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E.O. 12065: XDS-1 4/22/09 (HUMMEL, A.W., JR) OR-M
TAGS: MNUC PARM PEPR US PK
SUBJECT: PAKISTAN'S NUCLEAR PROBLEM: CONVERSATION WITH ZIA

REF: STATE 094201 AND SUBSEQUENT

1. (S) ENTIRE TEXT.

2. SUMMARY: IN APRIL 21 MEETING WITH PRESIDENT ZIA, I PRESENTED U.S. PROPOSALS FOR LIMITATIONS ON PAKISTANI ENRICHMENT AND REPROCESSING ACTIVITIES. ZIA'S IMMEDIATE REACTION WAS NEGATIVE, ALTHOUGH HE AGREED TO STUDY PROPOSALS AND TO HOLD FURTHER TECHNICAL DISCUSSIONS WITH GALLUCCI IN THE NEXT "COUPLE OF DAYS." ZIA ADMITTED EXISTENCE OF RESEARCH ENRICHMENT PROGRAM BUT INSISTED OUR VIEW OF PAK CAPABILITIES IS EXAGGERATED.

3. ZIA MADE INFORMAL COUNTER-PROPOSAL, CENTERED ON FRENCH REPROCESSING PLANT CONTRACT, OFFERING TO ACCEPT FULL-SCOPE SAFEGUARDS IF FRENCH WOULD COMPLETE PLANT UNDER "TRIPLE LAYER OF SAFEGUARD" MECHANISMS. ZIA FOUCUSED IN ON ISSUE OF '76 REPROCESSING TRILATERAL SAFEGUARD AGREEMENT, SAYING PAKISTAN HAD NO MORAL OBLIGATION TO ABIDE BY THIS AGREEMENT IF FRENCH DID NOT FULFILL REPROCESSING PLANT CONTRACT. IN RESPONSE TO ZIA'S QUESTION, I REITERATED OUR SECRET DESIRE TO TRY TO SEPARATE NUCLEAR ISSUE FROM OTHER ASPECTS OF OUR RELATIONSHIP, INCLUDING UPCOMING CONSULTATIONS ON '59 BILATERAL, BUT REEMPHASIZED INEVITABILITY OF OVERLAP BETWEEN TWO ISSUES AND INHIBITING IMPACT OF SYMINGTON AMENDMENT ON OUR ABILITY TO BE HELPFUL TO PAKISTAN. END SUMMARY.
4. I MET WITH PRESIDENT ZIA FOR MORE THAN AN HOUR EVENING OF APRIL 21. FOREIGN SECRETARY SHAHNAWAZ AND CONSTABLE PARTICIPATED. MFA AMERICAS DIRECTOR NAIM WAS NOTETAKER. I PRESENTED IN FULL INSTRUCTIONS IN REFTEL, CONCLUDING WITH BRIEF SUMMARY OF WHAT WE WERE PROPOSING AND EMPHASIZING THAT FAVORABLE GOP RESPONSE WOULD ENABLE US TO HAVE MORE PRODUCTIVE TALKS WITH SHAHI IN WASHINGTON NEXT MONTH. ZIA LISTENED CAREFULLY, JOTTED DOWN OCCASIONAL NOTES. HE INTERRUPTED ONLY WHEN I SHOWED PHOTO AND DRAWING OF KAHUTA ("I'VE NEVER BEEN THERE") AND OF SIHALA ("I HOPE YOU DIDN'T GET A PICTURE OF BEGUM BHUTTO AT THE POLICE ACADEMY").

