

BRIEFING MEMORANDUMUNITED STATES ARMS CONTROL
AND DISARMAMENT AGENCY*100-1-1015*

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RELEASED IN FULL

July 24, 1987

TO: The Director

FROM: OCA - Anthony T. Salvia, Acting *ATS*

SUBJECT: HFAC ASIA SUBCOMMITTEE HEARING ON PAKISTAN

On July 22, the HFAC Asian and Pacific Affairs Subcommittee, chaired by Representative Stephen Solarz (D-NY), held a hearing with the HFAC Subcommittee on International Economic Policy chaired by Representative Don Bonker (D-WA) on the issue of Pakistan's nuclear program, and the recent arrest of an individual charged with attempting to export a specialty steel used for uranium enrichment. The following Members attended: Gerald Solomon (R-NY), Jim Leach (R-IA), Robert Lagomarsino (R-CA), Chester Atkins (D-MA), Howard Wolpe (D-MI), and Mel Levine (D-CA). Assistant Secretary of State Richard Murphy testified on behalf of the State Department (his statement is attached) and David Warren, Special-Agent-in-Charge of the U.S. Customs office in Philadelphia testified on behalf of the U.S. Customs Service; both testified in open session. Prior to their testimony, CIA and State Department representatives offered Members a codeword briefing.

Attached are the opening statements by Chairman Solarz, and Jim Leach. Solarz asserted that "these accounts, assuming they are true, represent a flagrant and provocative challenge to U.S. nonproliferation objectives." He stated his hope that evidence will surface to indicate that Pakistani authorities knew nothing of this attempted export. He concluded that the "ideal solution would be for some agreement with Islamabad that would give us confidence that Pakistan is not producing highly enriched uraniumBut in the absence of such an agreement, we would have no alternative but to insist that the law in all its provision be faithfully carried out."

Representative Jim Leach urged caution in handling this issue and commended the Executive Branch, in particular the federal law enforcement authorities, for their "impressive" sting operation

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which "implicitly" upheld U.S. nonproliferation policy objectives, in addition to the law. He suggested that a number of intermediate sanctions might be considered in view of the situation in Afghanistan, such as a partial aid cut off. Leach explained that "the problem with the Solarz Amendment, and particularly its early exercise, is that it puts the Administration so much on the spot that a national security waiver is virtually inevitable." He ended his statement with a slight twist--that a CTB could most effectively address the non-proliferation problem.

Other Members also offered opening statements (these were not printed or made available). In summary, Bonker supported an immediate cut-off of aid to Pakistan and stated that the State Department should conduct a "high level review" of the matter; Lagomarsino endorsed Leach's more moderate and cautious approach in dealing with the situation; Levine supported Bonker, claiming that while the United States must be conscious of its strategic interests and the value of its relationship with Pakistan, these considerations must be balanced against the spread of nuclear weapons and the role of trust in our relations with other nations. Congressman Wolpe stated that there was no greater issue related to the prevention of war than non-proliferation.

The questions asked by the Members of the Majority seemed designed to try to establish a pattern of deceptive activity on the part of the Government of Pakistan. Several Members made it clear that they did not view this as an isolated activity, or a "rogue operation", rather a calculated effort by the Pakistani government to pursue a clandestine nuclear weapons capability.

Chairman Solarz was interested in the nature of cooperation between the State Department, the Justice Department and U.S. Customs. He was interested in obtaining the documents currently being investigated by the Philadelphia Customs office. Special Agent Warren said he would have no objection to turning them over to the Committee once all leads have been investigated. When asked whether there was any suggestion of linkage to the Government of Pakistan's nuclear program, Warren answered, "not yet." As for Mr. Pervez's motivations, Warren stated that he did not know, but that there was only one use for that specialty steel. The Special Agent also indicated that Pervez was not being cooperative. Solarz inquired as to the need for a criminal conviction prior to the Executive Branch making a legal determination on this case. Assistant Secretary Murphy replied that a conviction would not be necessary. Congressman Bonker followed up Solarz's line of questioning by asking what evidence was needed to trigger the Solarz amendment. Murphy did not offer a definitive answer, but replied that the United States Government would be seeking Pakistani cooperation and assurances, as well as a broader understanding of Pakistan's nuclear program.

