

27 August 1979

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 27 August 1979

[redacted] The Director was on leave; Mr. Carlucci chaired the meeting. 25X1

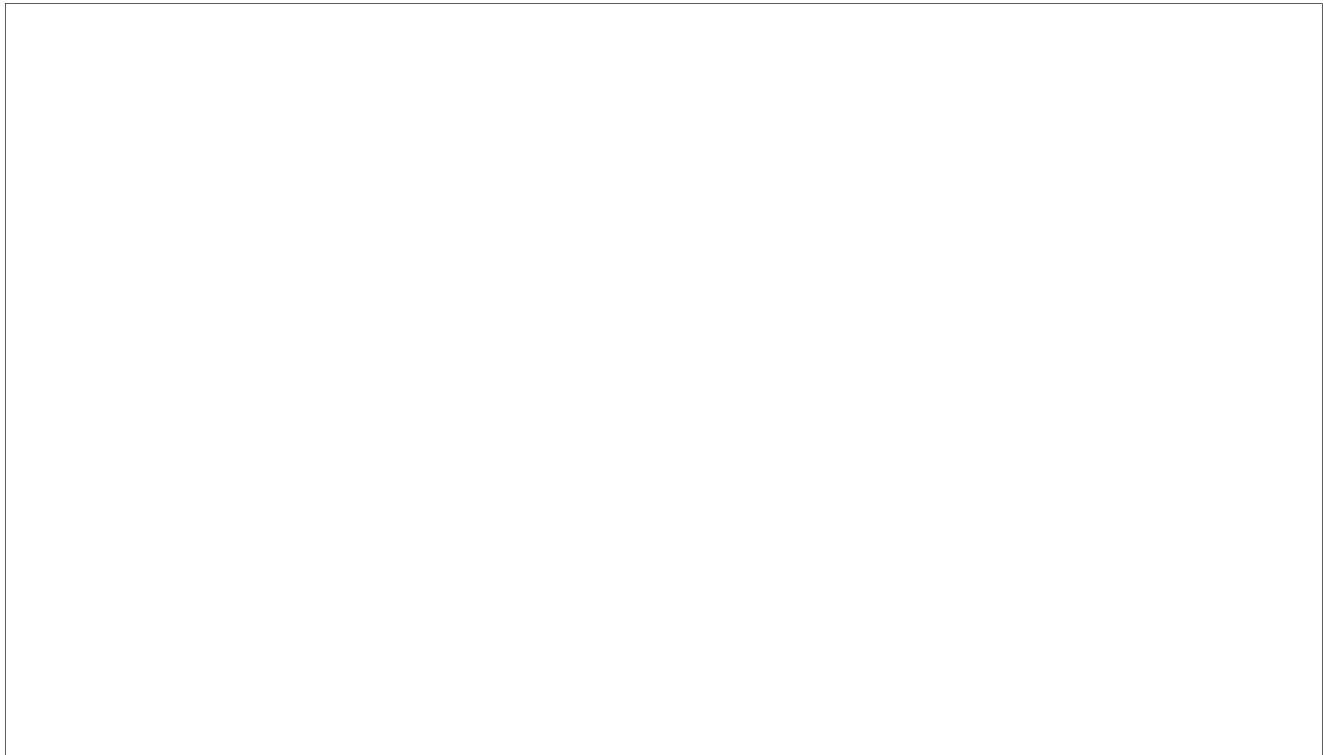
[redacted]

Mr. Carlucci announced the appointment of [redacted] as 25X1
the new Deputy to the DCI for Collection Tasking. Mr. Carlucci 25X1
expressed his appreciation to [redacted] for his fine performance in a 25X1
difficult job. He then noted [redacted] extensive experience and 25X1
qualifications which suit him well for this appointment. [redacted]

Stein reported McMahon's return from leave; he said McMahon was 25X1
attending to an urgent matter, thus could not attend the staff meeting.
[redacted]

[redacted] called attention to Don Oberdorfer's article "Pakistan: 25X1
The Quest for Atomic Bomb" in today's Washington Post (attached); he
said the article poses no problem for us. Mr. Carlucci added that, in
his view, Oberdorfer is one of the more "responsible" journalists. 25X1
[redacted]

[redacted] said also columnist Jack Anderson's article "How the Oil 25X1
Mess Got that Way" in yesterday's Parade magazine completes this
series; Strong noted no particular problems for us. [redacted] 25X1



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ARTICLE APPEARED
ON PAGE A-1THE WASHINGTON POST
27 August 1979

Pakistan: The Quest for Atomic Bomb

Problem Discussed by West, Moscow, Peking

By Don Oberdorfer
Washington Post Staff Writer

Behind an eight-foot-high stone wall near the sleepy town of Kahuta, 25 miles from Pakistan's capital of Islamabad, a clock is ticking for mankind.

