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FOLLOWING REPEAT ISLAMABAD 6408 SENT ACTION SECSTATE 05 JUN 79.

QUOTE:S E C R E T ISLAMABAD 6408

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E.O. 12065: RDS-3 6/4/99 (CONSTABLE, P.D.) OR-M
TAGS: MNUC, PEPR, PARM, PK, US, CH
SUBJECT: NON-PROLIFERATION IN SOUTH ASIS

1. (S) - ENTIRE TEXT.

2. SUMMARY: WE HAVE COME TO A DEAD END IN OUR BILATERAL AND MULTILATERAL EFFORTS TO PREVENT THE SPREAD OF NUCLEAR WEAPONS TECHNOLOGY TO THE NATIONS OF SOUTH ASIA. DESPITE OUR BEST EFFORTS, INDIA HAS, AND PAKISTAN IS DEVELOPING, FACILITIES CAPABLE OF SUPPORTING NUCLEAR WEAPONS PROGRAMS. UNLESS WE CAN SOMEHOW DEVISE A REGIME TO HEAD THEM OFF, WE FACE THE CERTAIN PROSPECT OF TWO NUCLEAR WEAPONS STATES IN THIS TROUBLED AREA.

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IT MAY BE TIME TO ADJUST OUR NON-PROLIFERATION STRATEGY IN SOUTH ASIA, WHICH HPS FOCUSSED ALMOST ENTIRELY ON PREVENTING THE SPREAD OF THIS TECHNOLOGY,NSO TTAT WE CAN STILL HAVE A CHANCE OF MEETING OUR OVER-RIDING POLICY OBJECTIVE -- THE PREVENTION OF NUCLEAR WEAPONS FABRICATION -- BEFORE THAT THRESHOLD TOO IS VASSED. BY TREATING SOUTH ASIA AS A SPECIAL CASE, WE MAY BE ABLE TO SAVE OUR GLOBAL NON-PROLIFERATION STRATEGY IN OTHER AREAS WHERE NUCLEAR TECHNOLOGY HAS YET TO REACH THE

3. IN THIS MESSAGE WE OFFER A NEW NON-PROLIFERATION STRATEGY FOR SOUTH ASIA BASED UPON THREE KEY ELEMENTS:

--- AN ATTEMPT TO PERSUADE THE GOP TO FOREGO A PEACEFUL NUCLEAR EXPLOSION (PNE) :

-- AN EFFORT TO PERSUADE THE GOI THAT IT SHOULD OFFER THE GOP A FORMAL ASSURANCE OF PRIMIN DESAI'S PUBLICLY STATED POLICY THAT INDIA WILL NOT DEVELOP NUCLEAR WEAPONS ;

-- A REQUEST TO BEIJING TMAT THE PRC ASSURE NEW DELHI THAT IT WILL NOT DEPLOY ITS NUCLEAR FORCES AGAINST INDIA.

4. A US "HONEST BROKER'S" ROLE IN THIS STRATEGY WOULD HAVE TO BE ACTED OUT AT THE HIGHEST LEVEL TO CONVINCEN THOSE INVOLVED OF OUR PURPOSE AND THE STRENGTH OF OUR GUARANTEE. AS A S AN INTEGRAL PART OF THIS NEW STRATEGY, WE WILL ALSO NEED TO CONSIDER A CHANGE IN OUR APPROACH TO URANIUM SALES TO INDIA AND OUR SANCTIONS AGAINST PAKISTAN. END SUMMARY.

5. WE HAVE RUN INTO A SERIES OF SEEMINGLY INSURMOUNTABLE ROADBLOCKS IN OUR ATTEMPT, THROUGH BILATERAL PERSUASION, SECRET

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CONGRESSIONALLY-MANDATED SANCTIONS, AND MULTILATERAL DIPLOMACY, TO STOP THE PROLIFERATION OF NUCLEAR WEAPONS TECHNOLOGY IN SOUTH ASIA. INDIA HAS ALREADY SET OFF A PNE, AND PAKISTAN, WHILE NOT YET A MEMBER OF THE "NUCLEAR CLUB," HAS DEMONSTRATED ITS ABILITY TO AVOID STRICT INTERNATIONAL SANCTIONS AND ITS CONTINUING INTENTION TO BECOME A NUCLEAR POWER.

