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TO AMEMBASSY ISLAMABAD IMMEDIATE

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FOR AMBASSADOR AND ECON COUNSELOR ONLY

E.O. 12356: DECL/OADR

TAGS: OVIP (ARMACOST, MICHAEL H.), MNUC, PREL, PK

SUBJECT: UNDER SECRETARY ARMACOST MEETING WITH ZIA

ARNIE, LAURIE: MIKE HAS CAREFULLY REVIEWED THEZIA CONVERSATION; YOU WILL NOTE HIS CHANGES. YOU SHOULD THEREFORE RESEND ISLAMABAD 16556, SUBSTITUTING THE FIRST FORTY FIVE PARAGRAPHS BELOW. I AM NOT ENTIRELY CLEAR AS TO WHY YOU SENT THE CABLE TO US IN FINAL; MY UNDERSTANDING WAS THAT WE WERE FIRST GOING TO REVIEW LAURIE'S DRAFT AND THEN SEND IT BACK TO YOU. I CAUGHT IBAD 16556 AS IT WAS COMING IN AND STOPPED DISTRIBUTION. (PS: WE LOST/FORGOT THE THANK YOU NOTES. PLEASE TRANSMIT TO US BY CABLE. ALSO, BY ACCIDENT -- SIC? - I MADE OFF WITH H.E.'S PERSONAL READ FOLDER. WHOOPS.... WILL POUCH BACK TO YOU.

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YOU ARE ALL IMPOSSIBLE TO REACH BY PHONE; BETWEEN EID VACATIONS AND BUSY SIGNALS, I COULDN'T GET THROUGH. THANKS FOR ALL YOUR HELP, AND WARM REGARDS, ANDREW.

1. (S ENTIRE TEXT).

2. SUMMARY. THE ZIA/ARMACOST MEETING, WHICH LASTED ONE

AND A HALF HOURS, AND FOLLOWED BY DINNER, BEGAN WITH BRIEF EXCHANGES ON AFGHANISTAN AND TERRORISM IN PAKISTAN. ARMACOST THEN RAISED THE NUCLEAR ISSUE, FOCUSING PARTICULARLY ON PROCUREMENT AND ENRICHMENT. IN A FREQUENTLY HIGHLY CHARGED SESSION, PRESIDENT ZIA MOVED BEYOND SPECIFIC OFFICIAL REACTIONS TO PROTEST THE INJUSTICE TO HIS OWN AND HIS COUNTRY'S INTEGRITY POSED BY CONDEMNATIONS IN THE U. S. ZIA ARGUED FORCEFULLY THAT THE GOP WAS NOT INVOLVED IN THE PERVEZ CASE, INDICATED HE WOULD RESIGN IF IT WERE SHOWN THAT THEY WERE, AND PROMISED TO TAKE IMMEDIATE ACTION TO BAN THE IMPORT OF ANY ITEMS THE USG COULD LIST THAT WERE ILLEGAL TO EXPORT TO PAKISTAN. ON THE SUBJECT OF ENRICHMENT, ZIA INDICATED THAT NO INTRUSIVE VERIFICATION SYSTEM WAS POSSIBLE WITHOUT AGREEMENT WITH INDIA, REJECTED THE PROPOSAL FOR A NEWLY ESTABLISHED COMMITTEE TO REVIEW THE ISSUE, BUT INDICATED THAT AMBASSADOR KENNEDY AND PAEC HEAD MUNIR KHAN COULD MEET TO PURSUE A MORE EFFECTIVE WAY FOR BOTH SIDES TO DEAL WITH THE ENRICHMENT ISSUE.

UNDER SECRETARY ARMACOST REITERATED THE URGENCY OF OUR CONCERN BOTH OVER THE PATTERN OF ILLEGAL PROCUREMENT THAT APPEARS TO BE EMERGING AND ABOUT THE ENRICHMENT ISSUE. HE STRESSED THE NEED, IN THE ABSENCE OF AGREEMENT BETWEEN INDIA AND PAKISTAN ON VERIFICATION, TO DEVELOP A MECHANISM FOR SHARING INFORMATION THAT WOULD STRENGTHEN OUR

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CONFIDENCE IN AND THE CREDIBILITY OF OUR REPORTING TO THE CONGRESS. HE EXPLAINED THAT WHILE THE ADMINISTRATION IS MAKING EVERY EFFORT TO WITHHOLD JUDGMENT, THE POLITICAL MOOD IS SUCH THAT WE MUST BE ABLE TO SHOW NEW STEPS TOWARD COOPERATION IN HALTING VIOLATIONS. END SUMMARY.

