

R20

SECRET

RELEASED IN FULL

ACDA/NWC/INA:DSLOSS
7/28/87 X77326
OES/NEP:FMCGOLDRICK

S/NP:GSAMORE
NEA/RA:SAOKI
INR/SFA:RUPCHURCH
EAP/ANZ:SKEOGH-FISHER

OES/NEC:CTHORNE
L/N:JSCHWARTZ
EUR/RPE:MCARTER-TRIPP
EAP/J:JPIERCE

PRIORITY ATHENS, BERN PRIORITY, BONN PRIORITY, BRUSSELS PRIORITY,
CANBERRA PRIORITY, COPENHAGEN PRIORITY, DUBLIN PRIORITY
ROUTINE ISLAMABAD

ALSO INFO FOR USE

DECL: OADR

PARM, KNNP, KSTC, PK

PAKISTANI CIRCUMVENTION OF NUCLEAR EXPORT

CONTROLS

1. SECRET - ENTIRE TEXT.

2. ACTION ADDRESSEES ARE REQUESTED TO SHARE THE INFORMATION IN PARAS THREE THROUGH SIX WITH HOST GOVERNMENTS AS APPROPRIATE, AND TO ELICIT REACTIONS TO THE U.S. PROPOSAL CONTAINED IN PARA EIGHT.

3. IN THE LAST TWO WEEKS, TWO DIFFERENT CRIMINAL CASES HAVE ARISEN INVOLVING ACTUAL OR PLANNED EXPORTS FROM THE UNITED STATES TO PAKISTAN'S NUCLEAR PROGRAM. IN THE FIRST CASE, A PAKISTANI NATIVE RESIDING IN CANADA HAS BEEN CHARGED WITH VARIOUS OFFENSES IN CONJUNCTION WITH AN ALLEGED EFFORT TO EXPORT ILLEGALLY FROM THE UNITED STATES TO PAKISTAN TWENTY-FIVE TONS OF GRADE 350 MARAGING STEEL AND AN UNSPECIFIED QUANTITY OF BERYLLIUM. WE BELIEVE THAT THE MARAGING STEEL WAS PROBABLY INTENDED FOR USE IN MANUFACTURING CENTRIFUGES FOR PAKISTAN'S UNSAFEGUARDED URANIUM ENRICHMENT FACILITY AT KAHUTA.

FM
DS
GS
CT
SA
JS
RU
MC-T
SK-F
JP

REVIEW AUTHORITY: Sharon Ahmad, Senior Reviewer

SECRET

M200800012
383-00-0031
Box 3

OUTGOING TELEGRAM

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4. MARAGING STEEL TUBES OF SPECIFIED DIMENSIONS ARE INCLUDED ON THE ZANGGER COMMITTEE'S UPGRADED CENTRIFUGE TRIGGER LIST (INFCIRC/209/MOD.2). OTHER MARAGING STEEL TUBES, AS WELL AS SHEETS AND FORGINGS, ARE INCLUDED ON THE SO-CALLED "SECOND TRACK" LIST OF ITEMS THAT ZANGGER COMMITTEE MEMBERS AGREED TO MAKE "BEST EFFORTS" TO CONTROL. THERE ARE NO INTERNATIONAL CONTROLS ON RAW MARAGING STEEL BARS, AS SOUGHT BY MR. PERVEZ, BUT THE UNITED STATES REQUIRES A LICENSE IF THE EXPORTER HAS REASON TO KNOW THAT THE MATERIAL WILL BE USED IN URANIUM ENRICHMENT. (THIS CASE DEMONSTRATES THE VALUE OF U.S. REGULATIONS ENABLING US TO CONTROL ITEMS THAT WE HAVE REASON TO BELIEVE ARE DESTINED FOR ACTIVITIES OF PROLIFERATION CONCERN, REGARDLESS OF WHETHER SUCH ITEMS APPEAR ON ANY EXPORT CONTROL LIST.)

