SECRET

S/NP: RTKENNEDY (SUBS)
INR/PMH: D. HOWELLS
S/S:

S/NP: AMB KENNEDY (ONLY)

NIACI IMMEDIATE ISLAMABAD

E.O. 12356: DECL: OADR
TAGS: PARM, MNUG, PK

SUBJECT: DEMARCHE ON NUCLEAR ISSUE

1. SECRET ENTIRE TEXT.

2. PARA THREE CONTAINS DRAFT TALKING POINTS FOR USE WITH PRESIDENT ZIA ON NUCLEAR ISSUE; THEY HAVE NOT BEEN CLEARED WITHIN THE DEPARTMENT. WE WOULD APPRECIATE YOUR REACTION AS SOON AS POSSIBLE. WE ARE SENDING SEPTEL TO YOU TODAY ADDRESSING US NON-PROLIFERATION POLICY WITH SELECTED OTHER COUNTRIES AS YOU REQUESTED. WE WILL ALSO PREPARE ACCOMPANYING Q'S AND A'S TO SUPPORT US SIDE IN ANY DIALOGUE THAT OCCURS OVER THE EQUITY OF THE APPLICATION OF US NON-PROLIFERATION POLICY TO PAKISTAN.

3. BEGIN TALKING POINTS:

REVIEW AUTHORITY: Sharon Ahmad, Senior Reviewer
SECRET

THE U.S. AND PAKISTAN SHARE VITAL SECURITY INTERESTS. I NEED NOT MENTION HOW CRITICAL PAKISTAN'S SUPPORT HAS BEEN IN OPPOSING THE SOVIET OCCUPATION OF AFGHANISTAN. WE HAVE PARALLEL VIEWS ON OTHER ISSUES OF CRITICAL IMPORTANCE TO OUR COUNTRIES' SECURITY.

THE U.S. SECURITY ASSISTANCE PROGRAM UNDERSCORES OUR COMMITMENT TO BOLSTERING PAKISTAN'S DEFENSES IN THE FACE OF THE SOVIET THREAT.

WE ARE NOW ABOUT HALFWAY THROUGH OUR SIX YEAR PROGRAM. THE INITIAL BATCH OF F-16'S HAS BEEN DELIVERED, AND OTHER IMPORTANT WEAPONS SYSTEMS ARE BEING PROVIDED.

WE LOOK FORWARD TO CONTINUING OUR COOPERATION IN STRENGTHENING PAKISTAN'S ABILITY TO DEFEND ITSELF.

AS WE HAVE MENTIONED TO YOUR GOVERNMENT BEFORE, WE HOPE TO SOON BEGIN DISCUSSIONS WITH YOU ABOUT CONTINUED U.S. SECURITY ASSISTANCE ONCE OUR CURRENT SIX-YEAR PROGRAM HAS CONCLUDED.

IN THIS REGARD, I AM SPECIFICALLY AUTHORIZED TO TELL YOU THAT, AS PROMISED BY VICE PRESIDENT BUSH, WE HAVE REVIEWED YOUR REQUEST FOR RELEASE OF THE AIM-9L AIR-TO-AIR MISSILE.

AFTER CAREFUL CONSIDERATION, THE ADMINISTRATION HAS DECIDED TO AUTHORIZE PAKISTANI ACQUISITION OF THE AIM-9L, SUBJECT TO AGREEMENT ON APPROPRIATE SAFEGUARDS TO PROTECT ITS HIGHLY ADVANCED TECHNOLOGY.

OUR LAW REQUIRES US TO NOTIFY CONGRESS OF THIS DECISION AND HAVE THAT NOTIFICATION LIE BEFORE CONGRESS FOR A PERIOD OF TIME IN ADVANCE OF ANY FORMAL OFFER TO PAKISTAN.

AT THE PRESENT POINT IN THE CONGRESSIONAL CALENDAR, THERE IS NOT SUFFICIENT TIME TO SATISFY THE REQUIREMENT OF OUR LAW WITHIN THE CURRENT SESSION OF CONGRESS. WE THEREFORE WILL NOT GO FORWARD WITH CONGRESSIONAL NOTIFICATION OR OTHERWISE PUBLICIZE OUR DECISION ON AIM-9L UNTIL CONGRESS RECONVENES EARLY NEXT YEAR.

AT THAT TIME, AND BEFORE TAKING THE AIM-9L TO THE CONGRESS, WE WILL HAVE TO ASSESS WHERE WE ARE ON ONE ISSUE THAT CONTINUES TO PLAGUE OUR RELATIONSHIP: THE NUCLEAR ISSUE.
SECRET

-- WE HAVE GREATLY APPRECIATED YOUR GOVERNMENT'S REPEATED STATEMENTS THAT PAKISTAN IS NOT SEEKING TO ACQUIRE NUCLEAR EXPLOSIVES OF ANY KIND.

-- NEVERTHELESS, WE CONTINUE TO BE CONCERNED BY ACTIVITIES WITHIN PAKISTAN'S NUCLEAR PROGRAM THAT APPEAR INCONSISTENT WITH THESE ASSURANCES.