#### AFGHANISTAN

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3. UNDER SECRETARY ARMACOST BEGAN BY NOTING THAT EVERYONE HE HAS TALKED WITH IN PAKISTAN IS PLEASED WITH THE PROGRESS ACHIEVED BY THE MUJAHIDIN IN AFGHANISTAN. ADDITIONALLY, DURING HIS LUNCH WITH THE MUJAHIDIN LEADERS, ARMACOST HAD NOTED AN EMERGING UNIFIED POSITION ON POLITICAL AND DIPLOMATIC ASPECTS OF THE STRUGGLE.

4. ZIA AGREED, INDICATING THAT THE MUJAHIDIN ARE STILL HIGHLY INDIVIDUALISTIC BUT ARE INCREASINGLY WORKING TOGETHER. THE MUJAHIDIN, HE INDICATED, HAVE AGREED THAT THEY NEED TO WORK IN TWO AREAS: PROJECTING TO THE OUTSIDE WORLD A POLITICAL POSTURE OF UNITY AND MOMENTUM AND

TERRORISM  
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5. IN RESPONSE TO ARMACOST'S EXPRESSION OF SYMPATHY OVER TROUBLING BOMBINGS IN PAKISTAN, ZIA INDICATED THAT HE REGRETTED THE GOP HAD NOT BEEN ABLE TO DESIGN A STRATEGY FOR DEALING WITH TERRORISM. WE HAVE, HE SAID, TAKEN SIX HARD KNOCKS AND ARE LOOKING FOR EXPERTISE AND TECHNIQUES TO DEAL WITH THE THREAT. ANALYSIS OF EXPLODED BOMBS IS VIRTUALLY IMPOSSIBLE SINCE THERE ARE NO PIECES TO IDENTIFY. IN RESPONSE TO ARMACOST'S QUESTION AS TO SUSPECTED SOURCE, ZIA INDICATED THAT THERE WAS 90 PERCENT CERTAINTY THEY WERE OF KHAD ORIGIN BECAUSE OF THE PATTERN OF INTERCEPTION OF SOVIET-MANUFACTURED BOMBS IN THE  
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COUNTRY. ZIA INDICATED GOP NEEDS HELP IN IDENTIFICATION OF APPROPRIATE TECHNIQUES AND IN TRAINING. HE EXPRESSED APPRECIATION FOR THE HELP OF U. S. EXPERTS RECENTLY. ZIA CONCLUDED THAT THE SOLE PURPOSE OF THE TERRORIST CAMPAIGN IS TO BRING PRESSURE ON PAKISTAN, IN PARTICULAR TO MAKE IT LOOK LIKE REFUGEES ARE AT FAULT. THIS WILL THEN JUSTIFY THOSE IN PAKISTAN WHO WANT TO MOVE AGAINST THE REFUGEES. (COMMENT: ZIA'S SYMPATHY WITH THE AFGHAN REFUGEES AND HIS DEPLORING THE FACT THAT THEY WERE NOW BEING BLAMED FOR INTERNAL SUBVERSION WAS AN INTERESTING CONTRAST TO THE PM'S COMMENTS THE EVENING BEFORE THAT HE WAS NOW PLANNING TO MOVE REFUGEES BACK INTO THE CAMPS. WHEN QUESTIONED, JUNEJO DID EXPRESS UNDERSTANDING THAT THE AFGHANS WERE NOT, IN FACT, AT FAULT FOR CURRENT SUBVERSIVE ACTIVITIES. NONETHELESS, HE FELT THAT WITH THE POPULAR PERCEPTION GROWING THAT THE AFGHANS WERE TO BLAME, IT WOULD EASE DOMESTIC TENSIONS TO ISOLATE THE REFUGEES FROM THE POPULACE AT LARGE. END COMMENT.)

6. ARMACOST INDICATED OUR WILLINGNESS TO BE OF HELP IN THIS AREA. RAPHEL INDICATED THAT WE HOPED TO HAVE TWO TEAMS IN THE COUNTRY SOON.

