADS TO HIGHER COSTS AS THE PRICE OF ENERGY SECURITY. JAPAN IS NOW SECOND ONLY TO THE U.S. IN TERMS OF INSTALLED NUCLEAR CAPACITY AND IS TRYING TO MOVE TOWARD MAKING ITS NUCLEAR ENERGY INDUSTRY INDIGENOUS TO A LARGE EXTENT EXCEPT FOR THE IMPORTATION OF URANIUM. IN ITS BILATERAL RELATIONSHIP WITH THE U.S., JAPAN SEEMS EQUAL TREATMENT WITH WESTERN EUROPE AND JAPANESE OFFICIALS OFTEN HAVE INDICATED THAT THE U.S. SINGLES OUT JAPAN FOR EXCESSIVELY HARSH TREATMENT BY COMPARISON. IN THE PAST YEAR OR SO THE TONE OF SUCH VIEWS HAS MODERATED AS THE U.S. HAS REDUCED EFFORTS TO USE JAPAN AS AN EXAMPLE OF IMPLEMENTATION OF ITS INTERNATIONAL NON-PROLIFERATION CAMPAIGN AND HAS BROUGHT JAPAN MORE FREQUENTLY INTO ADVISE CONSULTATIONS. THE REQUIREMENTS OF THE NMDA SEEK TO HAVE BEEN COMPLIED WITH IN JAPAN, ALTHOUGH NOT WITHOUT REGISTERING OF OBJECTIONS. JAPANESE OFFICIALS, BOTH GOVERNMENT AND PRIVATE, HAVE EXPRESSED HOPE THAT THE NMDA WOULD BE AMENDED IN THE FUTURE TO MAKE ITS EFFECTS MORE "REALISTIC." THEY DO NOT CONSIDER THE ACT TO BE PARTICULARLY FLEXIBLE, EXCEPT PERHAPS FOR THE LATITUDE GIVEN NPT COUNTRIES IN RENEGOTIATION OF THEIR BILATERAL NUCLEAR AGREEMENTS (I.E., NO TIME LIMIT SET). THERE IS NO QUESTION BUT THAT THE JAPANESE LOOK UPON U.S. NUCLEAR POLICY AS CHANGEABLE AND UNPREDICTABLE, AND IN FACT THERE IS THE HOPE EXPRESSED THAT IT WILL CHANGE AGAIN IN FAVOR OF OTHER COUNTRIES, OF COURSE THERE IS NO WAY FOR THEM TO EVALUATE WHETHER SUCH CHANGES WILL BE

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INCOMING TELEGRAM

TO: USCGF 01
FROM: WASHCON PRIORITY 1250

AHEBASSY TOKYO
AHEBASSY BONN
AHEBASSY BUENOS AIRES
AHEBASSY CABEERKA
AHEBASSY FRANKFURT
AHEBASSY LONDON
AHEBASSY MADRID
AHEBASSY NEW DELHI
AHEBASSY OTTAMS
AHEBASSY PARIS
AHEBASSY SEOUL

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"UNANOUNCED" OR "UNILATERAL."