6. OUR OVERRIDING NON-PROLIFERATION OBJECTIVE IN THE REGION IS -- AND HAS ALWAYS BEEN -- TO KEEP NUCLEAR WEAPONS OUT OF SOUTH ASIA. TO ACCOMPLISH THIS, WE HAVE, AS A COLLATERAL GOAL, TRIED TO STOP THE SPREAD OF WEAPONS TECHNOLOGY, SUCH AS THE CONSTRUCTION OF REPROCESSING PLANTS AND ENRICHMENT FACILITIES. DESPITE OUR BEST EFFORTS, WE ARE FORCED TO CONCLUDE THAT WE HAVE FAILED TO ACHIEVE THIS AIM(ALTHOUGH WE CAN CLAIM SOME SUCCESS IN THE FRENCH CANCELLATION OF THE REPROCESSING DEAL WITH PAKISTAN). INDIA HAS REPROCESSING FACILITIES, HAS EXPLODED A PNE, AND PRODUCES WEAPONS-GRADE URANIUM; PAKISTAN MAY BE FAST APPROACHING THE PNE THRESHOLD.

7. WE URGENTLY NEED TO RE-EVALUATE ~~UNCLASSIFIED~~ NONPROLIFERATION STRATEGY SO THAT WE ARE IN A BETTER POSITION TO ACHIEVE OUR PRIMARY OBJECTIVE. THE SOUTH ASIAN NUCLEAR CLOCK CANNOT BE TURNED BACK, AND WE MUST NOW TRY TO KEEP BOTH INDIA AND PAKISTAN FROM EXERCISING THE NUCLEAR WEAPONS OPTIONS THEY POSSESS, OR WILL SOON ACQUIRE. DESIGNING SUCH A STRATEGY WILL NOT BE EASY. IT WILL INVOLVE SOME HARD CHOICES AND A RECOGNITION ON OUR PART THAT PAST POLICIES HAVE NOT BEEN AS EFFECTIVE AS WE MIGHT HAVE HOPED. BUT IF WE DO NOT NOW MAKE A SINCERE ATTEMPT TO CONVINCE SOUTH ASIANS THAT NUCLEAR WEAPONS ARE NOT A VIABLE OPTION, WE WILL BE FACED BY THE MID-EIGHTIES, OR EVEN EARLIER, WITH TWO INTERNALLY UNSTABLE NUCLEAR WEAPONS STATES WITH A LONG HISTORY OF CONFLICT, MUTUAL MISTRUST, AND UNRESOLVED PROBLEMS.

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8. IF WE FAIL TO ACT DECISIVELY, WE WILL ALSO JEOPARDIZE OUR GLOBAL NON-PROLIFERATION STRATEGY, WHICH COULD COLLAPSE UNDER THE WEIGHT OF TWO ADDITIONAL NUCLEAR WEAPONS STATES. BY TREATING SOUTH ASIA AS A "SPECIAL CASE", WE MAY HAVE A BETTER CHANCE TONHEAD OFF NUCLEAR WEAPONS DEVELOPMENT HERE, AND ALSO TO PRESERVEIN TME REST OF THE WORLD THOSE ELEMENTS OF OUR GLOBAL NONPROLIFERATION STRATEGY WHICH ARE WORKING IN COUNTRIES THAT, FOR A VARIETY OF HISTORICAL AND TECHNICAL REASONS, HAVE NOT YET ACHIEVED INDIA'S AND PAKISTAN'S LEVEL OF NUCLEAR SOPHISTICATION.

9. THERE ARE A FEW HOPEFUL SIGNS IN THIS OTHERWISE BLEAK PICTURE, AND WE SHOULD GRASP THEM IN ORDER TO LAY THE GROUNDWORK FOR OUR STRATEGY:

-- INDIAN PRIMIN DESAI PERSONALLY DOES NOT WANT INDIA TO PURSUE A NUCLEAR WEAPONS COURSE, HE HAS POLITI-CALLY COMMITED THE GOI TO A PEACEFUL NUCLEAR PROGRAM AND HAS FLATLY STATED HE BELIEVES PRES. ZIA UL-HAQ'S ASSURANCES ON THIS SCORE.