7. ARMACOST INDICATED THE SHARED GOP AND U. S. VIEW IN THE SPRING HAD BEEN THAT CONTINUED SUCCESS OF THE MUJAHIDIN, THE LACK OF SUCCESS IN NATIONAL RECONCILIATION BY NAJIB, AND THE POSSIBILITY OF IMPROVEMENT IN US/USSR RELATIONS WOULD CREATE REAL OPPORTUNITIES FOR A SETTLEMENT BY LATE THIS YEAR. HE HAD HOPED FOR A MORE THOROUGH DISCUSSION OF AFGHANISTAN DURING HIS VISIT, BUT NOW

NUCLEAR  
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8. ARMACOST THEN TURNED TO THE NUCLEAR ISSUE. THE DEPTH OF SENTIMENT OF THE ISSUE IS DISPLAYED IN THE KINDS OF

LEGISLATION THAT IS EMERGING EVEN WITH THE STRONG SUPPORT OF FRIENDS OF PAKISTAN, SUCH AS CONGRESSMAN WILSON AND SENATORS HUMPHREY AND BRADLEY. THE USG AND THE GOP NEED TO BE ABLE TO SHOW SOMETHING CONCRETE TO THE CONGRESS THAT CAN SERVE AS A BASIS FOR DEALING WITH THE TWO KEY ISSUES: PROCUREMENT AND ENRICHMENT.

PROCUREMENT  
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9. WITH RESPECT TO PROCUREMENT, WE UNDERSTAND THE LOGIC OF THE GOP REQUEST FOR ADDITIONAL INFORMATION FROM US TO ASSIST ITS INVESTIGATION ON THE PERVEZ CASE. ARMACOST HAD ALREADY SPOKEN WITH THE STATE DEPARTMENT LEGAL ADVISER WHO WOULD BE IN TOUCH WITH THE JUSTICE DEPARTMENT. THE PAKISTANI STATEMENT THAT ITS INVESTIGATION WILL BE PURSUED WHEREVER IT LED WAS WELCOME AS WAS THE ISSUANCE OF AN ARREST WARRANT FOR GENERAL INAM. WHILE WE HAVE NOT YET SEEN ALL THE EVIDENCE AVAILABLE TO OUR LAW ENFORCEMENT PEOPLE, IT SUGGESTED A LONG RELATIONSHIP BETWEEN GENERAL INAM AND THE KHAN RESEARCH LABS LEADING TO THE PRESUMPTION THAT INAM WAS ACTING ON THEIR BEHALF.

10. WE HAVE, THEREFORE, DISCUSSED IN THE LAST TWO DAYS A NUMBER OF IDEAS THAT MIGHT ENHANCE OUR COOPERATION TO END ILLEGAL PROCUREMENT ACTIVITIES.

- FIRST, THE POSSIBILITY OF SETTING UP A BILATERAL EXPERTS GROUP TO DISCUSS THE EXACT NATURE OF OUR EXPORT CONTROLS SO THAT THE GOP COULD IMPLEMENT ADDITIONAL STEPS TO PRECLUDE ILLEGAL PROCUREMENT IN THE FUTURE.

-- SECOND, IT WOULD BE HELPFUL TO BE ABLE TO POINT TO  
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INSTRUCTIONS THAT HAVE BEEN ISSUED BY THE GOP. IT WOULD BE EVEN MORE HELPFUL IF SUCH DOCUMENTS INCLUDED IMPLEMENTING GUIDELINES ISSUED BY THE NUCLEAR AGENCIES IN

- THIRD, CONSIDERATION IS BEING GIVEN IN WASHINGTON TO A REQUEST FOR THE EXTRADITION OF GENERAL INAM.

- FOURTH, CONSIDERATION IS ALSO BEING GIVEN TO REQUESTING THE RETURN OF ILLEGALLY PROCURED EQUIPMENT. THE UNDER SECRETARY CITED THE 1985 CASE OF ISRAELI PROCUREMENT OF KRYTONS IN WHICH ISRAEL AGREED TO RETURN ALL UNEXPENDED SUPPLIES.

ARMACOST CONCLUDED THAT THE PERVEZ CASE IS AN IMMEDIATE ISSUE OF CONCERN, BUT MORE BROADLY WE NEED AN END TO ALL ILLEGAL PROCUREMENT OF SENSITIVE NUCLEAR MATERIALS, AND TO RESTORE CONFIDENCE IN OTHER NUCLEAR ASSURANCES, PARTICULARLY URANIUM ENRICHMENT.