--B. JAPAN HAS ACCEPTED AND AGREED TO CURRENT U.S. NON-
PROLIFERATION POLICY TO THE EXTENT THAT IT UNDERSTANDS OR
IS INFORMED OF IT TO PROTECT, ALBE IT SOMETIMES UNDER PROTEST
(E.G., MB-10 APPROVALS). THE RECENT INCIDENT WHICH THREATENED
THE IMPORTANCE OF JAPAN FROM THE U.S. TO JAPAN
BECAUSE THE JAPANESE NUCLEAR FACILITIES WERE NOT UNDER IAEA SAFEGUARDS
INSPECTION SPECIFICALLY, THE NEW WITONG TOGE GAS CYLINDER
ENRICHMENT PILOTA PLANT IS A CASE IN POINT WHERE THE JAPANESE THOUGHT THAT THEY WERE CARRYING OUT THE OBLIGATIONS
OF THEIR NPT SAFEGUARD AGREEMENT WITH THE IAEA IN GOOD FAITH
SECRET BUT IN EFFECT WERE TOLD OTHERWISE BY THE U.S. ALTHOUGH
JAPAN DOES NOT HAVE THE LEGAL AND REGULATORY FRAMEWORK TO
CARRY OUT A STRIKING CONTROL PROGRAM FOR SENSITIVE
NUCLEAR TECHNOLOGY AND EQUIPMENT, IT HAS RESPONDED QUICKLY
AND AFFIRMATIVELY TO BAR EXITS WHEN ALERTED BY THE U.S.
TO POTENTIALLY DANGEROUS SITUATIONS (I.E., WITH INDIA AND
P ACISTAN). TO OUR KNOWLEDGE, JAPAN HAS NOT TRIED TO SOUDD
ITS OWN STRONG NUCLEAR NON-PROLIFERATION POLICY FOR ECONOMIC
GAIN, AS THE CASE IN A FEW OTHER ADVANCED NATIONS.

--C. THE JAPANESE LOOK UPON THE U.S. AS THEIR STRONGEST
AND MOST IMPORTANT ECONOMIC, MILITARY AND POLITICAL ALLY AND
ACCEPT U.S. NUCLEAR POLICY, LARGE IN THIS CONTEXT. THAT IS, LIKE THE U.S., THEY WISH TO DEFUSE NON-PROLIFERATION
ISSUES TO PREVENT THEM FROM BEING ELEVATED TO A MORE
EMOTIONAL LEVEL WHICH MIGHT AFFECT ADVERSELY OTHER PARTS OF
THE RELATIONSHIP. FURTHERMORE, JAPAN DEPENDS ON THE U.S.
AS ITS MAJOR SUPPLIER OF ENRICHMENT SERVICES AND SOME
NUCLEAR POWER PLANT COMPONENTS, AND ALSO BUYS SOME NATURAL
URANIUM IN THE U.S. THEREFORE, JAPAN WOULD NOT WISH TO
RISK A CUT-OFF OF SUCH SUPPLIES BY TOO STRIDENT OPPOSITION
TO U.S. POLICIES WHICH RESULTED IN A CONDITION CONTRARY TO
A PROVISION OF THE BILATERAL AGREEMENT OR OF THE NHPA.
THEN FACTORS HARDLY "ENHANCE" JAPAN'S ACCEPTANCE OF U.S.
POLICY, SINCE THEY ARE NEGATIVE IN CHARACTER. HOWEVER,
THESE HAVE BEEN SOME SPECIFIC ACTIONS INITIATED BY THE U.S.
WHICH HAVE ACTED TO GAIN THE HEADED JAPANESE SUPPORT.

WE THINK IMMEDIATELY OF THE SUCCESSFUL TEST PROGRAM FOR
IMPROVING SAFEGUARDS AT REPROCESSING PLANTS, THE RECENTLY
INITIATED MULTILATERAL PROGRAM FOR ESTABLISHING SAFEGUARDS
PROCEDURES FOR GAS CYLINDER ENRICHMENT PLANTS, AND THE
SUCCESSFUL CONCLUSION OF INFCE-—WHERE THE JAPANESE GENERAL-
LY PLAYED A CONSTRUCTIVE AND USEFUL ROLE, EVEN IF NOT AGREE-
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PM AMBASSADOR TOKYO
TO SECSTATE WASHDC PRIORITY 125

INFO AMBASSADOR BONN

AMBASSADOR BRASILIA

AMBASSADOR BUENOS AIRES

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AMBASSADOR FRANKFURT

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S E G R E T SECTION 04 OF 05 TOKYO 14873