-- WE BELIEVE THAT WHAT PAKISTAN SEEKS IS, IN PART, A FULL FUEL CYCLE LIKE INDIA'S -- A "BARGAINING CHIP" -- AND THAT THE GOP MIGHT BE WILLING TO HOLD ITS NUCLEAR CAPABILITY AT A STAGE SHORT OF ACTUAL WEAPONS DEVELOPMENT. TO ACHIEVE OUR PRIMARY OBJECTIVE, WE MAY HAVE TO ACCEPT THE PRESENT LEVELS OF NUCLEAR TECHNOLOGY IN INDIA AND PAKISTAN (IN FACT, WE MAY HAVE TO ALLOW THE GOP TO COMPLETE ITS ENRICHMENT PROGRAM SO THAT A REAL, ALBEIT ROUGH LIKENESS BETWEEN THE TWO FUEL CYCLES EXISTS), WHILE TRYING TO ENSURE THAT BOTH INDIA AND PAKISTAN STOP

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POLICY COULD THUS BE PRESERVED. WHILE WE WOULD BE ACCEPTING AN UNFORTUNATE REALITY, WE MIGHT RETAIN SOME LEVERAGE OVER FUTURE SOUTH ASIAN NUCLEAR DEVELOPMENTS, AND WE MIGHT ALSO BE ABLE THEN TO LOOK TO OUR OTHER STRATEGIC POLICY INTERESTS IN THE REGION.

10. THIS PROPOSED NON-PROLIFERATION STRATEGY FOR SOUTH ASIA IS BASED UPON THREE KEY ELEMENTS:

A. WE WOULD NEED TO PERSUADE THE GOP NOT TO MOVE AHEAD WITH A PNE. THERE ARE TWO BASIC ARGUMENTS WE SHOULD MAKE IN FAVOR OF THE GOP'S ACCEPTING A FULL FUEL CYCLE WITHOUT A WEAPONS COMPONENT (AKIN TO INDIA'S) AND NOT SETTING OFF A NUCLEAR BLAST:

-- A PAKISTANI PNE WOULD CAUSE PRIMIN DESAI'S INDIAN ROPE TRICK ON NUCLEAR POLICY TO COLLAPSE. IF WE READ REPORTING FROM NEW DELHI ACCURATELY, DESAI WOULD BE UNABLE TO RESIST PRESSURES -- BOTH FROM INSIDE AND OUTSIDE THE GOI -- TO DEVELOP INDIAN NUCLEAR WEAPONS. DESAI, WHOM WE ARE SURE HOLDS HIS ANTI-NUCLEAR VIEWS SINCERELY, MIGHT PROCEED ON SUCH A COURSE WITH ANGUISH, BUT WE ARE CONVINCED HE WOULD PROCEED. IN THE FACE OF THIS POSTULATED WEAPONS PRODUCTION (SPARKED BY A PAKISTANI PNE), THE GOP NEED TO BE CONVINCED THAT NOTHING LESS THAN PAKISTAN'S SURVIVAL IS AT STAKE. A GOP PNE WOULD LEAD WITHIN MONTHS TO A GO-AHEAD FOR THE PRODUCTION OF INDIAN NUCLEAR WEAPONS AND MIGHT EVEN PROVOKE AN INDIAN EFFORT TO STRIKE DIRECTLY AT PAKISTAN'S WEAPONS PRODUCTION FACILITIES. IN THE END, PAKISTAN'S SECURITY WILL BE MORE OF A QUESTION MARK, NOT LESS.

-- ALTHOUGH PROBABLY LESS IMPORTANT TO THE GOP THAN ITS FEAR OF INDIA AND ITS DESIRE TO BECOME A NUCLEAR POWER, WE COULD HOLD OUT TO THE GOP THE PROMISE OF A CONCERTED EFFORT TO EASE THE PRESENT IMPASSE IN US-PAK RELATIONS IF THEY FORMALLY ESCHEW A PNE. WITH SERIOUS GOP CONCERNS
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ABOUT AFGHANISTAN, AND GOP FEARS OF SOVIET MEDDLING IN THE REGION, ISLAMABAD'S DESIRE FOR A REVITALIZED US-PAK RELATIONSHIP COULD WORK IN OUR FAVOR.