11. PRESIDENT ZIA IN RESPONDING INDICATED THAT HE HAD TWO REACTIONS TO PROVIDE: THE FIRST OFFICIAL AND THE OTHER HIGHLY PERSONAL. IN THE PERVEZ CASE THE GOP ASSURES THE USG THAT IF THERE IS ANY LINKAGE BETWEEN PERVEZ AND THE GOP THE GOP WILL FACE THOSE CHARGES. INAM IS UNDER SURVEILLANCE, AND IF HE HAS VIOLATED ANY LAWS HE WILL "GET IT IN THE NECK." THE MFA HAS PREPARED A NON-PAPER ON THIS SUBJECT, WHICH WILL BE PROVIDED FOR USE WITH THE CONGRESS.

12. PRESIDENT ZIA NOTED THAT THE CASE HAS BEEN BLOWN OUT OF ALL PROPORTION. "WHAT HAPPENED WAS VERY BAD, AND I DON'T CONDONE IT." IN FACT, IN RESPONSE TO LETTERS FROM PRESIDENT REAGAN, COMMENTS MADE DURING THE FOREIGN  
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MINISTER'S VISIT WITH UNDER SECRETARY ARMACOST, AND CONVERSATIONS WITH AMBASSADOR HINTON ON THIS SUBJECT, THE GOP HAD ISSUED INSTRUCTIONS ON THE SUBJECT OF ILLEGAL PROCUREMENT. THE GOP HAS CONCLUDED THAT NEITHER THE GOP NOR ANY AGENCY THEREOF IS INVOLVED. THIS WAS RATHER A SPECULATIVE EFFORT TO MAKE MONEY. ZIA SAID, "WHILE I DO NOT CONDONE PERVEZ, OR INAM'S WORK, I AM POSITIVE OUR AGENCIES WERE NOT INVOLVED."

13. SPEAKING PERSONALLY AND WITH SOME EMOTION, ZIA THEN SAID, "I HAVE A GRUDGE. YOU HAD TOLD US NOT TO DO THIS SORT OF THING, AND WE HAD AGREED. WE HAD, IN FACT, INDICATED A DESIRE TO COOPERATE IN INVESTIGATIONS, BUT FROM SEPTEMBER 1986 TO JUNE 1987 THE CASE WAS PERMITTED TO GO ON. LOOKING AT ITS HISTORY, IT SEEMS THE ENTIRE EFFORT WAS TO GET ONE PAKISTANI IN ORDER TO HANG THE ENTIRE

GOVERNMENT. THE ENTIRE RESOURCES OF THE U. S. GOVERNMENT WERE EMPLOYED TO IMPLICATE THE GOP AT A TIME WHEN WE WERE SUPPOSED TO BE COOPERATING."

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14. ARMACOST REPLIED THAT A CUSTOMS INVESTIGATION OF THIS SORT IS NOT CONDUCTED BY FOREIGN POLICY EXPERTS BUT BY INDIVIDUALS TRAINED IN AND DEDICATED TO LAW ENFORCEMENT. WHEN WE SOUGHT INFORMATION ON THIS INVESTIGATION TO PASS ON, WE WERE TOLD IT WAS NOT POSSIBLE BECAUSE OF THE ONGOING INVESTIGATION. WHAT WE DID DO WAS TO ALERT THE GOP THROUGH LETTER, AMBASSADOR HINTON, AND TALKS WITH THE FOREIGN MINISTER THAT THE PROCUREMENT ISSUE NEEDED TO BE ADDRESSED URGENTLY..

15. "I UNDERSTAND THE IDEA OF WARNINGS," ZIA REPLIED. I HAVE DONE THE SAME THING WITH AMBASSADOR HINTON WHEN I FOUND CASES WHERE U. S. COMPANIES WERE VIOLATING LAWS OR BEHAVING INAPPROPRIATELY IN PAKISTAN. BUT HAVING ISSUED THE WARNINGS, WE DID NOT THEN SET OUT TO CREATE AN INCIDENT, BUT SOUGHT TO COOPERATE WITH YOU. I WANT YOU TO  
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UNDERSTAND, HE SAID, THAT 4.2 BILLION DOLLARS IN AID IS IMPORTANT, BUT NOT THAT IMPORTANT WHEN WEIGHED AGAINST THE QUESTION OF NATIONAL PRESTIGE AND NATIONAL PRIDE. PAKISTAN IS BURNING - THOSE OPPOSED TO OUR FRIENDSHIP WITH THE U. S. ARE DETERMINED TO STOP AT NOTHING TO SEVER THAT RELATIONSHIP.

