August 03, 1987
Embassy Islamabad Telegram 16294 to Department of State, 'First Day in Islamabad—August 2'

Citation:

Summary:
Armacost reported to Secretary Shultz, “I emphasized the need for immediate practical steps to demonstrate to an aroused Congress and a skeptical administration that no further illegal procurement activities would take place and that we had verifiable assurances there would be no further enrichment of weapons-grade uranium.”

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- Scan of Original Document
SUMMARY. THE AUGUST 2 ROUNDTABLE SESSION BETWEEN FOREIGN SECRETARY ABDUL SATTAR AND UNDER SECRETARY ARMACOST WAS EFFECTIVELY DIVIDED BETWEEN TWO ISSUES: ONE HOUR ON AFGHANISTAN (REPORTED SEPTEL) AND ONE HOUR ON U.S.-PAKISTAN NUCLEAR ISSUES. ABDUL SATTAR OUTLINED DETAILS OF PAKISTANI PERCEPTIONS AND INFORMATION CONCERNING THE PERVEZ CASE, INCLUDING THAT OBTAINED FROM MULTINATIONAL CORPORATION OF LAHORE. HE EMPHASIZED THAT THE GOP HAD NOT YET FOUND ANY EVIDENCE OF VIOLATION OF GOP LAW AND, IN FACT, HAD NOT YET LOCATED ANY EVIDENCE OF INTENTIONAL VIOLATION OF U.S. LAW. HE REITERATED THE URGENT NEED FOR THE USG TO SHARE ANY EVIDENCE AVAILABLE TO IT, POINTING OUT THAT THE ARREST WARRANT ISSUED FOR INAMUL HAQ DID NOT SPECIFY CHARGES AND WOULD ONLY JUSTIFY HOLDING HIM FOR INVESTIGATION FOR 14 DAY PERIODS. HE INDICATED THAT INAM HAD NOT YET BEEN LOCATED, BUT THAT THE GOP WAS ACTIVELY SEARCHING.

ARMACOST EMPHASIZED THAT THERE WAS DEEP CONCERN
BOTH IN THE ADMINISTRATION AND IN CONGRESS OVER THE EMERGENCE OF A PATTERN OF ILLEGAL PROCUREMENT FOR UNSAFEGERUDED PAKISTANI FACILITIES AND OVER THE CREDIBILITY OF PAST GOP ASSURANCES. HE PROPOSED THAT ONE OR MORE EXPERTS COME TO PAKISTAN TO REVIEW U.S. EXPORT ARRANGEMENTS AND TO SEE THAT THERE IS PROMPT ACTION TO IMPLEMENT THE PROVISIONS OF THE U.S.-PAKISTANI TECH TRANSFER MOU RELATING TO IMPORT AND EXPORT REGULATIONS. ARMACOST STRESSED THAT WE NEED A VIGOROUS AND THOROUGH INVESTIGATION OF THE PERVEZ CASE, INCLUDING PURSUIT OF THE ARREST WARRANT AGAINST INAM AND, BETTER YET, HIS APPEHENSION, AS WELL AS PUNISHMENT OF ALL THOSE RESPONSIBLE (ARMACOST INDICATED THAT THE USG MAY WISH TO CONSIDER INAM'S EXTRADITION); AN AUTHORITATIVE RESTATEMENT OF THE GOP'S INTENTION TO TIGHTEN UP ITS PROCUREMENT PROCEDURES; AND, POSSIBLY, RETURN OF U.S. EQUIPMENT ILLEGALLY PROCURED IN THE PAST.


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NEED WAS FOR "VERIFIABLE ASSURANCES;" ORAL ASSURANCES ALONE WERE NO LONGER ADEQUATE. IAIA OR BILATERAL INSPECTION ARRANGEMENTS WOULD BEST MEET THE CURRENT SITUATION. SATTAR DEMURRED, SUGGESTING THAT THIS WAS NOT POLITICALLY POSSIBLE IN PAKISTAN AND QUESTIONING WHY, IF OUR INTELLIGENCE CAPABILITIES WERE AS IMPRESSIVE AS THEY APPEARED, WE COULD NOT RELY ON NATIONAL TECHNICAL MEANS OF MONITORING. END SUMMARY.