B. WE WOULD NEED TO ASK THE GOI (SPECIFICALLY

PRIMIN DESAI) TO PROVIDE MORE A FORMAL ASSURANCE TO THE GOP, AND INDEED TO THE WORLD, THAT INDIA WILL NOT DEVELOP NUCLEAR WEAPONS. THESE ASSURANCES-- HOWEVER HEDGED -- MIGHT TAKE THE FORM OF A LETTER FROM DESAI TO PRESIDENT ZIA, OR A LETTER FROM DESAI TO PRESIDENT CARTER WHICH WE COULD THEN SHARE WITH ZIA. WHATEVER THE FORM, THE GOP WILL DEMAND MORE THAN DESAI'S PUBLIC STATEMENTS BEFORE IT COULD AGREE TO FORGO A PNE. CONVERSELY, DESAI WOULD HAVE TO SATISFY HIMSELF (WITH OUR ASSISTANCE PERHAPS) THAT PAKISTAN IS NOT EMBARKED ON A PROGRAM TO DEVELOP NUCLEAR WEAPONS, EVEN THOUGH THE TECHNICAL ABILITY EXISTS.

C. WE WOULD NEED TO APPROACH THE CHINESE, WHO AT THE POLICY LEVEL AGREE WITH OUR OBJECTIVE TO KEEP NUCLEAR WEAPONS OUT OF SOUTH ASIA, TO SEEK THEIR AGREEMENT TO:

-- PROVIDE A FORMAL ASSURANCE TO NEW DELHI (OR PERHAPS TO US FOR USE WITH NEW DELHI) THAT NO CHINESE NUCLEAR FORCES WILL BE DEPLOYED AGAINST INDIA;

-- SUPPORT OUR STRATEGY WITH THE GOP, ADDING THEIR WEIGHT TO US AND INDIAN GUARANTEES.

11. THIS STRATEGY REQUIRES BOTH A FLEXIBLE AND A VIGOROUS US ROLE. SINCE A MULTILATERALLY NEGOTIATED SETTLEMENT (SUCH AS THE SOUTH ASIAN NUCLEAR WEAPONS

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FREE ZONE) NOW SEEMS IMPOSSIBLE, WE WILL NEED TO PLAY "HONEST BROKER" AND TRY TO FORGE A SERIES OF BILATERAL UNDERSTANDINGS WITH THE MAJOR PLAYERS ALONG THE LINES OF THE KEY ELEMENTS IN PARA 10.

12. THIS US ROLE IN PURSUIT OF OUR NON-PROLIFERATION OBJECTIVE IS POSSIBLE, BUT ONLY IF WE ARE WILLING TO ALTER OUR PRESENT POLICIES IN TWO SIGNIFICANT WAYS:

-- WE WOULD NEED TO REMOVE THE PROHIBITIONS OF THE NUCLEAR EXPORT CONTROL ACT ON URANIUM SHIPMENTS TO INDIA. THE GOI HAS REPEATEDLY MADE ITS POSITION ON FULL-SCOPE SAFEGUARDS CLEAR; IT WILL NOT ACCEPT THEM. INDIA'S REJECTION OF SAFEGUARDS GUARANTEES A CONFRONTATION WITH THE US IN MARCH, 1980, IF NOT BEFORE. THE INDIANS ALREADY HAVE NUCLEAR CAPABILITY, AND WE WASTE LEVERAGE DENYING THEM FUEL THAT THEY CAN OBTAIN ELSEWHERE. IN OUR SEARCH FOR A SIMILARITY IN REGIONAL NUCLEAR FUEL CYCLES SHORT OF WEAPONS

DVELOPMENT, SELLING FUEL TO INDIA IS ONE OF THE CHOICES WE WILL HAVE TO MAKE. UNCLASSIFIED

-- WE WILL HAVE TO REMOVE THE SANCTIONS (PERHAPS THROUGH THE WAIVER PROVISIONS) ON PAKISTAN MANDATED BY THE SYMINGTON AMENDMENT, EVEN THOUGH THEIR PURPOSES WILL NOT BE ACHIEVED. WHILE WE SHOULD MAINTAIN OUR VIGILANCE AND TRY TO INTERDICT AS MUCH OF THE SUPPLY OF SENSITIVE MATERIAL TO PAKISTAN FROM ABROAD AS POSSIBLE, WE SHOULD NOT DELUDE OURSELVES INTO THINKING THAT PAKISTAN CANNOT CREATE THEIR CASCADE OF CENTRIFUGES MND PRODUCE FISSIONBLE MATERIAL, EITHER BY INDIGENOUS FABRICATION OR CONTINUED CLANDESTINE PROCUREMENT. OUR LIFTING OF THE SYMINGTON SANCTIONS, LIKE THE SALE OF FUEL TO INDIA, WOULD RECOGNIZE A DISTASTEFUL REALITY, BUT WOULD SHOW PAKISTAN THAT THERE ARE ADVANTAGSS TO DEALING WITH THE U.S.