16. ZIA AT THIS POINT SHIFTED TO ARGUE THAT THERE WOULD HAVE BEEN NO USEFUL PURPOSE SERVED BY A GOVERNMENT EFFORT TO IMPORT MARAGING STEEL. HE INDICATED THAT IT WAS CLEARLY UNDERSTOOD THAT U. S. LAW PROHIBITED EXPORT OF ANY NUCLEARRELATED MATERIALS, AND PEVEZ CLEARLY KNEW THAT. WE UNDERSTAND YOUR POLICY IS NOT TO LET PAKISTAN OBTAIN ANY GREATER ENRICHMENT CAPABILITY THROUGH EQUIPMENT OBTAINED FROM THE U. S.

17. MARAGING STEEL, HE INSISTED, HOWEVER, CAN BE USED FOR 20 OR MORE DIFFERENT THINGS. (LATER HE PRODUCED A LIST OF USES DRAWN FROM A UK TEXTBOOK AND READ LARGE SECTIONS OF IT.) SO WHY DO PEOPLE IN THE U. S. SAY IT IS TO BE USED TO MAKE A BOMB? AMBASSADOR HINTON ALWAYS TOLD ME YOU WOULD KNOW WHAT WE WERE UP TO IN THIS AREA. IF YOU KNOW THAT MUCH, IT SHOULD BE EASY FOR YOU TO KNOW THAT OUR ENRICHMENT PLANT IS FOR PEACEFUL PURPOSES. WHY WOULD WE WANT TO DO THIS WHEN WE HAVE A ONE-YEAR SUPPLY OF THIS STEEL? WHY WOULD WE WANT TO DO THIS WHEN WE ARE AT THE

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18. ARMACOST REPLIED THAT HE EXPECTED CONGRESS WOULD SAY IT IS CLEAR MARAGING STEEL WOULDN'T ACCOMPLISH THAT MUCH BY ITSELF BUT THAT SCIENTISTS ARE ALWAYS LOOKING FOR WAYS TO MOVE TO MORE ADVANCED STAGES OF DEVELOPMENT AND THE ONLY APPARENT USE FOR THIS STEEL WAS A GAS CENTRIFUGE.

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ALSO, ARMACOST CONTINUED, SOME BELIEVE THAT THE PATTERN OF GOP PROCUREMENT ACTIVITIES WENT ON BECAUSE THE GOP ASSUMED THAT OUR SECURITY RELATIONSHIP WAS SO IMPORTANT AND OUR SHARED INTERESTS IN AFGHANISTAN SO SIGNIFICANT THAT THE USG WOULD SIMPLY OVERLOOK OR "WINK" AT SUCH VIOLATIONS.

19. ZIA INTERRUPTED TO SAY, BUT MY FEARS ARE THAT THIS IS A CONSPIRACY BY THOSE WHO WANT TO DESTROY THAT VERY RELATIONSHIP." ZIA CONTINUED READING FROM THE LIST OF USES FOR MARAGING STEEL AND CONCLUDED, "HOW COULD THE GOP RISK THE WHOLE PACKAGE FOR THIS STUFF -- THE RISKS ARE JUST TOO GREAT?"

20. ARMACOST REITERATED THAT SOME THOUGHT THE GOP ASSUMED THAT SHARED AFGHAN INTERESTS WOULD PROTECT THEIR AID PROGRAM THROUGH ANY CONTROVERSY.

21. ZIA RETORTED, "NO, BECAUSE WE WERE THERE BEFORE YOU WERE. I TRIED TO CONVINCED YOUR DEMOCRATIC PRESIDENT FOR 18 MONTHS. AFGHANISTAN IS OUR COMMITMENT -- YOU WERE THE LATECOMERS. THE POINT, THOUGH, HE SAID, IS THAT NO SANE MAN WOULD DO THIS. IN 10 YEARS WE HAVE NEVER VIOLATED ANY COUNTRY'S LAWS. THIS WAS AN EFFORT BY PERVEZ AND INAM WHO THOUGHT HE COULD MAKE A LOT OF MONEY. IN FACT, THE PRICES AT WHICH HE WAS OFFERED THIS STUFF WAS VERY LOW. WHO KNOWS WHAT HIS MARKUP MIGHT HAVE BEEN. EVEN THE BERYLLIUM WAS OFFERED TO HIM AT ONE TENTH ITS NORMAL COST."