5. IN THE SECOND CASE, A U.S. COUPLE AND A HONG KONG BUSINESSMAN WERE INDICTED FOR ILLEGALLY EXPORTING COMPUTERS AND SOPHISTICATED ELECTRONIC TESTING EQUIPMENT TO HONG KONG IN 1982-83 FOR REEXPORT TO PAKISTAN. WE BELIEVE THAT THE ULTIMATE RECIPIENT OF THIS EQUIPMENT WAS THE PAKISTAN ATOMIC ENERGY COMMISSION (PAEC), AND THAT THE PAEC HAS BEEN USING THIS EQUIPMENT FOR ACTIVITIES OF PROLIFERATION CONCERN.

6. SECTION 670(A)(1)(B) OF THE FOREIGN ASSISTANCE ACT (THE "SOLARZ" AMENDMENT) REQUIRES THE UNITED STATES TO TERMINATE MOST MILITARY AND ECONOMIC ASSISTANCE TO ANY NON-NUCLEAR WEAPON STATE WHICH, ON OR AFTER AUGUST 8, 1985, EXPORTS ILLEGALLY (OR ATTEMPTS TO EXPORT ILLEGALLY) FROM THE UNITED STATES ANY MATERIAL, EQUIPMENT, OR TECHNOLOGY WHICH WOULD CONTRIBUTE SIGNIFICANTLY TO THE ABILITY OF THAT COUNTRY TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE. INSOFAR AS THE EXPORTS IN THE SECOND CASE TOOK PLACE PRIOR TO 1985, THE SOLARZ AMENDMENT CLEARLY DOES NOT APPLY. THE FIRST CASE, HOWEVER, RAISES SERIOUS QUESTIONS ABOUT THE APPLICABILITY OF THE AMENDMENT, WHICH WE ARE CURRENTLY STUDYING. IN THE MEANTIME, WE ARE STEPPING UP PRESSURE ON PAKISTAN TO CEASE ILLEGAL PROCUREMENTS OF U.S. GOODS AND TO LIMIT ENRICHMENT TO THE 5 PERCENT LEVEL.

7. THESE TWO CASES EXEMPLIFY THE ONGOING PAKISTANI EFFORT TO ACQUIRE MATERIALS, EQUIPMENT, AND TECHNOLOGY FOR ITS NUCLEAR PROGRAM THROUGH ALL POSSIBLE MEANS, LEGAL OR ILLEGAL. DEPARTMENT REMAINS EXTREMELY CONCERNED THAT THESE EFFORTS, IF NOT EFFECTIVELY BLOCKED, WILL HAVE A SERIOUS NEGATIVE EFFECT ON OUR SHARED NON-PROLIFERATION OBJECTIVES. ACTION ADDRESSEES ARE REQUESTED TO VOICE

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OPTIONAL FORM 185-A, (OCR) (Rev. 8-85)

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THESE CONCERNS TO HOST GOVERNMENTS, AND URGE THEM TO TAKE ALL POSSIBLE STEPS TO PREVENT PAKISTAN FROM ACQUIRING EQUIPMENT AND MATERIALS FOR ITS NUCLEAR EXPLOSIVES DEVELOPMENT PROGRAM. POSTS SHOULD ALSO NOTIFY HOST GOVERNMENTS, AS APPROPRIATE, THAT THE USG WOULD LIKE TO INCREASE COOPERATION AND COORDINATION ON SUCH NUCLEAR PROCUREMENT CASES. POSTS SHOULD SOLICIT HOST GOVERNMENTS' VIEWS ABOUT THE FEASIBILITY OF ACCOMPLISHING THIS THROUGH EXPANDED INFORMATION SHARING AND OTHER APPROPRIATE MEANS.
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SECRET
CLASSIFICATION

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E.O. 12356: DECL: OADR

TAGS: PARM, KNNP, KSTC, PK

SUBJECT: PAKISTANI CIRCUMVENTION OF NUCLEAR EXPORT
CONTROLS

ADDITIONAL ACTION ADDRESSEES: ALL PRIORITY

THE HAGUE
HELSINKI
LONDON
LUXEMBOURG
OSLO
OTTAWA
PARIS
ROME
STOCKHOLM
TOKYO
USVIENNA