5. AT THE BEGINNING OF THE AUGUST 2 ROUNDTABLE DISCUSSIONS BETWEEN UNDER SECRETARY ARMACOST AND FOREIGN SECRETARY SATTAR, THE LATTER INDICATED THAT, ALTHOUGH THE PRINCIPAL SUBJECT WAS TO BE AFGHANISTAN (SEPTEL), HE WOULD WANT AN OPPORTUNITY TO RAISE THE
PERVEZ CASE AND HOW IT WAS SEEN IN ISLAMABAD. NOTING THIS CASE HAD CAUSED "HOLY OUTRAGE" IN WASHINGTON AND "INDIGNANT FRUSTRATION" IN ISLAMABAD, SATTAR SAID WE NEEDED TO DISCUSS HOW TO PRECLUDE A TRAGEDY. 'THE GOP COULD NOT UNDERSTAND HOW AN "UNSPONSORED" EVENT THAT COULD HAVE BEEN PREVENTED COULD BE ALLOWED TO DESTROY A RELATIONSHIP FOUND ON A STRATEGIC COMMONALITY OF INTERESTS. ANY ACTIONS SUCH AS THOSE OF PERVEZ WERE IN CLEAR VIOLATION OF THE EXPRESS INSTRUCTIONS OF THE GOP.

6. AFTER AN HOUR OF DISCUSSION ON AFGHANISTAN, SATTAR TURNED TO THE PERVEZ CASE. HE OPENED HIS PRESENTATION BY POINTING OUT THAT THE GOP FELT IT

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HAS BEEN "PLACED IN A SITUATION WHERE THE ONUS OF PROVING OURSELVES INNOCENT RESTS WITH US."

THE FACTS OF THE CASE

7. SATTAR THEN TURNED TO A REVIEW OF THE FACTS AS HE UNDERSTOOD THEM:

-- ON MAY 19, 1986, THE GOP HAD REITERATED ITS EXPRESS ADMINISTRATIVE INSTRUCTIONS TO THE PAKISTAN ATOMIC ENERGY COMMISSION (PAEC) AND THE KAHUTA RESEARCH LABORATORY (KRL): ANY IMPORTATION OF EQUIPMENT OR SUPPLIES WAS TO BE MADE STRICTLY IN CONFORMITY WITH THE LAWS OF THE EXPORTING COUNTRY.

-- FOLLOWING NEWS OF THE PERVEZ CASE, THE GOP HAD LAUNCHED AN INVESTIGATION ON THE BASIS OF THE INFORMATION ALREADY COMMUNICATED (THE AFFIDAVIT AND THE INDICTMENT) AND OF INFORMATION PROVIDED BY SECRET

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INAM'S COMPANY, MULTINATIONAL INCORPORATED OF LAHORE.

-- THIS INVESTIGATION HAD SHOWN THAT GOP OFFICIAL AGENCIES HAD OPERATED WITHIN BOTH THE LETTER AND THE SPIRIT OF THE LAW. NEITHER AGENCY HAD BEEN INVOLVED IN ANY EFFORT TO PROCURE MARAGING STEEL ILLEGALLY.

-- MULTINATIONAL CORPORATION WAS ONE OF HUNDREDS OF COMPANIES THAT OPERATED IN THE PROCUREMENT AREA REPRESENTING VARIOUS FOREIGN COMPANIES THAT WISHED TO EXPORT TO PAKISTAN. PAKISTANI PROCUREMENT ANNOUNCEMENTS WERE SIFTED BY THESE COMPANIES AND THEY UNDERTOOK TO SUBMIT OFFERS TO GOP PROCUREMENT AGENCIES ON BEHALF OF FOREIGN FIRMS.

-- IN SEPTEMBER 1986, MULTINATIONAL MADE AN OFFER FOR MARAGING STEEL AT DOLS 17 A KILOGRAM TO KRL ON BEHALF OF A EUROPEAN PRINCIPAL. IN RESPONSE TO A REQUEST FOR EVIDENCE THAT THE EXPORT WAS LEGAL,
MULTINATIONAL PRODUCED A LETTER FROM THAT EUROPEAN COUNTRY STATING THAT THE MARAGING STEEL IN QUESTION COULD BE EXPORTED TO ANY COUNTRY.