22. ZIA CONCLUDED, "YOU ARE A FREE COUNTRY " I HAVE ALWAYS SAID THAT. YET, YOU HAVE CONDEMNED PAKISTAN WITHOUT A TRIAL. THE QUESTION IS SUB JUDICE, BUT YOU HAVEN'T WAITED FOR THE TRIAL."

23. ARMACOST POINTED OUT THAT THE ADMINISTRATION HAD NOT CONDEMNED PAKISTAN NOR HAD IT ACTED WITH UNDUE HASTE. NO DECISIONS HAD BEEN MADE YET; THE EXECUTIVE BRANCH HAD NOT

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MADE ANY DETERMINATION AS TO WHETHER TO INVOKE THE SOLARZ AMENDMENT. ~\*

24. ZIA RETORTED, "OKAY. THE ADMINISTRATION HASN'T, BUT EVERYONE ELSE HAS CONDEMNED US. YOU HAVE TO REALIZE THAT FEELINGS ARE HIGH HERE ALSO. WE SUFFERED SIX ADJOURNMENT MOTIONS IN THE PARLIAMENT OVER THIS ISSUE JUST TODAY. IN A DEMOCRATIC COUNTRY, PEOPLE ARE NOT CONDEMNED BEFORE TRIAL. YOU CAN BLAME -- OR EVEN ACCUSE -- BUT NOT CONDEMN."

25. ARMACOST REPLIED THAT WE ARE TRYING TO KEEP AN OPEN MIND, ESPECIALLY SINCE WE HAVE NOT YET SEEN THE JUSTICE DEPARTMENT MATERIAL.

26. ZIA REPLIED THAT THE GOP WILL BE PLEASED TO COOPERATE WITH THE USG TO PREVENT ILLEGAL PROCUREMENT. "YOU TELL US WHAT IS FORBIDDEN, AND WE WILL NOT IMPORT IT." NEITHER GOP AGENCIES OR PRIVATE COMPANIES WILL BE ALLOWED TO IMPORT ANYTHING YOU TELL US IS ILLEGAL. WE WILL GO OUT OF OUR WAY TO TIGHTEN UP PROCEDURES.

ENRICHMENT

27. ZIA THEN TURNED THE CONVERSATION TO THE ENRICHMENT ISSUE, INDICATING THERE DOESN'T SEEM TO BE ANY WAY TO ESTABLISH VERIFIABLE ARRANGEMENTS. A POLITICAL GOVERNMENT IN PAKISTAN CANNOT EVEN ACCEPT A TECHNICAL DELEGATION OF THE SORT YOU PROPOSE. UNTIL SOMETHING IS DONE WITH INDIA AND PAKISTAN TOGETHER, THERE IS NOTHING THAT CAN BE DONE ON VERIFICATION.

28. "THIS LEADS TO ANOTHER PROBLEM," HE CONTINUED. "SOME SECRET

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DAY I WILL TALK TO SOLARZ ABOUT HIS LANGUAGE. HIS STATEMENT SAYS THAT 'I FLOUTED' THE LAW. THERE HAS BEEN NO FLOUTING AND, MOST IMPORTANT, NONE HAS BEEN PROVED. UNTIL THAT POINT WE HAVE TO ACCEPT EACH OTHER'S WORDS. WE WILL LIVE UP TO OUR ASSURANCES, BUT BEYOND THIS WE WILL NOT AND CANNOT GO. I CAN'T TAKE YOU THERE (MEANING KAHUTA). I CAN ONLY ASSURE YOU."

29. ZIA CONTINUED THAT A REGIONAL SOLUTION IS ALL THERE IS. HE CITED OFFERS HE HAS MADE IN THE UN, AND LETTERS THE GOP HAS SENT TO INDIA THIS YEAR, INDICATING THAT NO REPLIES HAVE BEEN RECEIVED. THE GOP IS PREPARED TO LIVE

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30. ZIA CONCLUDED, "WE HAVE PRIDE, AND WE CANNOT ABANDON IT."

