



THE COUNSELOR
DEPARTMENT OF STATE
WASHINGTON

→ φ MM
VERY URGENT JK

SECRET/EYES ONLY

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DC
DIRECT

February 13, 1976

MEMORANDUM FOR THE SECRETARY

FROM: Helmut Sonnenfeldt

You have for action a memo from Joe Sisco proposing that we make an approach to the French, the Germans and the Pakistanis on the following:

-- Sale of a reprocessing plant by France to Pakistan.

-- Sale of a heavy water plant by the FRG to Pakistan.

It is urgent that you act on Sisco's memo because:

-- Bhutto visits Bonn next week and the Germans need to know if we have any reservations on the heavy water deal.

-- The French-IAEA-Pakistani Trilateral Safeguards Agreement will go before the IAEA Board of Governors February 23. We must let the French know if we have any reservations.

I believe it is inevitable that we must make representations to all three governments expressing our misgivings about these deals, otherwise you will be pilloried in Congress and the press for standing by while Pakistan requires the wherewithal to build nuclear weapons.

Someone in the bureaucracy has leaked to the Germans the fact that you have an action memo on this issue. Von Staden cited this to me. I have raised hell with the bureaucracy over the leak.

Now Bonn has instructed the Embassy to request that we withdraw our objections to the sale. This is a transparent maneuver, as we have yet to raise any objections, though our people told the Germans at the working level we may have concerns. Unless we do officially register our concerns, Bonn will probably tell the world that the

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U.S. had no objections and we will have a repeat of the FRG-Brazil furor of last year.

The dilemma in this is that Schmidt will no doubt hit the roof and argue that the heavy water facility is fully safeguarded, as it will be. His sensitivities will be further heightened by the approaching elections.

In terms of our situation here, however, I see no alternative to our expressing our reservations to the FRG, the French, and the Paks.

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UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS
WASHINGTON

Back to
DC

DIRECT
Reported
by SECTO

To: The Secretary
From: P - Joseph J. Sisco

The attached memo describes a problem we have, similar to the Korean situation, with a nuclear fuel reprocessing plant the French propose to build in Pakistan. If you have no objection, we plan to talk with the French and Pakistanis to urge that they reconsider the project. We are also concerned about a proposed German heavy water plant and want to query both parties about the economic justification for it without at this time raising direct objections.

The approach to the French and Germans would be in the context of our obligation under the London Supplier Guidelines to consult on sensitive export questions; we would give them sufficient time to object before we went to the Pakistanis. We doubt that the Pakistanis will buy our arguments, but we think they should be put on notice that, given the way Congressional and public attitudes are developing here, they could conceivably jeopardize our whole bilateral relationship if they are seen as trying to match the Indian explosion. //

There is some urgency in getting this done because the French, Pakistanis and the IAEA Secretariat are apparently preparing to present a draft safeguards agreement for this plant to the IAEA Board of Governors meeting on February 25. We would like to get our concerns on the record before then. We also want to make our demarche to the Pakistanis in advance of your dinner meeting with Bhutto in New York February 26.

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NO OBJECTION
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DEPARTMENT OF STATE
ACTION MEMORANDUM

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February 3, 1976

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To: P - Mr. Sisco

From: NEA - Alfred L. Atherton, Jr.

CS

Demarche to Pakistan on Nuclear Fuel Reprocessing

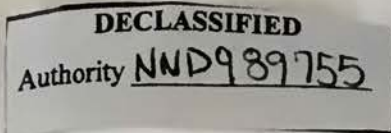
France and Pakistan are close to agreement on construction of a "pilot", but apparently quite large nuclear fuel reprocessing facility in Pakistan. Our concern with this project is heightened by Pakistan's parallel negotiations with the FRG to acquire a small heavy water facility which could provide an additional, vital element in any future Pakistani weapons program. Even though both projects are well advanced, we recommend that you call in Pakistani Ambassador Yaqub to express USG concern and, specifically as regards the reprocessing facility, to urge the GOP to postpone or cancel the project.

Discussion/Analysis

Attached at Tab 1 is an INR study of Pakistan's nuclear development program, including background information on Pakistan's bilateral negotiations with France and the FRG. The key judgment of this paper is that there is "unambiguous" evidence that, following India's 1974 nuclear explosion, Prime Minister Bhutto initiated a program intended to lead to development of a nuclear explosive capability.

Pakistan, of course, is far behind India in every respect, and has only one power reactor, a small CANDU facility (the Karachi Nuclear Power Plant, known as KANUPP), and one AID-provided research reactor which is too small to be significant in any potential weapons program. A narrowly focused effort by Pakistan to acquire an explosives capability, however, could conceivably bring rather

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