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Bonker was interested in establishing whether or not other individuals were involved with Pervez. Warren replied in the affirmative adding that others have been identified in Canada, Pakistan and elsewhere, and that a conspiracy angle was being developed. In response to questions about the existence of similar cases, Deputy Assistant Secretary Robert Peck, who testified after Murphy left, mentioned a California case (reported last week), and said that an IG was monitoring the situation. The State Department further explained that a number of questionable instances have arisen, including the exportation of dual-use items which, while legal, may have been diverted by a third country. None of these instances, however, seem to fall within the realm of the Solarz amendment.

We have also attached to this memo a copy of the letter that was sent by HFAC Chairman Dante Fascell and Subcommittee Chairman Don Bonker to the President calling for a temporary suspension of U.S. aid to Pakistan, and its accompanying press release.

Attachments:

- Tab A - Murphy/Solarz/Leach Statements
- Tab B - Fascell/Bonker Letter to the President

cc: NWC - Norm Wulf

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Congress of the United States
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The President
 The White House
 Washington, D.C. 20500

Dear Mr. President:

With few exceptions, the friendship between the United States and Pakistan since independence has been close and mutually advantageous. The Soviet invasion of Afghanistan, the Iran-Iraq war, the explosion of narcotics production in South West Asia, and the incipient production of nuclear weapons by countries in the region have all heightened U.S. interest in maintaining close ties with Pakistan. In most respects U.S. and Pakistani views on these issues are convergent, and cooperation between the two countries in seeking solutions to these problems has been excellent. Pakistan deserves our sympathy and support in confronting the threat posed by the Soviets in Afghanistan and in its selfless acceptance of over three million refugees from that devastated country. And Pakistan should be supported in its proposals for defusing nuclear tensions in the Asian subcontinent. But recent legal actions in the United States call into question both Pakistani credibility on the issue of nuclear weapons and the fundamental nature of our relationship with that country.

Indictments have been brought alleging violations of United States export controls by persons apparently acting on behalf of Pakistan. The illegal exports which may have occurred or been attempted involve equipment and material which could be of significance for Pakistan's efforts to develop nuclear explosives. If these charges are true, they raise serious concerns over the nature and direction of the relationship between the United States and Pakistan.

Largely in response to a conviction in 1984 of a Pakistani national on charges of violating U.S. export controls to supply items to Pakistan for use in nuclear explosives, the Congress amended the Foreign Assistance Act in 1985 to prohibit assistance to any country which attempts to export illegally items which would "contribute significantly" to its ability to manufacture a nuclear explosive device. The law is complex and subject to interpretation, and the pending cases may take months to be completed. But the United States appears to have a sound case in both pending indictments. In addition, U.S. assistance to Pakistan terminates at the end of the present fiscal year unless other prohibitions in current law, related to the nuclear issue, are amended by the Congress. The present situation, in short, is tenuous and fraught with difficulty.

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In order that the close relationship between the U.S. and Pakistan not suffer through a protracted period of uncertainty, we urge you temporarily to suspend military assistance and economic support funds to Pakistan, and to review with Pakistani leaders the future direction of our relations and of our mutual security interests in South Asia. Pakistan should make good its pledges of peaceful intent in the nuclear field with actions in order to restore U.S. faith that our mutual interests in the region and in a strong and independent Pakistan not be sacrificed to a fruitless nuclear arms race in South Asia. That Pakistan is our fourth-largest aid recipient is evidence of a consensus in the U.S. Government regarding the importance of that country to the United States. This consensus is placed at great risk, especially at a time of difficulty for foreign assistance programs generally, by the affront to the United States represented by an apparent consistent pattern of violations of U.S. nuclear export controls by persons acting on behalf of, or in support of, Pakistani government efforts to develop nuclear weapons. We therefore urge you to take this step in the sincere hope that the relationship can be returned to a stable footing of mutual confidence and candor. This action should be taken without prejudice to the ongoing criminal proceedings and to the question of whether the provisions of the Foreign Assistance Act have been violated.

Thank you for your consideration of this matter. We stand ready to assist in whatever way possible to place the U.S.-Pakistan relationship back on a positive course.

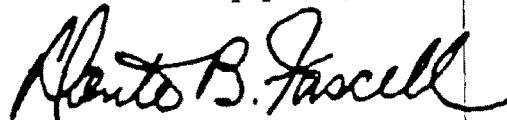
With best wishes, we are

Sincerely yours,



Don Bonker
Chairman

Subcommittee on International
Economic Policy and Trade



Dante B. Fascell
Chairman

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