-- FOR REASONS NOT TOTALLY CLEAR IN THE DOCUMENTS OBTAINED BY THE GOP, BUT APPARENTLY RELATED TO PRICE, MULTINATIONAL THEN SHIFTED ITS SOURCE FROM EUROPE TO THE U.S.

-- IN M ID-OCTOBER, PERVEZ ADDRESS ED AN OPEN INQUIRY FOR MARAGING STEEL TO CARPENTER OF PENNSYLVANIA. HE ASKED FOR A QUOTATION AND FOR AN INDICATION THAT THE STEEL COULD BE SUPPLIED FOR EXPORT TO PAKISTAN.

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-- CARPENTER RESPONDED WITH A QUOTATION OF DOLS 6.90 A POUND. IT INDICATED THAT THE STEEL WOULD BE AVAILABLE FOR EXPORT TO MULTINATIONAL CORPORATION OF LAHORE SUBJECT TO (A) ISSUANCE OF AN EXPORT LICENSE AND (B) OPENING OF IRREVOCABLE LETTER OF CREDIT.

-- PERVEZ THEN ASKED CARPENTER TO OBTAIN AN EXPORT LICENSE. TO THIS END, CARPENTER SENT PERVEZ A FORM REQUESTING CERTAIN INFORMATION, INCLUDING DETAILS ON THE END USER, WHICH HE COMPLETED AND RETURNED.

-- THUS, FROM SEPTEMBER 1986 TO JANUARY 1987, THERE WAS NO CLANDESTINE ACTIVITY, AND NO EFFORT AT ILLEGALITY. CARPENTER OR THE USG COULD HAVE SAID NO TO THE EXPORT AT ANY TIME, AND THE STEEL WOULD SIMPLY HAVE BEEN PROCURED ELSEWHERE.

-- UNFORTUNATELY, A PLAN WAS THEN DEvised TO ENSNARE PERVEZ BY PLAYING TO HIS PAKISTANI BACKGROUND. AN UNDERCOVER AGENT GAVE HIM TO UNDERSTAND THAT THE EXPORT LICENSE HE WAS SEEKING WOULD BE DIFFICULT TO GET. "WHEN A GOVERNMENT OFFICIAL TELLS YOU IT WILL BE DIFFICULT TO OBTAIN A DOCUMENT, LICENSE, OR WHATEVER, A PAKISTANI ASKS HOW MUCH." PERVEZ OFFERED THE AGENT DOLS 5,000, AND IN JANUARY 1987, DOLS 1,000 CHANGED HANDS.

-- IN ADDITION TO THE OFFER TO PROVIDE A LICENSE,
THE PRICE OF THE STEEL WAS ACTUALLY LOWERED DURING THIS PERIOD AS AN ADDITIONAL INCENTIVE, FROM DOLS 6.90 TO DOLS 5.50 AND THEN DOLS 4.70 A POUND -- A SIGNIFICANT REDUCTION FROM THE EUROPEAN PRICE.

THE CONCLUSION TO BE DRAWN

8. SATTA ARSTATED THAT NOTHING FOUND IN THE DOCUMENTS FROM MULTINATIONAL CORPORATION REVEALE
ANY KNOWLEDGE OF AN ILLEGAL TRANSACTION OR ANY INVOLVEMENT IN SUCH A TRANSACTION BY ANY AGENCY OF THE GOP. INSTEAD, HE ARGUED, IT WAS CLEAR THAT PERVEZ AND THE GOP HAD BEEN FRAMED DURING THIS PERIOD. SATTAR INDICATED THAT THE GOP HAD CHECKED ITS OWN RULES AND REGULATIONS AND COULD NOT UNDERSTAND HOW A GOVERNMENT COULD ITSELF ISSUE A FALSE LICENSE. "WE CAN'T EVEN DO IT UNDER OUR LAW! HOW CAN A GOVERNMENT ISSUE A PAPER IT DOES NOT INTEND TO HONOR?" THE ONLY CONCLUSION THAT COULD BE SECRET

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DRAWN WAS THAT "SOMEONE" HAD BEEN DELIBERATELY TRYING TO FRAME PAKISTAN AND PERVEZ AND THAT THIS MIGHT HAVE BEEN DONE BY PEOPLE WHO HAD NO CONSIDERATION FOR PAKISTAN OR FOR PAKISTANI-U.S. RELATIONS AND FRIENDSHIP.