-- UNLESS WE CAN RESOLVE THESE CONCERNS, OUR ABILITY AND WILLINGNESS TO CONTINUE A SECURITY ASSISTANCE PROGRAM WILL BE PLACED IN QUESTION.

-- AS YOU KNOW, CONGRESS FOLLOWS THIS ISSUE CLOSELY, AND WE ARE OBLIGATED TO KEEP IT FULLY INFORMED.

-- WE HAVE OUTLINED OUR CONCERNS TO YOUR GOVERNMENT WHEN YAQUB KHAN VISITED WASHINGTON AND DETAILED THEM IN A NON-PAPER WHICH WE PASSED TO THE FOREIGN MINISTER.

-- AT THAT TIME, AND WHEN VICE PRESIDENT BUSH MET WITH YOU, WE REITERATED THE POSITION LAID OUT BY PRESIDENT REAGAN IN DECEMBER 1982 CONCERNING, AMONG OTHER THINGS, ANY UNSAFEGUARDED REPROCESSING OR A VIOLATION OF SAFEGUARDS.

-- I BELIEVE OUR POSITION ON THESE ISSUES IS UNAMBIGUOUS AND UNDERSTOOD BY YOUR GOVERNMENT.

-- WE ALSO RAISED WITH FOREIGN MINISTER YAQUB OUR GRAVE CONCERN OVER ACTIVITIES AIMED AT THE DEVELOPMENT BY PAKISTAN OF A NUCLEAR EXPLOSIVE DEVICE.

-- REGRETABLELY, WE HAVE EXTREMELY RELIABLE REPORTS THAT RESEARCH ACTIVITY DIRECTLY RELATED TO NUCLEAR WEAPONS DESIGN IS CONTINUING WITHIN PAKISTAN'S NUCLEAR PROGRAM.

-- FOR EXAMPLE, WE KNOW THAT PAKISTANI NUCLEAR OFFICIALS HAVE Sought TO PROcure NEUTRON GENERATORS WHICH COULD BE USED AS KEY COMPONENTS OF NUCLEAR EXPLOSIVE DEVICES.

-- THE CONTINUATION OF THESE ACTIVITIES IS IN OUR VIEW INCONSISTENT WITH YOUR ASSURANCE TO ME TWO YEARS AGO THAT PAKISTAN WILL NOT ACQUIRE NUCLEAR EXPLOSIVES OF ANY KIND.

-- WE ALSO UNDERSTAND FROM YOUR OWN GOVERNMENT'S STATEMENTS THAT PAKISTAN HAS ACQUIRED THE TECHNICAL CAPABILITY TO ENRICH URANIUM.

-- IT IS WELL KNOWN THAT THE TECHNOLOGY USED TO PRODUCE
LOW-ENRICHED URANIUM FOR NUCLEAR REACTORS CAN READILY BE UTILIZED TO PRODUCE HIGH-ENRICHED URANIUM FOR NUCLEAR EXPLOSIVES DEVICES.

--- LET ME SPEAK FRANKLY. UNDER THESE CIRCUMSTANCES-- THE CONTINUATION BY PAKISTAN OF AN EFFORT TO DESIGN AND DEVELOP NUCLEAR EXPLOSIVES AND THE ACQUISITION BY PAKISTAN OF THE CAPABILITY TO PRODUCE FISSILE MATERIAL--IT IS NO LONGER POSSIBLE FOR US TO ASSURE OURSELVES OR TO CONVINCE THE CONGRESS THAT PAKISTAN IS NOT IN A POSITION TO FABRICATE NUCLEAR WEAPONS.

--- IF THIS SITUATION IS ALLOWED TO PERSIST, WE WILL INEVITABLY COME TO THE POINT WHERE WE CANNOT SUSTAIN THE SECURITY ASSISTANCE PROGRAM WE BOTH WANT TO GO FORWARD.

--- WE THEREFORE BELIEVE THAT IT IS IN PAKISTAN'S BEST INTEREST TO TAKE POSITIVE STEPS TO REMOVE ANY QUESTION ABOUT THE DIRECTION OF ITS NUCLEAR PROGRAM.

--- FIRST, WE URGE YOU TO TAKE THE NECESSARY ACTIONS TO TERMINATE THE NUCLEAR EXPLOSIVES DEVELOPMENT ACTIVITIES I HAVE JUST MENTIONED.

--- SECOND, WE NOTED FOREIGN MINISTER YAQUB'S STATEMENT THAT THE ENRICHMENT ACTIVITY AT KAHUTA WAS LIMITED TO THE LEVEL REQUIRED FOR PEACEFUL USES.

--- WE URGE YOU TO DO WHAT IS NECESSARY TO INSURE THAT PAKISTAN WILL NOT OPERATE ANY URANIUM ENRICHMENT FACILITY TO PRODUCE URANIUM ENRICHED BEYOND THE LOW LEVEL REQUIRED TO FUEL LIGHT WATER POWER REACTORS.

--- I HOPE THAT YOU WILL ALLOW ME TO CONVEY TO PRESIDENT REAGAN YOUR SOLEMN ASSURANCE THAT THIS IS THE POLICY OF THE PAKISTANI GOVERNMENT.

4. MINIMIZE CONSIDERED.