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FJTW-6304

12 Sept 1956

- : Chief of [] Station
- : Chief, FE
- : Psych/Operational
- : PCOAM, [] - Policy Re Japan Atomic Energy Program

REFERENCE: A. FJTA 11676, dated 6 July 1956
B. FJTW 6000, dated 17 August 1956

ACTION REQUIRED: For Information

1. Forwarded under separate cover are OSACIE's replies to your queries listed in Paragraphs 7 b, c, d, and e of Reference A. We are also anticipating comments from OSACID, but in order to cause no further delay in replying to your dispatch, we are sending along the material now at hand, without waiting for OSACID's contribution.

2. In the meantime, Tokyo OSACID Dispatch No. 25, dated 10 July has prepackaged some of the same questions as your dispatch. We have not been able to determine when - or if - this dispatch will be answered, but suggest you may wish to keep an eye out for the reply.

3. We also call your attention to Tokyo OSACID Dispatch No. 98 dated 3 August, and Paragraph 7 of No. 122, dated 10 August, as well as to No. ~~122~~, which we haven't seen but which is reported to bear on the subject.

4. Off the record, we understand that OSACID concurs in OSACIE's reply to Paragraph 7 b of Reference A, and also feels that although the British have not made a point of the secrecy clause, as has the U. S., they, too, will require one. Since the foregoing cannot be documented, it is requested that this opinion be considered on an FYI basis only.

5. Concerning the mounting of operations specifically to collect information, as discussed in Paragraph 7 of Reference A, we concur with your

NAZI WAR CRIMES DISCLOSURE ACT

SECRET

EXEMPTIONS Section 3(b)

- (2)(A) Privacy
- (2)(B) Methods/Sources
- (2)(G) Foreign Relations

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SECRET

FORM 604
page 2

views. We also go along with the possibility that despite Reference B you may at some future time come across something worthy of your efforts, and we shall rely on your judgment to handle such information appropriately.

6. ODACID Cable No. CA-9302 to Vienna, dated 23 May 1956 is forwarded, separately, for whatever help it may provide.

[]
Acting Chief, Far East Division

5 September 1956

Originated by: [] /bkt

Attachment:

As noted in Para 1 and 6, under separate cover

Distribution:

- 5 - Addressee, w/att (L COPY) S/C
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[] ACTING CHIEF, FE ICD [] V, CFE/1
(Releasing officer) (Coordinating Officer) (Authenticating officer)

SECRET

1. What is the Official U.S. position with regard to the Japanese atomic energy program? Are we vitally interested in furthering their program?

The United States is interested in the development of the Japanese civil atomic energy program. This is evidenced by the conclusion of an Agreement for Cooperation with Japan in the spring of 1955 for cooperation in the field of research and by the great number of Japanese visitors who have been entertained by the U.S. Atomic Energy Commission. The Agreement concluded with Japan expresses the hope and expectation of the Parties for further cooperation relating to the development of power reactors in Japan and states that the United States would be quite prepared, at any time the Japanese are interested, to discuss a power bilateral. There have been, in addition, the numerous visits by AEC officials from the United States to Japan which has provided for the opportunity for considerable informal exchanges between the technical people of the two countries.

2. Does it matter whether the Japanese purchase U.S. or British reactors?

The United States is naturally interested in furthering the business opportunities of American firms in the atomic energy program and would, of course, like to see the Japanese purchase their reactors on the United States market.

3. Presuming that the conclusion of a Power Agreement with Japan is the prerequisite to the delivery of U.S. prototypes, what is the U.S. position on waiving the secrecy clause?

A Power Agreement with Japan could be developed either on an unclassified or a classified basis. If the Agreement provided for the exchange of restricted data, the two countries would have to develop appropriate security arrangements and these arrangements could not be waived. On the other hand, an Agreement confined to unclassified activities would not entail security arrangements and the question of waiver would not arise.

4. What is headquarters opinion on the possibility of telling our agent in the field that the U.S. does not care one way or another as to choice of reactors (i.e., U.S. vs. British reactors)?

See the answer to No. 2 above.

5. What is headquarters estimate of the danger of the USSR moving in with a more generous offer and what would our reaction be should this come to pass?

It is highly possible that the USSR will offer to assist the Japanese atomic energy program. Soviet offers of atomic energy assistance have already been made to Egypt, India, Indonesia, and Iran. Unconfirmed offers of Soviet assistance have also been reported on other Far and Middle Eastern countries. Whether the Soviet offer would be more generous than the U.S. offer is not known. The Soviets in most instances have appeared to be as concerned as the U.S. about the control of fissionable materials, i.e., strict accountability for materials, return of irradiated fuel rods to the USSR for reprocessing. As far as cost of fissionable materials is concerned, the Soviet announcements have

SECRET

stated that the "materials are available at world prices." Most of the Soviet offers of atomic energy assistance made to date have covered research reactors, personnel training, and geological survey work rather than power reactor information.

In any event, the U.S. hopes that the Japanese would discuss with the U.S. Government any offer of technical assistance from the USSR prior to making a decision on the offer.

SECRET