Within three to five years, by official United States estimate, and sooner in the reckoning of some, the heavily guarded industrial plant under construction there will produce enough highly enriched uranium for Pakistan to explode an atomic bomb.

A mushroom cloud rising from a test site in that undeveloped and unstable nation would have powerful repercussions on the world of the 1980s. It would be nearly certain to bring about a nuclear arms race between Pakistan and neighboring India and would pose a constant threat that, for the first time since Hiroshima and Nagasaki in 1945, nuclear weapons actually would be exploded to kill.

A Pakistani nuclear bomb also would be a grave setback to the international effort to stop or slow down the spread of atomic weapons. In the view of several experts, it would be an important milestone on the way to a world of "the nuclear armed crowd," where a long list of nations and possibly even subnational terrorist groups could threaten their enemies, and everyone else with nuclear weapons.

In view of the momentous consequences, it is not surprising that the United States and several other governments recently have placed Pakistan high on their agenda of problems. President Carter and Soviet President Leonid Brezhnev inconclusively discussed Pakistan's nuclear activity at last June's summit meeting,

and Carter has initiated secret correspondence on the question with the leaders of Britain, France, West Germany and Japan, among others. Washington also has taken up the matter at high levels with Peking.

In April, the United States announced the termination of economic and military aid to Pakistan because of its nuclear weapons program, as required by a U.S. antiproliferation law, and the United States, as well as other nations, has expressed concern in private diplomatic talks with Pakistani leaders. So far the action and talk have been to no avail.

Pakistan continues to deny publicly that it is seeking atomic bomb capability. Privately, the Pakistani diplomatic response reportedly ranges from flat

denial to "none of your business" to tacit acknowledgment of the uranium enrichment program, together with statements that its importance is exaggerated.

Inside the U.S. government, a task force of diplomatic, energy, intelligence and military officials was quietly formed the third week in June to devise a clearer strategy for dealing with the issue. Headed by Ambassador Gerard C. Smith, the top U.S. antiproliferation official, the "Gerry Smith South Asian study group" is expected to produce a set of policy alternatives for high-level consideration next month.

Few promising avenues have been discovered, to date. The more officials have learned about the physical and political aspects of the problem, the greater is their pessimism about halting Pakistan's march toward the bomb. Among the underlying reasons for the outlook, often summed up as "grim," are:

First, it is the judgment of U.S. technical experts that Pakistan has gone too far to be headed off by the denial of sensitive technology or key parts essential to the uranium enrichment plant it is constructing. Through a combination of clever tactics and good fortune, Pakistan is believed to have stolen the technology and deviously purchased the crucial components for its plant before the sluggish watchmen of the international nuclear establishment woke up to what was happening.

Officials of the British-Dutch-German uranium enrichment plant at Almelo, Holland, should have been alerted to Pakistan's potential, if not its intent, when a Pakistani physicist employed there in 1974 was caught reading secret documents he had not been authorized to see.

Abdul Qadar Khan, the scientist involved, left Holland without fuss in 1975 with lists of subcontractors and probably blueprints for the plant, according to intelligence reports. Khan reportedly is the director of Pakistan's Kahuta project, based on the Almelo model.

Pakistan's elaborate international purchasing efforts, which began in 1977, were detected long before anybody acted to cut them off. The British government expressed concern to Washington about the suspicious purchases in March 1978, but it took London seven months after that to impose effective export control on key items, and it took Washington a full year. In the meantime important equipment was exported to Pakistan by firms in Britain, the United States and western Europe.

Second, it is increasingly clear to American officials that Pakistan's military leadership has made a firm national decision to proceed with "the nuclear option," as it is politely called. The program is reported to have the solid backing of Pakistani ruler Mohammed Zia ul Haq, who inherited it from the man he overthrew and later hanged, Zulfikar Ali Bhutto, the father of the Pakistani bomb.