TECHNOCAL IMPLICATIONS

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9. SATTAR NOTED THAT CONGRESSMAN SOLARZ WAS ALLEGING THAT PAKISTAN WAS BLATANTLY VIOLATING HIS AMENDMENT; HOWEVER, THE FACTS DID NOT SUPPORT HIS ALLEGATION. MARAGING STEEL WAS BEING PROCURED FOR ENRICHMENT CENTRIFUGES WHOSE EXISTENCE PAKISTAN ADMITTED, AND ON WHOSOEVER LEVEL OF ENRICHMENT PAKISTAN HAS UNDERSTANDINGS WITH THE U.S. PAKISTAN DID ENRICH FUEL SLIGHTLY FOR NUMEROUS PEACEFUL PURPOSES. THE U.S. COULD CONCLUDE THAT PAKISTAN INTENDED TO USE THIS STEEL TO PRODUCE WEAPONS. BESIDES, THE AMOUNTS INVOLVED WERE ONLY 30,000 POUNDS (15 TONS) RATHER THAN THE LARGER AMOUNTS BEING REPORTED IN THE U.S. PRESS.

10. SATTAR NOTED THAT THERE WAS ALSO A QUESTION ABOUT BERYLLIUM. THIS MATERIAL, HE SAID, HAD USES OTHER THAN NUCLEAR WEAPONS CASINGS. PAKISTAN HAD BEEN IMPORTING THIS MATERIAL FOR SOME TIME FOR TWO PURPOSES: (A) TO BRAISE METAL FOR FUEL RODS NEEDED TO SUPPLY KANUPP WITH AN INDIGENOUS FUEL CAPACITY; AND (B) TO CONSTRUCT REFLECTORS MEANT TO PROLONG FUEL ROD LIFE AT PINSTECH. AS LONG AS BERYLLIUM WAS AVAILABLE UNDER LICENSE, THEREFORE, PAKISTAN WOULD WANT TO ACQUIRE IT FOR PEACEFUL PURPOSES.

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POLITICAL DIMENSION

11. Sattar indicated that the GOP was well aware of the outraged congressional reaction to this case in the U.S. and had noted the various statements and resolutions on this subject. Armacost interjected that, indeed, the Senate had just passed a unanimous resolution, and Senator Bradley had issued a significant statement that Sattar should read, coming as it did from a good friend of Pakistan (Armacost gave Sattar a copy).

12. Sattar asserted that the GOP was also facing motions in the Senate concerning the House Appropriations Subcommittee action. It was seeking to defer a lengthy Senate debate, as that body was scheduled to recess this week, but then the National Assembly would return next week.

PREVIOUS EFFORTS

13. Sattar emphasized that the question that now faced the GOP was how to limit the damage that had undeniably been done to U.S.-Pakistani relations by this case. He decried the absence of a mechanism
FOR DEALING WITH SUCH "ACCIDENTS." AMBASSADOR HINTON HAD WARNED SATTAR THAT PROCUREMENT EFFORTS WERE UNDERWAY; SATTAR HAD TAKEN THESE WARNINGS TO THE HIGHEST LEVELS OF THE GOP, WHICH HAD CATEGORICALLY DENIED THAT SUCH ACTIVITIES WERE SANCTIONED AND HAD ASKED THAT HINTON SHARE HIS INFORMATION SO AS TO HELP THE GOP TRACK DOWN ANY CULPRITS. HINTON HAD SOUGHT INSTRUCTIONS ON THIS POINT FROM WASHINGTON, WHICH UNFORTUNATELY HAD REFUSED TO PERMIT THIS SHARING. "THAT'S HISTORY, BUT THE QUESTION NOW IS HOW CAN WE WORK FOR THE FUTURE."

14. SATTAR REITERATED THAT THE GOP HAD NO DESIRE TO ENGAGE IN ILLEGAL PROCUREMENT, SINCE THE ITEMS IT NEEDED WERE AVAILABLE LEGALLY FROM A NUMBER OF COUNTRIES. BUT, IN THE ABSENCE OF INFORMATION SHARING, IT DID NOT KNOW HOW TO PREVENT SUCH CASES. IT HAD TO ACCEPT THE GOVERNMENT LICENSES AND DOCUMENTS THE MIDDLEMEN ("INDENTERS") PRESENTED AS

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VALID. HE HALF-JOKINGLY SUGGESTED THAT THE GOP
MIGHT BAN SUCH IMPORTS FROM THE U.S. IN THE FUTURE
EVEN IF EXPORT LICENSES HAD BEEN ISSUED.