THE PERCEIVED RELIABILITY OF THE U.S. AS A SUPPLIER OF NUCLEAR FUEL. IN ALL ENERGY MATTERS JAPAN IS MOST RELUCTANT TO RELY ON A SINGLE SUPPLIER, EVEN IF THAT SUPPLIER IS CONSIDERED RELIABLE IN SOME OTHERS' FRAME. THE SUSPENSION OF U.S. ENRICHMENT SUPPLY CONTRACTS IN 1974 WAS A FACTOR IN LEADING JAPAN TO CONTRACT WITH EURISOF FOR A PORTION OF ITS SEPARATE WORK REQUIREMENTS IN THE 1980'S AND TO EMBARK ON A VIGOROUS INDIGENOUS URANIUM ENRICHMENT PROGRAM. LIKewise, JAPAN HAS BECOME ALMOST INDEPENDENT OF THE U.S. AND OTHER COUNTRIES IN TERMS OF NUCLEAR EQUIPMENT SUPPLY FOR LIGHT WATER REACTORS, BUT PROBABLY COULD STILL BENEFIT FROM THE TRANSFER OF ADVANCED FAST BREEDER TECHNOLOGY AND EQUIPMENT. THE INTERNATIONAL FUEL BANK CONCEPT, AS PROPOSED BY THE U.S., SEEMS TO BE OF LITTLE INTEREST TO JAPAN SINCE IT WOULD NOT REALLY APPLY TO JAPAN'S SITUATION IN THE EVENT OF A CUT-OFF OF SUPPLY BY A COUNTRY SUCH AS THE U.S.

JAPAN HAS A NUMBER OF RESEARCH PROJECTS ON SAFEGUARDS BEING CARRIED OUT FOR THE IAEA, INCLUDING ASPECTS OF THE MULTILATERAL TASTEFUL PROGRAM WHICH ITSELF IS DESIGNED FOR ENHANCEMENT OF IAEA SAFEGUARDS. ALSO, JAPAN HAS WORKED HARD TO INCREASE THE NUMBER OF JAPANESE NATIONALS ON THE AGENCY'S STAFF, INCLUDING THE RECENT APPOINTMENT OF H. YAMAMOTO TO SENIOR SAFEGUARDS POSITION. THE CURRENT U.S. EFFORT TO DEVELOP IAEA SAFEGUARDS PROCEDURES FOR GAS CENTRIFUGE PLANTS HAS STRONG JAPANESE SUPPORT AND WE EXPECT THAT JAPAN WILL BE A MAJOR CONTRIBUTOR AND PARTICIPANT IN ANY PROGRAM WHICH EVOLVES FROM THE DISCUSSIONS NOW GOING ON. JAPAN IS ALSO ONE OF THE MAJOR PARTICIPANTS IN ACDA'S RECOVERY PROGRAM, WHICH WILL PROVIDE THE IAEA WITH THE CAPABILITY OF REMOTE SURVEILLANCE OF SENSITIVE NUCLEAR FACILITIES.

WE BELIEVE THAT THIS QUESTION IS NOT WITHIN OUR

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PURVIEW.

SEVERAL INTENSIVE MEETINGS HAVE BEEN HELD WITH THE GOJ ON NEGOTIATION OF A NEW BILATERAL AGREEMENT. THE JAPANESE PREFER TO LOOK UPON THIS AS A SERIES OF DISCUSSIONS, BUT IT IS CLEAR THAT THE VORURING OF AN ACCEPTABLE AGREEMENT HAS BEEN EVOLVING STEADILY. THE GOJ HAS BEEN EXPRESST IN STATING, HOWEVER, THAT IT WILL NOT ENTER INTO A NEW AGREEMENT UNTIL EURATOM HAS COME ALIKENLY OR PERHAPS UNTIL IT IS CERTAIN THAT THE EURATOM AGREEMENT WILL BE CONSUMMATED. DESJN IS MUCH MORE FAMILIAR WITH THE STATUS OF THE NEGOTIATIONS AND THE REMAINING OBSTACLES THAN IS THE EMBASSY, AND WE REFER TO THE DEPARTMENT'S JUDGMENTS IN THIS REGARD. SO FAR, THE GOJ HAS NOT MADE A CONTENTIOUS ISSUE OF THE NPA REQUIREMENT FOR A NEW AGREEMENT, BUT ALMOST
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ARE RESIGNED TO LIVING WITH THE NNPA AND ADJUSTING THEIR OWN POLICIES AND PROCEDURES ACCORDINGLY UNLESS IT APPEARS THAT A CONCERTED MOVE TOWARD LIBERALIZATION OF THE ACT TAKES PLACE IN THE U.S. UNFORTUNATELY, THE ADJUSTMENT OF GOJ POLICY MAY WELL TEND TOWARD PUTTING A GREATER DISTANCE BETWEEN THE TWO COUNTRIES IN THE SUPPLIER-CUSTOMER RELATIONSHIP.