The Pakistani high command is believed to support the program both as a matter of prestige and as a deterrent against India, which exploded a nuclear device in 1974. The more it is

obvious that Pakistan is going ahead, the more pressure is on Indian leaders to respond with an active weapons program of their own. The prospect of this, in turn, spurs new fears and new determination in Pakistan.

Third, the Pakistani nuclear problem, seen in its full dimensions, is at the heart of overlapping circles of complexity involving nearly every alignment on the world scene.

It is a North-South issue because the United States, Europe and the developed world are seeking to turn around a developing country that recently joined the Conference of Non-Aligned States. Pakistani officials already have charged that the refusal of the United States and other donor nations to grant debt payment relief at a Paris meeting two months ago was nuclear pressure. The U.S. aid cutoff and talk of future economic pressures are seen in the same light by Islamabad.

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Pakistan is an East-West problem because of its strategic location and increasing conflict with the Soviet Union. Moscow recently delivered several stiff warnings to Islamabad regarding alleged help to rebel forces fighting the ruling regime in Afghanistan, Moscow's ally and Pakistan's neighbor.

The problem even has an East-West dimension, because the People's Republic of China is Pakistan's closest ally, while India is aligned more closely to Moscow.

China has supplied much military equipment but no known nuclear technology or help to Pakistan. Chinese leaders are reported to be privately cool to a Pakistani nuclear capability, although much less resistant than Moscow, a strong foe of proliferation everywhere.

And it is a Mideast problem because of rumors that Libya and perhaps other Islamic nations support Pakistan's "Islamic bomb" capability, a concept coined by Bhutto, and fears that weapons material might be shared with Islamic nations for use against Israel. The Jewish state, which is believed to have its own nuclear weapons stockpile, is particularly vulnerable to atomic threats because of its size. Israeli operatives are believed to have been involved in the sabotage last April of a nuclear reactor being built in France for delivery to Iraq.

Both India and Israel have the military ability to take out the Kahuta plant through bombing or commando action. American officials said such action by either of those states seems unlikely at present, though it cannot be ruled out. U.S. officials tacitly acknowledge that American covert action to disable the plant was among the many ideas talked about early in the options-gathering process, but they said it was dismissed without serious consideration.

The Pakistani nuclear weapons problem is a classic case in the chain reaction that threatens to spread possession of the bomb throughout much of the world. The first U.S. atomic explosions (1945) led to acquisition of atomic weapons by its adversary, the Soviet Union (1949), which spurred on that nation's adversary, China (1964), whose weapons program stimulated its adversary, India, to explode an atomic device in 1974. Pakistan is react-

ing in large part to its adversary, India.

This chain of fear and tension is another complicating factor in nuclear weapons diplomacy. Pakistan insists that any self-imposed restrictions also apply to India, which insists that they also apply to China, which refuses to restrict itself because of its nuclear weapons disparity with the Soviets. And the two superpowers, the United States and the Soviet Union, which are far ahead of everyone else, continue adding to their already vast weapon stockpiles.

As early as 1965, in the wake of the Chinese weapons test the year before, Pakistan's Bhutto made it clear that if India developed atomic weapons, so would Pakistan. Later Bhutto declared that his country would match India "even if we have to eat grass."

Bhutto began late in 1973, before India's test but after certain knowledge of India's program, to negotiate with France for a nuclear fuel "reprocessing" plant capable of producing weapons-grade plutonium. The contract was signed in March 1978, to the alarm of the United States and other countries concerned about nuclear proliferation. Bhutto insisted in public that the plant was for peaceful use only, but virtually admitted the opposite in his final testament, smuggled from his prison cell last year.

Some of the circumstances of the French arrangement have given rise to speculation of a Libyan connection in Pakistan's nuclear program. Pakistani officials recently confirmed that Libya's Muammar Qaddafi had offered to finance the French reprocessing plant in return for access to the plutonium it produced. The officials said Pakistan rejected the offer and that Libya, in turn, canceled a plan to finance a Pakistani-French submarine production arrangement. The implication is that the submarine production was another part of the proposed deal.