PERVEZ AND THE FUTURE

15. SATTAG CONFIRMED THAT THE GOP WOULD LIKE TO
PROCEED AGAINST INAM IF IT COULD DOCUMENT THAT HE
HAD PROCEEDED ILLEGALLY. THE INFORMATION IT HAD
RECEIVED FROM MULTINATIONAL DID NOT ESTABLISH A
BASIS FOR PROSECUTION. THE GOP UNDERSTOOD THAT THE
USG HAD ACQUIRED MUCH ADDITIONAL INFORMATION IN THE
PERVEZ INVESTIGATION, AND IT WOULD LIKE TO SEE IT.

16. SATTAG WENT ON THAT THE GOP HAD ISSUED A
WARRANT FOR INAM'S ARREST AND WAS WORKING TO TRACK
HIM DOWN -- "WE DON'T HAVE HIM YET BUT THINK WE ARE
GETTING CLOSER." ARMACOST ASKED WHETHER THE WARRANT
DID NOT PRETEMBER A VIOLATION. SATTAG REPLIRED THAT IT
DID NOT; A WARRANT COULD BE ISSUED WITHOUT
SPECIFICATION OF CHARGES FOR PURPOSES OF
INVESTIGATION. INAM COULD THEN BE REMANDED IN
CUSTODY FOR PERIODS OF 14 DAYS. AT THE END OF EACH
SUCH PERIOD, THE GOVERNMENT WOULD HAVE TO REJUSTIFY
HIS DETENTION.

17. SATTAG REPEATED HIS REQUEST THAT THE USG
CONSIDER WHETHER IT COULD SHARE THE "HUNDREDS OF
DOCUMENTS" OF EVIDENCE WITH THE GOP. THESE HAD BEEN
SUBMITTED TO THE COURT AND COULD, THEREFORE, BE
REGARDED AS CLASSIFIED INFORMATION. INDEED, THE GOP
UNDERSTOOD THEY WERE ABOUT TO BE MADE AVAILABLE TO
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THE DEFENDANTS. "WHY CAN THEY NOT BE MADE AVAILABLE
TO US, SO WE CAN SEE WHETHER INAM COMMITTED AN
INFRACTION OF PAKISTANI LAW UNDER WHICH HE CAN BE
CHARGED AND WHETHER THERE ARE OTHERS INVOLVED IN
WHAT MAY IN THE END BE A ROGUE OPERATION, EVEN
THOUGH ON THE SURFACE IT LOOKS LIKE A PERFECTLY
COMMERCIAL OPERATION?"

18. SATTAG EMPHASIZED THAT THE USG COULD BE ASSURED
THAT THE GOP WOULD, FOR ITS PART, COOPERATE TO
PREVENT RECURRENCES. AS PART OF THIS EFFORT, IT WOULD BE ESTABLISHING TIGHTER PROCEDURES FOR SUCH IMPORTS.

U.S.' POSITION

19. ARMACOST RESPONDED THAT ANY DISCUSSION SHOULD NOT REVOLVE AROUND THE PERVEZ CASE ALONE. THE USG HAD SEEN A PATTERN OF PROCUREMENT EFFORTS THAT CAUSED PROBLEMS. THE CONTROLS ON EXPORTS OF SENSITIVE NUCLEAR MATERIALS WERE, FROM THE U.S. STANDPOINT, BASED NOT ON THE EXISTENCE OF SPECIFIC ITEMS, SUCH AS CENTRIFUGES, IN PAKISTAN, BUT ON THEIR UNSAFEGUARDED NATURE. HE INDICATED THAT, WHILE HE ALSO HAD NOT SEEN ALL THE DETAILED DOCUMENTS IN THIS CASE, SEVERAL POINTS WERE SALIENT:

-- ACCORDING TO MATERIALS BRIEFED TO THE SFRC, THE

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QUANTITIES OF MARAGING STEEL THAT PERVEZ HAD BEEN SEEKING COULD HAVE SUBSTANTIALLY INCREASED -- PERHAPS DOUBLED -- PAKISTAN’S ENRICHMENT CAPACITY.