5. ZIA RESPONDED IN A STRONGLY NEGATIVE TONE. WHILE ADMITTING EXISTENCE OF ENRICHMENT ACTIVITY, HE INSISTED WE WERE OVERESTIMATING ITS EXTENT AND GOP CAPABILITY, AS WELL AS DRAWING ERRONEOUS CONCLUSION ABOUT PAKISTAN'S INTENTIONS. HE ASSERTED THAT PAKISTAN NEEDED BOTH REPROCESSING AND ENRICHMENT FOR ITS NUCLEAR ENERGY PROGRAM. ZIA SAID "YOU WANT ME TO LIMIT A LABORATORY PROGRAM AND YOU WANT ME TO ACCEPT THE 1976 RESTRICTIONS (TRILATERAL SAFEGUARDS AGREEMENT) ON OUR REPROCESSING PROGRAM. WE AGREED TO THOSE (RESTRICTIONS) ON THE ASSUMPTION WE WOULD BUY THE PLANT. I'M PREPARED TO ACCEPT THE SAFEGUARDS IF FRANCE SUPPLIES THE PLANT." ZIA THEN EXPLAINED EARLIER CONVERSATIONS WITH JACOMET AND FOG, INVITING FRENCH INSPECTORS AT CHASMA SITE AND PROPOSING SECRET INTERNATIONAL PLUTONIUM MANAGEMENT SYSTEM. "WE WILL DO WHATEVER YOU WANT IF YOU WILL LET GISCARD GIVE ME THE PLANT." BUT, ZIA SAID, WITHOUT THE PLANT, PAKISTAN HAD NO "MORAL OBLIGATION" TO HONOR SAFEGUARDS AGREEMENT.

6. ZIA AND SHAHNAWAZ RETURNED TO THIS THEME SEVERAL TIMES. SHAHNAWAZ DESCRIBED SAFEGUARD ARRANGEMENTS INCLUDING THOSE ALREADY AGREED TO IN '76 AND THOSE ADDITIONALLY PROPOSED AS "FOOLPROOF AND CLOSING ALL LOOPHOLES," IN THE VIEW OF "ALL EXPERTS." ZIA AT ONE POINT SUGGESTED THAT IN THE EVENT PAKISTAN RECEIVED THE REPROCESSING PLANT, HE WOULD ACCEPT FULL-SCOPE SAFEGUARDS ON ALL NUCLEAR FACILITIES IN PAKISTAN ONLY IF INDIA DID THE SAME, BUT HE LATER SAID HE WOULD ACCEPT FULL-SCOPE SAFEGUARDS REGARDLESS OF WHAT INDIA DID, AND REITERATED THIS WHEN I ASKED HIM TO RESTATE IT. (SHAHNAWAZ APPEARED UNCOMFORTABLE WITH THIS FORMULATION.)

7. ZIA ALSO VOICED THE STANDARD GOP COMPLAINTS ON U.S. DISCRIMINATION AGAINST PAKISTAN AS COMPARED TO OUR TREATMENT OF INDIA. HE INITIALLY CLAIMED INDIA HAD ENRICHMENT, BUT FELL BACK ON COMPLAINTS OF UNSAFEGUARDED REPROCESSING
FACILITIS WHEN I CHALLENGED THIS ASSERTION. I COUNERED THE DISCRIMINATION COMPLAINT WITH A LENGHTY REHEARSAL OF LEGISLATIVE HISTORY OF SYMINGTON AMENDMENT. I ALSO DESCRIBED EVOLUTION OF U.S. POLICY AND OUR CURRENT DIFFICULTIES OVER FUEL FOR TARPUR AND NOTED THE POSSIBILITY THAT SHIPMENTS OF ENRICHED URANIUM TO INDIA WILL IN TIME BE TERMINATED UNDER EXISITNG U.S. LEGISLATION.

8. WHEN ZIA COMPLETED HIS RESPONSE, I EXPRESSED DISAPPOINTMENT OVER HIS APPARENTLY NEGATIVE REACTION TO CONSTRUCTIVE U.S. EFFORT TO OVERCOME PRESENT NUCLEAR IMPASSE. ZIA THEN QUICKLY REPLIED THAT HE WAS GIVING HIS PERSONAL AND INITIAL REACTION. "WE ARE NOT REJECTING THESE PROPOSALS. WE WILL EXAMINE THEM AND GIVE YOU A DETAILED ANSWER."