ALTHOUGH THIS PROBABLY WILL NOT BE A NEAR-TERM EFFECT, WE DOUBT THAT THE DECLINE IN THE U.S. SHARE OF SALES OF ENRICHMENT SERVICE OF ITSELF HAS HAD AN ADVERSE AFFECT ON THE U.S. ABILITY TO SPECIFICALLY INFLUENCE JAPAN'S NUCLEAR POLICIES. RATHER, THE OVERALL STRINGENCY OF THE U.S. NON-PROLIFERATION POLICY HAS ADVERSELY AFFECTED U.S. INFLUENCE ON JAPAN IN CONCERT WITH A LARGE NUMBER OF OTHER COUNTRIES, SO THAT JAPAN TOGETHER WITH THE OTHER COUNTRIES, PERHAPS FEELING SOME SAFETY IN NUMBERS, ARE NOW MORE INCLINED TO CHALLENGE OR AT LEAST DEBATE THE MERITS OF U.S. INITIATIVES.

INFE, OF COURSE, WAS THE FORUM WHERE THE DEBATE TOOK PLACE FIRST, AND NOW THE SECOND NPT REVIEW CONFERENCE PROVIDES ANOTHER VEHICLE FOR REACTION.

--M.

JAPAN APPEARS TO UNDERSTAND THE NEED FOR THE EXPORT CRITERIA BUT QUESTIONS THE MANNER IN WHICH THEY ARE APPLIED. FOR EXAMPLE, THERE HAVE BEEN LONG DELAYS IN THE APPROVAL OF FUEL SHIPMENTS TO JAPAN (A PROBLEM THAT MAY BE RECEDIING), PERHAPS THE MOST STARTLING EVENT CONCERNING THE EXPORT CRITERIA WAS THE ADMINISTRATION'S POSITION ON THE SHIPMENT OF FUEL TO INDIA--A CASE DISAPPROVED BY THE NRC BUT OVER-RULED BY THE PRESIDENT AND SUBMITTED TO THE CONGRESS FOR ULTIMATE DECISION. THE APPARENT LACK OF COHERENCE WITHIN THE U.S., COUPLED WITH U.S. INTENTIONS OF SUPPLYING FUEL TO A NON-NPT COUNTRY WHICH HAD EXPLODED A NUCLEAR DEVICE AND WHICH DID NOT HAVE FULL-SCOPE SAFEGUARDS IN PLACE, WAS TOO MUCH FOR THE AVERAGE JAPANESE TO COMPARE WITH--ESPECIALLY WHEN SUCH RESTRICTIONS AS MB-10 APPROVALS AND APPROVALS FOR SHIPMENT OF REACTOR FUEL TO JAPAN CONTINUE TO BE STRICTLY ENFORCED. NOTWITHSTANDING WORDS ALONG THESE LINES FROM MORE SOPHISTICATED GOJ OFFICIALS, WE BELIEVE THAT THEY FULLY UNDERSTAND THE REASONS AND THE NEED FOR THE ADMINISTRATION'S POSITION. HOWEVER, THEY MAY USE THE ARGUMENT TO THEIR ADVANTAGE IN THE EVENT THAT RESTRICTIONS ON EXPORTS TO JAPAN SHOULD OCCUR IN THE FUTURE FOR SOME UNPREDICTABLE REASON.

MANSFIELD