-- THE INDICTMENT MADE REFERENCE TO TELEXES BETWEEN PERVEZ AND INAM WHICH MADE IT CLEAR THAT BOTH RECOGNIZED THE EXPORTS INVOLVED WERE ILLEGAL, BUT HAD NONETHELESS DECIDED TO PROCEED. WHILE THE PRECISE LINK BETWEEN INAM AND THE GOP REMAINED SOMEWHAT UNCLEAR, THIS MIGHT BE ILLUMINATED IN THE DOCUMENTS THAT CANADA HAD SEIZED FROM PERVEZ AND HAD NOW SHARED WITH U.S. LAW ENFORCEMENT AGENCIES.

-- BEYOND THE FACTS OF THIS SPECIFIC CASE, THE USG WAS CONFRONTED WITH A PATTERN OF NUCLEAR PROCUREMENT ACTIVITY THAT UNDERLINED ITS DEEP CONCERN, AS WELL AS THAT OF THE CONGRESS. BY LAW, THE USG WAS OBLIGED TO SHARE ANY INFORMATION IT DEVELOPED ON NON-PROLIFERATION ISSUES WITH THE CONGRESS.

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20. ARMACOST PROPOSED THAT, IN AN EFFORT TO HELP THE GOP UNDERSTAND THE NATURE OF U.S. REGULATIONS, WE COULD HAVE ONE OR MORE EXPERTS COME OUT (A) TO REVIEW EXPORT ARRANGEMENTS AND (B) TO ASSIST IN PROMPT IMPLEMENTATION OF THOSE PROVISIONS OF THE U.S.-PAKISTANI TECH TRANSFER MOU RELATED TO IMPORT AND EXPORT CONTROL REGULATIONS. HE INDICATED THAT A FULL DISCUSSION OF THIS SUBJECT HAD BEEN HELD DURING THE 1986 NEGOTIATION OF THIS MOU, BUT WE RECOGNIZED THAT OFFICIALS CHANGED, AND IT MIGHT BE USEFUL TO TALK TO ADDITIONAL ACTORS BEYOND THOSE INVOLVED IN THE NEGOTIATIONS.

21. ARMACOST REPEATED THAT AN ENORMOUS PROBLEM DID
EXIST. THE HOUSE APPROPRIATIONS SUBCOMMITTEE HAD
PUT FORWARD LEGISLATION; THE SENATE HAD APPROVED A
UNANIMOUS "SENSE OF THE SENATE" RESOLUTION; THE
HOUSE FOREIGN AFFAIRS COMMITTEE MIGHT PASS A SIMILAR
RESOLUTION. THERE WERE GROWING DOUBTS ABOUT THE
CREDIBILITY OF PAST GOP ASSURANCES AND A DEEP
SUSPICION THAT A PATTERN OF ILLEGAL PROCUREMENT
EXISTED.

22. WITH RESPECT TO THE PERVEZ CASE ITSELF,
ARAMACOST INDICATED THAT, WHILE ISSUANCE OF AN ARREST
WARRANT AGAINST INAM WAS HELPFUL, IT WAS NOT
ENOUGH. ARMACOST STRESSED THAT WE NEED:

-- A VIGOROUS AND THOROUGH INVESTIGATION OF THE
PERVEZ CASE, INCLUDING PURSUIT OF THE ARREST WARRANT
AGAINST INAM AND, BETTER YET, HIS APPREHENSION, AS
WELL AS PUNISHMENT OF ALL THOSE RESPONSIBLE. IN
THIS REGARD, THE USG MIGHT WISH TO CONSIDER INAM'S
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EXTRADITION.

-- AN AUTHORITATIVE RESTATEMENT OF THE GOP'S
INTENTION TO TIGHTEN UP ITS PROCUREMENT PROCEDURES,
AS WELL AS DOCUMENTARY EVIDENCE THAT THIS HAD
OCCURRED. (ARMACOST SUBSEQUENTLY INDICATED THAT THE
USG WOULD LIKE TO HAVE A COPY OF THE GOP'S WRITTEN
DIRECTIVES TO ITS NUCLEAR AGENCIES REGARDING NUCLEAR
PROCUREMENT, PLUS THE IMPLEMENTING GUIDELINES
FURNISHED BY THESE AGENCIES TO THEIR PROCUREMENT
AGENTS.)