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BUT HE ALSO LAMENTED CONSTANT U.S. PRESSURES AND RESTRICTIONS ON PAKISTAN WITHOUT MUCH HOPE FOR SIGNIFICANT HELP FROM U.S. EVEN IF PAKISTAN SHOULD COMPLY. HE AGAIN INSISTED THAT OUR INFORMATION IS GREATLY EXAGGERATED. REFERRING TO THE KAHUTA PHOTO, HE SAID IT SHOWS A LOT OF BUILDING THAT COULD BE COWSHEDS RATHER THAN CENTRIFUGE BUILDINGS.

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9. WE THENPROCEEDED INTO A MORE OPEN DIALOGUE IN WHICH I MADE FOLLOWING POINTS: (A) U.S. IS TRYING TO CONVINC PAKISTAN WE KNOW MORE THAN GOP THINKS WE KNOW; (B) WE
HAVE TABLED PROPOSALS THAT SEEK TO TAKE PAKISTAN AT ITS WORD ITS ACTIVITIES ARE ENTIRELY PEACEFUL; (C) BUT WE CONTINUE TO BE DISTURBED BY CLANDESTINE ACTIVITIES ON ENRICHMENT AND REPROCESSING WHICH CAN HAVE NO PEACEFUL PURPOSES AT THIS STAGE OF PAK NUCLEAR ENERGY PROGRAM; (D) PAKISTAN APPEARS TO BE SEEKING PARITY WITH INDIA IN EXPLOSIVE TECHNOLOGY (ZIA RETORTED "PARITY WITH INDIA FOR PEACEFUL PURPOSES").

10. ZIA AND SHAHNAWAZ, THROUGHOUT THIS PERIOD OF DIALOGUE RETURNED REPEATEDLY TO REPROCESSING ISSUE, UNDERSCORING THEIR VIEW THAT EVERYTHING COULD BE RESOLVED IF FRENCH CONTRACT WERE FULFILLED SO THAT PAKISTAN'S SENSE OF HONOR AND SOVEREIGNTY COULD BE PRESERVED.

11. LATE IN CONVERSATION ZIA SHOOK HIS HEAD AND SAID OUR APPROACH HAD CHANGED: WHEREAS WE HAD PREVIOUSLY INDICATED SEPARATION OF NUCLEAR ISSUE FROM U.S. REAFFIRMATION OF '59 BILATERAL, WE NOW SEEMED TO BE LINKING THEM. ZIA ASKED WHAT WILL HAPPEN IN SHAHI'S TALKS IN WASHINGTON; WILL THEY CIRCLE AROUND AND END UP STALLED ON THE NUCLEAR ISSUE?

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12. I REPLIED THAT U.S. POSITION AS PRESENTED IN OUR CONVERSATIONS OF APRIL 9 AND 12 REMAINS UNCHANGED: TO EXTENT POSSIBLE WE ANT TO SEPARATE THE ISSUES. HOWEVER, THERE WILL BE SOME UNAVOIDABLE CONNECTIONS. WE SEE WASHINGTON TALKS AS TAKING PLACE IN CONTEXT OF '59 BILATERAL WITH CONSULTATIONS ON THE THREAT, ITS EXTENT AND WHAT WE CAN DO ABOUT IT. IF NUCLEAR ISSUE IS NOT RESOLVED BEFORE SHAHI TALKS TAKE PLACE, THEN SHAHI'S TEAM SHOULD BE PREPARED TO DISCUSS IT; WHAT WE CAN DO WILL BE CONDITIONED BY THE EFFECT OF THE SYMINGTON AMENDMENT. I ASSURED ZIA THAT THE USG IS NOT BACKING AWAY FROM WHAT I HAD TOLD HIM PREVIOUSLY.

13. IN DISCUSSION OF EXTENT OF ENRICHMENT ACTIVITIES, I ENCOURAGE ZIA TO HAVE HIS EXPERTS DISCUSS THIS AND OTHER MATTERS FURTHER WITH GALLUCCI. ULTIMATELY DECIDED TO HAVE SUCH A MEETING IN THE NEXT "COUPLE OF DAYS" AT WHICH ZIA, PAEC CHAIRMAN MUNIR KHAN, SOMEONE FROM MFA AND POSSIBLY OTHERS WOULD BE PRESENT.