31. AMBASSADOR RAPHEL INDICATED THERE WAS NO DESIRE ON OUR PART TO SEEK A DEROGATION FROM PAKISTANI SOVEREIGNTY. THE SUGGESTION OF FORMING A WORKING GROUP DOES NOT PREDETERMINE THE SOLUTION. IN FACT, THE IDEA STEMMED FROM A COMMENT BY PRESIDENT ZIA IN WHICH HE SUGGESTED THAT WE NEEDED TO EXPLORE THAT WHICH EACH SIDE COULD DO TO REACH SOME SORT OF EFFECTIVE MIDDLE GROUND BETWEEN EACH COUNTRY'S MAXIMALIST POSITION. THE IDEA WAS FOR A SMALL GROUP OF POLITICALLY SENSITIVE EXPERTS TO CONDUCT THAT EXPLORATION.

32. ZIA RESPONDED THAT THE IDEA OF A SPECIAL COMMITTEE WAS IMPOSSIBLE, BUT IT SHOULD BE REMEMBERED THAT THE CHAIRMAN OF THE PAKISTAN ATOMIC ENERGY COMMISSION (PAEC) MEETS REGULARLY WITH AMBASSADOR KENNEDY AT VARIOUS OVERSEAS MEETINGS OR IN WASHINGTON. ARMACOST ASKED, "THEN YOU HAVE NO OBJECTIONS TO THE DISCUSSIONS THEMSELVES, SIMPLY TO THEIR FORM?" ZIA REPLIED, "EXACTLY. WE DON'T WANT ANY SORT OF NEW BODY. PUBLIC OPINION IS JUST TOO  
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SENSITIVE, BUT IT COULD BE ANNOUNCED THAT THE TWO CHAIRMEN ARE TO MEET."

33. YAQUB THEN INTERRUPTED TO INDICATE THAT HE WANTED TO COMMENT ON THE TALK IN THE U. S. ABOUT AN ISLAMIC BOMB. U. S. COMMENTARY SEEMS TO INDICATE THAT THIS IS A PAKISTANI EFFORT BEING FUNDED BY LIBYA OR ANOTHER ARAB STATE. IF PAKISTAN IS PREPARED TO ENTER INTO A REGIONAL ARRANGEMENT WITH INDIA, DOESN'T THAT SHOW YOU THAT WE'RE NOT ENGAGED IN THAT SORT OF PANISLAMIC ACTIVITY.

34. ARMACOST INDICATED THAT USG HAS ALWAYS FULLY SUPPORTED THE REGIONAL APPROACH. THE PROBLEM, HOWEVER, IS THAT OUR INTELLIGENCE SHOWS ENRICHMENT IS OVER FIVE PERCENT. ARMACOST OBSERVED THAT IAEA INSPECTION PROCEDURES AT KAHUTA WOULD PROVIDE THE OPTIMAL SOLUTION, BUT THAT BILATERAL INSPECTION ARRANGEMENTS WERE ALSO SATISFACTORY. PERHAPS THIS WAS THE SORT OF ISSUE THAT AMBASSADOR KENNEDY AND MUNIR KHAN COULD SORT OUT.

35. ZIA, REFERRING TO YAQUB'S COMMENT ON LIBYAN FUNDING, REPLIED THAT HE WOULD LIKE TO TAKE AMBASSADOR RAPHEL TO

LIBYA TO SHOW HIM THAT NOT A PENNY OF LIBYAN MONEY HAD COME TO PAKISTAN. RAPHEL REPLIED THAT GOING WAS NOT THE ISSUE AS LONG AS WE BOTH COME BACK. ARMACOST SAID THAT FOREIGN FINANCING HAD NEVER ARISEN AS A PROBLEM IN WASHINGTON AND WAS NOT THE PROBLEM. RATHER, THE PROBLEM WAS THAT RECENT EVENTS HAD SHAKEN FAITH IN THE CREDIBILITY OF PAKISTAN'S NUCLEAR ASSURANCES.

36. ZIA REPLIED THAT RECENT EVENTS HAD SHAKEN HIS FAITH IN THE U. S.

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37. ARMACOST REPLIED THAT WE NEED HELP IN FACING THE QUESTIONS THAT HAVE ARISEN. SOME OF THE INFORMATION AVAILABLE TO US ON THE ENRICHMENT ISSUE IS VERY TROUBLING. THAT INFORMATION SUGGESTS ENRICHMENT LEVELS ABOVE 90 HAVE BEEN ACHIEVED AT KAHUTA.

38. ZIA LAUGHINGLY REPLIED THAT IF ANYONE COULD FIND LEVELS OF OVER 90 PERCENT HE'D MAKE IT A PRESENT TO THEM. TURNING SERIOUS, HE REPLIED THAT THE GOP IS THINKING ABOUT SENDING A GROUP OF PARLIAMENTARIANS TO THE U. S. TO TALK WITH THEIR COUNTERPARTS. ARMCAOST REPLIED THAT THAT MIGHT BE WORTHWHILE, BUT THE CONGRESS WOULD BE RECESSING IN THE NEXT FEW DAYS UNTIL LABOR DAY.