Pakistan's links with Libya were cemented by a 10-year agreement of cooperation signed in 1974, and they have continued to be close. Pakistan supplies military advisers and training personnel to Libya, as well as to several other Arab countries. American officials said that, despite rumors and allegations to the contrary, they have no evidence of a Libyan-Pakistani deal involving Islamabad's current nuclear effort. But they concede they cannot be certain there is no such arrangement.

Pakistan's effort to obtain weapons-grade plutonium via the French plant generated a major diplomatic counterdrive by the United States in both the Ford and Carter administrations. A gradual turnabout in French policy brought about cancellation of the deal in August 1978, after most of the designs but very little sensitive equipment had been supplied.

Publicly, U.S. officials concerned with proliferation breathed a sigh of relief at the termination of the French arrangement last August. The decision was made in mid-September to restore Pakistan to eligibility for new U.S. economic and arms aid, which had been quietly suspended a year earlier because of antiproliferation laws and policies. A few American officials, however, were aware even as aid was restored that Pakistan still was seeking nuclear weapons capability through another, more secret route.

While openly negotiating to buy a plutonium plant from France in 1973-76, Pakistan also was working secretly to obtain a plant to make highly enriched uranium, an alternative weapons material, as early as 1973. American officials now believe. Washington sources suggest that the A. Q. Khan, the Pakistani physicist who was trained in Europe and worked at the Almelo gas centrifuge enrichment plant, persuaded Bhutto that this was a viable alternative that should be pursued. Funds for this purpose are believed to have been diverted from the French-related project.

By early 1977, before Bhutto's fall from power that July, orders from Pakistan are reported to have been placed with European firms for component parts of a centrifuge enrichment plant. Pakistan was shrewdly exploiting a loophole in the antiproliferation arrangements of "suppliers club" industrial nations, which banned the export of major weapons material facilities but did not address the purchase of components piece by piece.

Late in March 1978, a British embassy official in Washington called at the State Department to discuss U.S. plans to give greater attention to the enriched uranium route to nuclear weapons. The British official, according to informed sources, passed on "some disturbing information" that Pakistan had placed a suspicious order with a British firm for inverters, sophisticated voltage control mechanisms that could be used either for conventional industry or a nuclear enrichment plant.

"We didn't even know what an inverter was," said a State Department official later. But a series of diplomatic and intelligence exchanges in the summer and fall of last year heightened the knowledge and interest in several capitals.

In July last year a British parliamentarian, Frank Allaun of the Labor Party, tabled a question in the House of Commons suggesting that equipment being exported would contribute to a Pakistani nuclear weapons program. Allaun said later he acted on a tip from "a friend who had a friend."

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The British government responded to Allam's question by saying the equipment was not subject to existing controls. Before London slapped on tighter controls last October, Emerson Electric Industrial Controls (a subsidiary of the U.S. firm Emerson Electric) had shipped 31 complete inverter systems capable of regulating a large number of centrifuge machines, which are the essential part of an uranium enrichment plant of this type. Emerson was working on 100 more inverters for Pakistan when the export controls were tightened to stop the shipments.

An elaborate purchasing system operated by a Pakistani ordnance official from an embassy office near Bonn placed large orders for industrial components in Switzerland, West Germany and other European countries as well as Britain. The number two man in the Pakistani embassy in Bonn, Abdul Waheed, is the first cousin of Pakistani President Zia. A career diplomat, Waheed denied any involvement in a nuclear purchase

program and said reports of a weapons program are "nonsense and false."

Pakistan ordered from a California firm, which U.S. officials will not identify, about a half-dozen inverters evidently intended for the uranium enrichment plant. These were shipped from the United States last fall, after Washington had heard about Pakistan's efforts but before export controls were tightened this March 23, specifically to list inverters and other key components. State Department officials said there was no indication that other essential components for the Pakistani plant originated in the United States.

The decision to restore Pakistan to eligibility for U.S. aid last September, amid growing indications of a drive to obtain a secret uranium enrichment plant, was a ticklish one. Some officials suggest that U.S. intelligence was still uncertain at the time that Pakistan was going for a nuclear weapons capability via a new route. (Members of Congress have been told by the Central Intelligence Agency that a "preponderance of evidence" to support this conclusion was available early last fall). Others involved in the decision said the U.S. sought to "plant some carrots" by promising new economic and military programs to create bargaining leverage with Pakistan.

