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PAGE 01  STATE 295178
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DRAFTED BY S/AS:R KELLEY
APPROVED BY S/AS:AMB SMITH
NEA:MRS COON
DES:AMB PICKERING
T/OD:DK NYE
S/S:JETYDEN

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E.D.: 11652: XGDS
TAGS: TECH, ENRG, MNUC
SUBJECT: PAKISTAN REPROCESSING PLANT

1. SUMMARY - ON MARGIN OF U.S.-FRENCH TALKS ON INFCE OUT-
COMES AND NONPROLIFERATION, JACOMET AND AMBASSADOR
DE LABOULAYE MET WITH SMITH, NYE AND PICKERING NOVEMBER 17.
JACOMET REVIEWED RECENT DEVELOPMENTS ON THE PAKISTAN RE-
PROCESSING PLANT, EMOTIONIZING THAT THE U.S. SHOULD HAVE
NO FURTHER WORRY ABOUT THE FRENCH CONTRACT BECAUSE FRANCE'S
DECISION TO TERMINATE ALL COOPERATION WITH PAKISTAN ON
THE REPROCESSING PLANT WAS ABSOLUTELY FIRM. END SUMMARY.

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2. Jacomet said that when Aga Shahi met with Giscard on November 3 in Paris, the letter he conveyed from General Zia merely expressed a "firm hope" that the French decision to end cooperation under the reprocessing plant contract would not hinder Franco-Pakistani cooperation in other fields. The letter was merely two pages long, Jacomet said, and contained nothing of a substantive nature.

3. Aga Shahi did not raise the co-processing alternative as the French thought he might. He did ask for bilateral discussions on a plutonium storage regime under Article XII of the IAEA charter. Jacomet agreed with Aga Shahi that French and Pakistani experts could discuss this within the framework of INFCE. During the meeting with Giscard and a separate meeting with De Guiringaud, there was also discussion of Pakistan's desire to purchase Mirage planes and French missiles.

4. Jacomet emphasized that the French government decision to end all further cooperation under the reprocessing contract was firm. France still hoped to avoid a confrontation with Pakistan and thus was continuing to maintain a dialogue with the Pakistani government, at least until Bhutto's fate was determined. Pakistan appeared to understand the situation: Aga Shahi in Paris understood best tack for both countries was to maintain their respective positions. (On Bhutto, Jacomet said De Guiringaud was pessimistic that Bhutto would survive. He added that there was one view that if Bhutto was executed, the Pakistan government might drop the reprocessing plant discussions altogether.)

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5. Two French technicians were still at the plant site but their work involved the civil engineering aspects of construction and not the sensitive technology. One of these men keeps the French government closely informed on the situation. France will soon instruct the technicians to return to France; it may be several weeks yet before they leave.

6. France has evidence Pakistan will try to complete the plant without French help. This will take much longer and the sensitive technology may prove difficult and perhaps impossible for Pakistan to develop.

7. Comment: Smith questioned the purpose of a plutonium storage study if, as the U.S. and French hope, there was to be no plutonium produced in Pakistan. JACQMET understood the inconsistency, but said he agreed to the study merely to keep up a dialogue with Pakistan.

CHRISTOPHER