39. ZIA THEN WENT ON TO INQUIRE ABOUT THE CALIFORNIA INDICTMENT, EXPRESSING CONCERN THAT A CASE WHICH HAD APPARENTLY OCCURRED IN 1982/1983 COULD SUDDENLY BE BROUGHT UP IN 1987. ZIA EXPRESSED THE VIEW THAT THE TIMING OF THIS INDICTMENT COULD ONLY ADD TO THE IMPRESSION OF CONSPIRACY.

40. ARMACOST REPLIED THAT INVESTIGATIONS CAN BE EXTREMELY TIME-CONSUMING, PRIORITIES SHIFT OVER TIME; THE PROSPECT THAT THE STATUTE OF LIMITATIONS WILL SOON EXPIRE PROMPTS LAW ENFORCEMENT PEOPLE TO WORK HARD TO BRING INDICTMENTS.

41. ARMACOST CONTINUED THAT ON ENRICHMENT WE NEED AT A MINIMUM A MEETING, PERHAPS, BETWEEN AMBASSADOR KENNEDY AND MUNIR KHAN TO REVIEW POSSIBLE WAYS OF FINDING COMMON GROUND BETWEEN OUR NEED FOR VERIFIABLE ASSURANCES AND PAKISTANI SOVEREIGNTY CONCERNS. WE NEED TO BE ABLE TO ADDRESS THIS UNCERTAINTY ON ENRICHMENT LEVELS BECAUSE WE MAY HAVE TO SUBMIT A REPORT TO THE ENTIRE CONGRESS ON THE SUBJECT. IN THE PAST WE HAVE BEEN REQUIRED ONLY TO REPORT TO CERTAIN SPECIFIC CONGRESSIONAL LEADERS, BUT THE NEW

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MORE GENERAL REPORTING REQUIREMENT.

42. ZIA REPLIED, "OF COURSE. BUT I WANT YOU TO UNDERSTAND THE SIGNIFICANCE OF THIS ISSUE FOR THE GOP. IF IT IS PROVED THAT THE GOP WAS INVOLVED IN THE PERVEZ CASE, I WILL RESIGN AND APOLOGIZE TO PRESIDENT REAGAN. THEN YOU CAN CONTINUE WITH WHOEVER TAKES MY PLACE. BUT IF NOT, THE USG WILL HAVE TO ACCEPT MY WORD. NO OTHER SOLUTIONS ARE POSSIBLE BETWEEN TWO SOVEREIGN STATES. "I AM PUTTING IT BALDLY BECAUSE THE SENSITIVITY OF THE COUNTRY ON THIS ISSUE IS ENORMOUS."

43. AMBASSADOR MARKER THEN INTERCEDED TO INDICATE THAT POSSIBLY A KENNEDYMUNIR KHAN MEETING COULD AIM AT CONFIRMATION OF THE FIVE ENRICHMENT LEVEL.

44. AMBASSADOR RAPHEL THEN COMMENTED THAT NONE OF US SHOULD BE UNUSED TO THE VARIOUS JABS THAT CAN OCCUR IN FREE-WHEELING DEMOCRATIC INSTITUTIONS. THE PRICE OF DEMOCRACY IS THAT PEOPLE CAN SPEAK THEIR MINDS. THIS OCCURS IN OUR OWN CONGRESS AS WELL AS IN THE PAKISTANI PARLIAMENT. THE NEED FOR OUR TWO GOVERNMENTS NOW IS TO MOVE BEYOND THE IMMEDIATE REACTIONS TO DEVELOP STRATEGIES TO SHOW THAT WE INTEND TO CONTINUE OUR COOPERATION AND PREVENT FURTHER SUCH PROBLEMS.

45. ZIA SUMMARIZED THAT USG SHOULD JUST GIVE GOP A LIST OF THE ITEMS IT CANNOT LEGALLY IMPORT. THE GOP CAN ACT IMMEDIATELY TO PREVENT IMPORTATION OF THOSE ITEMS BY ANY PAKISTANI. A MEETING BETWEEN KENNEDY AND MUNIR KHAN CAN ALSO BE ESTABLISHED.

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