By last January, the evidence of Pakistan's program was unmistakable and the United States began diplomatic talks with Islamabad on the subject. After Deputy Secretary of State Warren Christopher failed in a special mission March 1-2 to persuade Zia to call off his effort, the United States ordered a new cutoff of economic and military aid under the anti-proliferation law. This was made public April 6, after inquiries from the

Pakistan's repeated public denials of a nuclear weapons program are given no credence by American officials. Photographs of the heavily guarded and elaborate Kahuta plant as construction proceeds make it clear that its purpose is uranium enrichment, according to U.S. intelligence. And Pakistan has no civilian require-

ment for large amounts of enriched uranium.

The official U.S. estimate is that three to five years of construction and operation will be needed for the plant to turn out enough highly enriched uranium to make a bomb. This assumes, as officials do, that the Pakistanis will be able to procure enough natural uranium, from one source or another, as raw material. Some officials have said a bomb might be ready as soon as two years hence; others believe that unforeseeable construction and operating problems might consume much more time and might even prove insurmountable.

Pakistan's uranium enrichment effort has cost somewhat less than \$100 million in the past four years, according to a U.S. estimate. The final cost is likely to be several hundred million dollars, a serious economic drain but well within the ability of a nation with a military budget of about \$1 billion annually. One major worry is that to capitalize on its investment, Pakistan might some day export highly enriched uranium.

Pakistan also is believed to be continuing work on the French plant, without French help. This would take six to 10 years, according to informed estimates, to produce bomb material. And Pakistan also is believed to have a pilot "hot cell" reprocessing capability at its Institute of Nuclear Science and Technology at Islamabad, where a small amount of bomb material could be produced relatively quickly if the right ingredients were available.

How much time is available is a crucial question for American officials. They do not believe rumors, evidently originating in India, that a Pakistani explosion could take place this fall, but they have been surprised before and are wary of being surprised again.

It is highly uncertain how the time will be used, whether it is three to five years or a shorter period. The U.S. task force in search of a policy has yet to find an acceptable answer to Pakistan's nuclear quest.

Also contributing to this article were Bonn Correspondent Michael Getler and staff researcher Maralee Schwartz.

ARTICLE APPEARED
ON PAGE A-3

THE WASHINGTON POST
26 August 1979

Attorney General Sees No Evidence Of Israeli Tap of Young-PLO Meeting

United Press International

Attorney General Benjamin R. Civiletti said he has no evidence that Israeli intelligence agents bugged Andrew Young's secret meeting with a representative of the Palestine Liberation Organization.

"Based on the knowledge I've received... I have no reason to believe the meeting was tapped, bugged or surveilled," Civiletti told reporters Friday night.

Young resigned as U.N. ambassador after it was disclosed that he met July 26 with the PLO's U.N. observer, Zehdi Labib Terzi, and failed to inform the state department about the session fully. U. S. policy prohibits diplomatic contacts with the PLO.

There has been speculation that Israeli agents planted an electronic listening device in the home of the Kuwaiti ambassador, where the secret session was held, then tipped Newsweek magazine about the meeting. Newsweek's inquiry to the State Department set off further questions that forced Young's resignation.

Some members of Congress, disturbed at reports of a possible Israeli bugging, have called for a Justice Department investigation. The Omnibus Crime Control Act prohibits electronic surveillance unless it is authorized by the Justice Department.

Civiletti said he has asked the FBI, the State Department and all other concerned agencies about the incident

and there was no evidence of a bugging by U.S. agents, "not by anybody."

"Do we have any probable cause to believe there was any bugging?" Civiletti asked. "No. We have no basis [to investigate]. Nobody's furnished us with any basis. I've seen some reports in the newspapers, and some opining based on those reports. I've seen no facts."

Civiletti stressed that there are legitimate ways for intelligence agents to get information about secret meetings without bugging. He referred to reports that the Israelis might have intercepted an overseas telephone call.

Civiletti said that if he receives proper evidence he will order prosecution of illegal intelligence activities by foreign governments.

"If any person bugs intentionally and deliberately, without the consent of the lawful owner or parties, and not within title III [of the Omnibus Crime Control Act] or the Foreign Intelligence Surveillance Act, then it is probably a violation of American law," he said.