-- AND, POSSIBLY, RETURN OF U.S. EQUIPMENT ILLEGALLY
PROCURED IN THE PAST.

23. AMBASSADOR MARKER REPEATED THAT THE GOP, FOR
ITS PART, NEEDED THE USG'S DOCUMENTATION ON THE
PARVEZ CASE; WITHOUT IT, THERE WAS NO BASIS FOR
PROSECUTION.

PRIVATE DISCUSSION
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24. FOLLOWING THE ROUNDTABLE, ARMACOST AND RAPHEL
MET WITH SATTAR AND MARKER PRIVATELY. CRMACOST
EMPHASIZED THAT, WHILE THE PERVEZ CASE WAS IMPORTANT IN AND OF ITSELF, IT HAD ALSO UNDERMINED CONFIDENCE IN PRESIDENT ZIA'S ASSURANCES ON NUCLEAR ENRICHMENT. THIS WAS WHAT WAS AT THE HEART OF ADMINISTRATION AND CONGRESSIONAL CONCERNS, WHOSE

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SUBJECT: ARMACOST-SATTA ROUNDTABLE: NUCLEAR ISSUES

BREADTH WAS EVIDENT IN THE OBEY SUBCOMMITTEE ACTION, THE UNANIMOUS SENSE OF THE SENATE RESOLUTION. IMMEDIATE ACTION WAS NECESSARY. ORAL ASSURANCES THAT ENRICHMENT AT KAHUTA WAS BEING LIMITED TO FIVE
PER CENT WERE NO LONGER PERSUASIVE, AND THERE WAS WIDESPREAD INSISTENCE ON "VERIFIABLE" ASSURANCES.
THIS WAS THE ISSUE THAT MUST BE ADDRESSED.
OBVIOUSLY, IAEA INSPECTION WOULD BE BEST, BUT BILATERAL ARRANGEMENTS COULD ALSO BE CONSIDERED.

25. SATTA QUICKLY DISMISSED THE IDEA OF INSPECTION AS UNMANAGEABLE POLITICALLY AND INCOMPATIBLE WITH PAKISTANI SOVEREIGNTY. HE WONDERED WHY, GIVEN FORBIDABLE AMERICAN INTELLIGENCE CAPABILITIES, WE COULD NOT RELIABLY DEPEND ON NATIONAL TECHNICAL MEANS TO MONITOR ENRICHMENT LEVELS AT KAHUTA. ARMACOST CONFIRMED THAT WE DID PUT MAJOR STORE BY OUR INTELLIGENCE IN MONITORING NON-PROLIFERATION ON A GLOBAL BASIS, BUT INEVITABLY SUCH MEANS WERE LESS SECRET.

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PRECISE THAT ON-SITE INSPECTION. ONE CONGRESSMAN WAS FLOATING THE SUGGESTION THAT THE ADMINISTRATION CERTIFY TO CONGRESS EACH TIME IT HAD EVIDENCE THAT PAKISTAN WAS ENRICHING BEYOND THE FIVE PER CENT LEVEL AT KAHUTA. DID THE GOP, ARMACOST ASKED, WANT TO LEAVE SUCH AN ISSUE OF DECISIVE IMPORTANCE TO USG INTELLIGENCE JUDGMENTS? WOULD IT NOT BE BETTER TO ASSURE AN ACCURATE ASSESSMENT? AT THIS POINT, THE MEETING BROKE OFF FOR LUNCH.

26. ATTENDING THE ROUNDTABLE WITH ARMACOST WERE AMBASSADOR RAPHEL, P EXECUTIVE ASSISTANT ROSS, P SPECIAL ASSISTANT STEINFELD, AND ECONCOUNS PETERS (NOTETAKER).

ATTENDING WITH SATTA WERE AMBASSADOR JAMSHID MARKER, ADDITIONAL SECRETARY (AMERICAS) AZIZ KHAN, ADDITIONAL SECRETARY (AFGHANISTAN) BASHIR BABUR, DIRECTOR GENERAL (AMERICAS) TOUQUIR HUSSAIN, DIRECTOR GENERAL (AFGHANISTAN) RIAZ AHMED KHAN, AND DIRECTOR (AMERICAS) RIFFAT NIZAMI.

27. THE UNDER SECRETARY HAS CLEARED THIS TELEGRAM.

RAPHEL