13. BEFORE EMBARKING ON THIS COURSE, WE WILL ALSO BE SECRET

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REQUIRED TO ASK TWO QUESTIONS OF OURSELVES:

-- IS OUR INTELLIGENCE GOOD ENOUGH ON BOTH SIDES TO PERSUADE THE GOI AND THE GOP THAT WE COULD KNOW IF ONE OR THE OTHER WAS "CHEATING"? ARE WE WILLING (OR ABLE) TO SHARE THIS INFORMATION?

-- ARE WE PREPARED TO MAKE THE HIGHEST-LEVEL COMMITMENT NECESSARY TO GIVE THIS INITIATIVE A CHANCE OF SUCCESS? CREATING CONFIDENCE IN BILATERAL UNDERSTANDINGS EITHER WITH THE US, OR GUARANTEED BY THE US, WILL BE EXTREMELY DIFFICULT. NEITHER INDIA NOR PAKISTAN IS LIKELY TO BE COMFORTABLE WITH US ASSURANCES BECAUSE OF THEIR OWN PERCEPTIONS OF US "DUPLICITY," "LACK OF COMITMENT," AND DUAL STANDARD. WE BELIEVE THAT NOTHING LESS THAN A CARTER-ZIA AND CARTER-DESAI DIALOGUE WILL WORK.

14. WE HAVE NOT ADDRESSED THE PROBLEM OF PAKISTAN'S SHARING ADVANCED NUCLEAR TECHNOLOGY WITH OTHER MUSLIM STATES. THIS IS A SERIOUS PROPSPECT AND POINT ON WHICH WE SHOULD SEEK ASSURANCES FROM THE GOP AS PART OF OUR CONSULTATIONS AND PRESENTATIONS ENVISIONED IN PARA 10. WE MIGHT PROPOSE TO THE GOP THAT THEY WORK THROUGH AN INTERNATIONAL MECHANISM (IN THE CONTEXT OF IDEAS OUTLINED IN ASST. SEC. PICKERING'S TALKS WITH THE CANADIANS REPORTED IN STATE 142386) WHICH WOULD PROVIDE ACCESS TO LEGITIMATE NUCLEAR TECHNOLOGY FOR PEACEFUL

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PURPOSES TO PAKISTAN'S ISLAMIC FRIENDS UNCLASSIFIED
RELATIONSHIP WITH PAKISTAN WOULD ALSO GIVE US A
MUCH BETTER CHANCE OF EXERTING INFLUENCE AGAINST ANY
GOP MOVE TO CONTRIBUTE TO A SO-CALLED ISLAMIC BOMB.

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15. THIS PROPOSAL HAS A HOST OF DISADVANTAGES, ANY ONE OF WHICH, SUCH AS OUR INABILITY TO OBTAIN CHINESE COMMITMENT, THE PROBLEMS OF INELLIGENCE AND/OR VERIFICATION, HOSTILITY IN CONGRESS TO FUNDAMENTAL CHANGES IN THE MEANS AVAILABLE TO PUSUE OUR NON-PROLIFERATION POLICY, OR PREMATURE PUBLICITY, COULD SCUTTLE THE EFFORT. TIMING WILL ALSO BE CRITICAL. WE MIGHT FIND IT USEFUL TO WAIT UNTIL AFTER THE NOVEMBER ELECTIONS IN PAKISTAN (IF THEY ARE HELD) BEFORE GOING TO THE GOP WITH SUCH A PROPOSAL IF REPEAT IF WE ARE CERTAIN THAT PAKISTAN WILL NOT EXPLODE A PNE IN THE MONTHS AHEAD. BUT FOR ALL ITS PITFALLS, WE BELIEVE THAT IT IS TIME FOR A NEW ATTEMPT TO ASSURE A NON-NUCLEAR SOUTH ASIA, AND TO DESIGN A NEW STRATEGY TO ATTAIN ONE OF THE PRIMARY GOALS OF US FOREIGN POLICY.

16. DEPT PLEASE PASS NEW DELHI.
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