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D 130842Z SEP 78
FM AMBASSADOR VIENNA
TO SecState WashDC IMMEDIATE 7930
INFO AMBASSADOR PARIS IMMEDIATE
AMBASSADOR ISLAMABAD IMMEDIATE

SECRET SECTION 01 OF 02 VIENNA 08200

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E.O. 11652: GDS
TAGS: IAEA, TECH, FR, PK

SUBJECT: SMITH-JACOMET MEETING: FRENCH POSITION ON CANCELLATION OF PAKISTAN REPROCESSING PLANT CONTRACT

1. SUMMARY: DURING GERARD SMITH MEETING IN PARIS WITH JACOMET SEPTEMBER 11, JACOMET SAID FRENCH DECISION TO CANCEL REPROCESSING PLANT CONTRACT WITH PAKISTAN WAS FIRME, BUT FRANCE COULD NOT RPT NOT GIVE OFFICIAL ASSURANCE OF CANCELLATION THAT US COULD USE IN CONGRESSIONAL CONSULTATIONS. GOVERNMENT STILL FEARS SHARP ADVERSE REACTION IN FRENCH PUBLIC OPINION AND TROUBLE FROM GAULISTS AND THERE WILL NOT RPT NOT STATE PUBLICLY THAT CONTRACT IS CANCELLED. FRENCH BELIEVE AN ASSURANCE OF CANCELLATION GIVEN TO CONGRESS WOULD ULTIMATELY APPEAR IN US PRESS. JACOMET URGED US TO SOON RESUME PAKISTAN AID, SUGGESTING US DEAL WITH GLENN AMENDMENT BY USING PAKISTAN STATEMENTS THAT FRANCE HAD CANCELLED CONTRACT. ON FRENCH-BRAZIL REPROCESSING CONTRACT, JACOMET SAID GISFARDO MAY WELL RAISE SUBJECT WITH SCHMIDT AT AACHEN SUMMIT BY "ASKING QUESTIONS" SECRET

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: ROBERT O HOMME
DATE/CASE ID: 28 DEC 2010 201000057
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RATHER THAN TRYING TO EXERT PRESSURE, SMITH AND JACOMET
ALSO DISCUSSED PAKISTAN'S NUCLEAR INTENTIONS AND
CAPABILITY. SMITH, ON PERSONAL BASIS, ASKED ABOUT
POSSIBILITY OF US-FRENCH TECHNICAL EXCHANGE ON THOSE
ISSUES. DISCUSSION OF SOUTH AFRICA, TAIWAN, THE
PROPOSED FRENCH REACTOR SALE TO PRC, IAEA-EURATOM
NEGOTIATIONS AND INFCE REPORTED SEPTEL. END SUMMARY.

2. EN ROUTE TO VIENNA FOR IAEA MEETINGS, GERARD
SMITH MET FOR NEARLY TWO HOURS IN PARIS WITH ANDRE
JACOMET, SENIOR FRENCH MFA NON-PROLIFERATION ADVISOR.
ACCOMPANYING SMITH WERE ROBERT KELLEY, S/AS, AND
WILLIAM SALMON, EMBASSY SCIENCE COUNSELOR. MFA'S
PHILLIPE LOUET, HEAD OF NUCLEAR AFFAIRS OFFICE,
ATTENDED ON FRENCH SIDE.

3. PAKISTAN. SMITH EXPRESSED APPRECIATION FOR FRENCH
DECISION TO CANCEL REPURCessING CONTRACT AND CONGRATU-
LATED JACOMET ON HIS SKILLFUL MISSION TO ISLAMABAD.
SMITH INDICATED US HAD NOT RPT NOT YET DECIDED ON TIMING
AND CONTENT OF CONGRESSIONAL CONSULTATIONS. SMITH
STRESSED THAT AN OFFICIAL ASSURANCE FROM JACOMET THAT
THE CONTRACT WAS TERMINATED WOULD BE MOST HELPFUL IN
ANY APPROACH TO CONGRESS AND WOULD BE HANDLED
CONFIDENTIALLY.

4. JACOMET DECLINED TO GIVE ANY SUCH ASSURANCE. HE
SAID HE HAD TALKED WITH SOUTOU EARLIER IN THE DAY AND
SOUTOU'S VIEW WAS THAT THE FRENCH GOVERNMENT, IN LINE
WITH ITS DECISION NOT TO MAKE ANY PUBLIC STATEMENT THAT
THE CONTRACT WAS TERMINATED, WAS NOT IN A POSITION TO
GIVE THIS ASSURANCE. JACOMET EMPHASIZED THAT THIS DID
NOT RPT NOT MEAN THAT THE FRENCH WERE AMBIGUOUS ON THEIR
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DECISION TO CANCEL. HE CONCEDED THAT THE FRENCH STATEMENT OF AUGUST 24 ON THE CONTRACT "DID NOT SAY MUCH." (NOTE: THE STATEMENT CONFIRMED THAT GISCARD WROTE ZIA ON AUGUST 9 "TO SUGGEST THAT THE PAKISTANI GOVERNMENT STUDY COMMON MEASURES...TO HARMONIZE THE EXECUTION OF THE CONTRACT...WITH THE IMPERATIVES OF NON-PROLIFERATION AS DEFINED BY THE FRENCH GOVERNMENT..."