14. SHAHNAWAZ MADE FINAL SUBSTANTIVE POINT, STATING THAT GOP INTENDED TO PURSUE SERIOUSLY WITH INDIA, AT DIPLOMATIC LEVELS, THE INITIATIVE SUGGESTED IN ZIA'S RESPONSE TO DESAI FOR A REGIME OF RECIPROCAL INSPECTIONS OR SOME VARIANT THAT WOULD SATISFY BOTH SIDES ON THE PEACEFUL PURPOSES OF THEIR NUCLEAR PROGRAMS. SHAHNAWAZ.
SAID THAT CONTINUED U.S. PRESSURE ON PAKISTAN HURT PROSPECTS FOR SUCH A DIALOGUE SINCE INDIANS WOULD CONCLUDE THERE WAS NO NEED TO UNDERTAKE SERIOUS TALKS IF U.S. WAS "TAKING CARE OF PAKISTAN".

15. COMMENT: WHILE WE EXPECT TO GET MORE DEFINITIVE AND CONSIDERED REACTIONS FROM GOP IN LATER SESSIONS, IT IS SECRET

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DISAPPOINTING (THO NOT SURPRISING) TO HEAR ESSENTIALLY NEGATIVE PRELIMINARY GOP VIEW ON OUR PROPOSALS. FOR NOW WE HAVE THE FOLLOWING COMMENTS AND SPECULATIONS.

A. ACCORDING TO ZIA, THE ENRICHMENT PROGRAM IS CLEARLY LESS IMPORTANT THAN THE REPROCESSING PLANT, AND HE HAS SAID THAT IF HE CAN GET THAT PLANT HE WILL SIGN UP FOR FULL-SCOPE SAFEGUARDU. WHETHER HIS COLLEAGUES WILL CONFIRM THAT STATEMENT IS STILL PROBLEMATICAL. IN EXPECTED DISCUSSION OVER NEXT DAY OR TWO WE WILL BE LISTENING CLOSELY TO ASSESS WHETHER OTHER SENIOR GOP OFFICIALS REFLECT HIS VIEW. IF IT APPEARS THIS PROPOSAL IS A SERIOUS ONE, WE WILL FORWARD SOME THOUGHTS ON WAYS IN WHICH WE MIGHT BUILD A CONCEPT OF AILENGTHY STRETCH-OUT OF REPROCESSING THAT WOULD PROTECT OUR NON-PROLIFERATION OBJECTIVES.

B. THE IAEA LETTER FROM ECKLUND HAS, AT LEAST UP TO THIS POINT, NOT DETERRED ZIA AND SHAHNAWAZ FROM ARGUING THAT THEY HAVE NO OBLIGATIONS UNDER THE TRILATERAL AGREEMENT IF THE FRENCH DO NOT DELIVER THE PLANT. IF OUR FURTHER DISCUSSIONS CONFIRM THAT THE PAKS HOLD THAT VIEW, WE WILL WANT TO APPROACH THE FRENCH AS WELL AS OTHERS INCLUDING THE IAEA TO SEE WHAT CAN BE DONE ABOUT IT. IN ANY FURTHER TALKS HERE WE INTEND TO TRY TO IMPRESS ON THE PAKS THE KINDS OF PENALTIES THAT WILL FLOW FROM AN IAEA DELCARATION THAT PAKISTAN HAS DEFAULTED ON ITS OBLIGATIONS.

C. DESPITE THE CAREFUL LANGUAGE WE HAVE USED IN PREVIOUS TALKS, THE PAKS EVIDENTLY HAVE ACQUIRED EXAGGERATED EXPECTATIONS ABOUT HOW FAR WE CAN SEPARATE OUR SECURITY CONCERNS AND SUPPORT FOR PAKISTAN FROM THE NUCLEAR ISSUE. WE MAY BE IN FOR SOME EXPRESSIONS OF PAK DISAPPOINTMENT (REAL AND/OR FEIGNED) THAT WE ARE LIMITING THE PROSPECTS FOR AGHA SHAHI'S DISCUSSIONS IN WASHINGTON BY A LINKAGE BETWEEN THE ISSUES. HUMMEL

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