IN RESPONSE TO SMITH'S QUERY, JACOMET SAID THAT GISCARD'S LETTER TO ZIA DID NOT RPT NOT OFFER COPROCESSING AS AN ALTERNATIVE. THE CONTRACT WAS TERMINATED, AND "WE ARE NOT GOING BACK ON OUR DECISION," JACOMET STRESSED. FRANCE HAS NOT RPT NOT MADE A PUBLIC STATEMENT ANNOUNCING TERMINATION BECAUSE THE PUBLIC OPINION PROBLEM IN FRANCE WAS NOT RPT NOT "SOLVED" AND CHIRAC AND THE GAULLISTS WERE LIKELY TO MAKE AN ISSUE OF THE CANCELLATION IF IT WERE PUBLICIZED. JACOMET SAID THE GOVERNMENT'S GOAL WAS TO KEEP THE SITUATION--NOW "RATHER GOOD"--AS "QUIET AS POSSIBLE."


6. SMITH PRESSED AGAIN FOR A FRENCH ASSURANCE, POINTING OUT THAT CONGRESS WOULD NATURALLY INQUIRE

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AS TO WHAT THE FRENCH HAD TOLD THE US ABOUT THE STATUS
OF THE CONTRACT.

7. JACOMET DEMURRED. HE SAID THE FRENCH HAVE HEARD
THAT ZIA MAY REPLY BY LETTER TO THE GISCARD LETTER
OF AUGUST 9. SOUTOU BELIEVES THAT FRANCE WOULD HAVE
TO CONSIDER WHATEVER ZIA MIGHT SAY BEFORE DOING ANY
MORE THAN IT HAS ALREADY DONE.

8. SMITH SAID THAT TO WAIT FOR A POSSIBLE PAKISTANI
REACTION WOULD JUST MEAN MORE DELAY. THE ASSURANCE
WAS NEEDED NOW. IF FRANCE COULD NOT RPT NOT GIVE THAT
ASSURANCE, THE US WOULD HAVE TO ACCEPT THAT BUT IT
WOULD NOT RPT NOT MAKE THE US AID EFFORT EASIER.
JACOMET GAVE NO SIGN THAT THERE WAS ANY POSSIBILITY
OF AN ASSURANCE, AND DID NOT RPT NOT OFFER TO TAKE
UP THE MATTER AGAIN WITH SOUTOU OR HIGHER FRENCH
OFFICIALS.

9. ON THE QUESTION OF PAKISTAN NUCLEAR INTENTIONS
AND CAPABILITIES, SMITH SAID THE US WOULD WELCOME MORE
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INFORMATION THE FRENCH MIGHT HAVE, SMITH SUGGESTED
THE US AND FRANCE CONSIDER CONTINUING THE EXCHANGE OF
TECHNICAL INFORMATION WHICH BEGAN EARLIER WHEN THE
US PROVIDED CERTAIN INFORMATION TO THE FRENCH ON THE
PAKISTANI NUCLEAR PROGRAM.

10. JACOMET RESPONDED THAT THE FACT PAKISTAN WILL NOT
RPT NOT BE RECEIVING FRENCH HELP UNDER THE CONTRACT MAKES
ANY EFFORT TO COMPLETE THE PLANT MORE DIFFICULT.
HOWEVER, FRANCE DOES NOT RPT NOT KNOW WHAT PAKISTANIS
INTENTIONS ARE. US EXPERTS HAVE BETTER INFORMATION
THAN THE FRENCH, HE NOTED ZIA HAS BEEN CAUTIOUS IN
HIS STATEMENTS AS TO PAKISTAN'S FUTURE COURSE. IN
RESPONSE TO SMITH'S QUESTION AS TO THE STATUS OF FRENCH
TECHNICIANS IN THE PAKISTAN NUCLEAR PROGRAM, JACOMET
SAID THERE ARE TWO AT THE REPROCESSING PLANT SITE
HELPING WITH THE "SHELL OF THE BUILDING." THEIR WORK
IS NOT RPT NOT INVOLVED WITH SENSITIVE PARTS OF THE
PLANT. JACOMET SAID THE FRENCH GOVERNMENT'S VIEW
IS THAT THESE TWO SHOULD RETURN TO FRANCE "SOME TIME"
BUT HE COULD NOT RPT NOT PREDICT WHEN...THEIR RETURN.
NOW WOULD NOT RPT NOT SERVE THE FRENCH DESIRE TO KEEP
A LOW PROFILE. JACOMET UNDERTOOK TO GET BACK LATER
TO THE US ON THE QUESTION OF A US-FRENCH EXCHANGE OF
INFORMATION.

11. FRG-BRAZIL ON THE FRG-BRAZIL NUCLEAR DEAL,
SMITH SAID IT APPEARED NOTHING THE US COULD DO WOULD AFFECT
THE SITUATION FOR THE TIME BEING. JACOMET SAID THE
FRENCH HAVE NO NEW INFORMATION ON THE STATUS OF THE
FRG-BRAZIL DEAL. HE SAID IT "MAY WELL BE" THAT GISCARD
WILL RAISE THE MATTER WITH SCHMIDT AT THE AACHEN SUMMIT
LATER IN SEPTEMBER. GISCARD WILL APPROACH THE ISSUE
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