

ChronDEPARTMENT OF STATE
BRIEFING MEMORANDUM

S/S

3/27/79

SECRET/SENSITIVE/NODIS

TO: The Deputy Secretary

THROUGH: P - David D. Newsom
T - Lucy Wilson Benson *LWB*

FROM: NEA - Harold Saunders *R6 for HS*
OES - Thomas R. Pickering *R6 for TEP*
S/P - Paul H. Kreisberg *R6 for PK*

PRC Meeting on Pakistan, Wednesday, March 28, 3:00pmPARTICIPANTS

The Deputy Secretary	Central Intelligence Agency
National Security Council	Department of Energy
Department of State	Arms Control and Disarmament Agency
Department of Defense	Office of Management and Budget
Joint Chiefs of Staff	

CHECKLIST

1. First portion of the meeting will be an Executive session to discuss an intelligence matter.
2. In the full meeting, review what actions taken:
 - Symington sanctions in effect,
 - contingency press guidance prepared,
 - Congressional consultation initiated,
 - meeting with FCO Deputy Permanent Undersecretary Parsons,
 - continuing contacts with supplier countries to prevent sensitive exports to Pakistan,

SECRET/SENSITIVE/NODIS
RDS-3, 3/27/99, (KREISBERG, P.)

SECRET/SENSITIVE/NODIS

-2-

- IAEA DG briefed in general terms,
 - Presidential response to Desai,
 - high level approaches to Saudis, Soviets and other Western European countries are under consideration.
3. Next Steps
- Presidential letter to Zia,
 - Presidential letters to Callaghan, Giscard, Schmidt, and Trudeau,
 - consideration of approach to Soviets.
4. Discuss Elements of Strategy for Dealing with Pakistan
- A. Initiatives of mutual Pak-Indian restraint
 - B. Economic Assistance
 - C. Proposals to Enhance Pak Security
 - Military supply
 - New bilateral security assurances
5. Discuss Tactics of Approach
- A. Approach India and then Pakistan with emphasis on arrangement for mutual restraint
 - B. Approach Pakistan, emphasizing assistance package, with follow-up in India
6. Conclude with PRC Direction to Agencies to Prepare Decision Memorandum for the President Authorizing:

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-3-

- A. Initiation of diplomatic initiatives on mutual restraint
- B. Preparation of options for specific items of military and economic assistance, and language for new bilateral security assurance, all for use in negotiation with Pakistan over termination of sensitive nuclear programs.

SETTING

Your major objective at the meeting should be to gain agreement to a set of recommendations which might be put to the President for decision and which will link our response to Pakistan's nuclear efforts with our need to avoid an unmanageable Indian counter-reaction.

There is broad agreement at the working level that sanctions directed at Pakistan alone will be inadequate to dissuade it from its current course. You will want to ensure this view is shared by the PRC members.

Some package of US and other donor country inducements aimed at responding to Pakistani economic and military security concerns will probably have to be assembled in order to test whether these will be effective in influencing Pakistan's actions. We need to be fully aware that we are dealing with an Indo-Pakistan problem not just a Pakistan problem. The more substantial the military inducements and/or security guarantees offered Pakistan the more difficult it will be to work with India on bilateral or regional arrangements for nuclear weapons self-denial. In fact, a heavily-weighted military inducements package could contribute to an Indian sense of beleaguerment and stimulate a conventional arms race as well as reduce India's motivation to defer nuclear weapons development. We should, therefore, carefully balance our approaches to Delhi and Islamabad to try and work out inter-related arrangements which will maximize the security of both countries.

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-4-

With this in mind, it will be desirable when we do engage the Paks, to weight at least initially the inducements package on the economic side. There was agreement at the working level that this might have some effect on Pakistan but disagreement by Treasury and OMB on the desirability of offering any substantial increment in assistance to Pakistan at this time for budgetary reasons. Disagreement at the interagency level on this issue for the last two months has been unresolvable and the differences surfaced at the last PRC on Pakistan as well.

You should seek agreement at the PRC that a specific package of economic as well as additional military inducements which might have a substantive impact on Pakistan be assembled for submission to the President within the next two weeks. You hinted we would be forthcoming with more assistance on your trip to Islamabad and the proposed letter from the President to Zia for discussion at the PRC reiterates we would be prepared to discuss greater assistance to Pakistan. We should have such a package available for prompt use if necessary, but the options for such a package should be submitted to the President. In addition, specific recommendations should be prepared on any additional security assurances which should be offered to Pakistan along with a strategy for dealing with both Congress and Indian concerns.

It will almost certainly be necessary for us to have some sense of what we would be able to do additionally for Pakistan in order to go to other countries and seek their support for an aggregate package which might collectively be put to Pakistan and related to its nuclear programs.

In the short run, the concept of an approach to the Indians and Pakistanis on regional nuclear restraint is one which can be pursued without additional US resource decisions. The prospects for success are slim but we suggest you seek PRC agreement to recommend to the President that State should proceed to work with the

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-5-

British and others to explore the possibility of such an approach with India and Pakistan.

ISSUES/TALKING POINTSActions Taken

- We have concluded that the sanctions required by the Symington Amendment (Section 669 of the Foreign Assistance Act) were applicable to Pakistan;
- Dave Newsom sent memoranda to DOD and AID asking them to take steps to end our development aid and military training programs (IMET) in an orderly and non-confrontational manner consistent with the law;
- He asked that this be done on a confidential basis; Pakistan has not been informed;
- Although stories have appeared in the Indian and British press (and now the Pakistani press) and we cannot expect to avoid major public attention for very long, I think it important that we continue to deal with this matter on a confidential basis for as long as possible;
- In anticipation of eventual press inquiries, we have prepared contingency press guidance aimed at dampening Pakistani reaction while being reasonably responsive;
- We hope in the first instance to avoid confirming the existence of a Pak centrifuge program or declaring the Symington Amendment triggered;
- Consultations with key Congressional leaders have been undertaken by Tom Pickering, Bob Flatin and Jim Michel to explain the policy

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-6-

dilemma we face, to discourage premature publicity and to seek acquiescence in our proposal to implement the Symington Amendment in an orderly manner.

- We have continued our contacts with suppliers, alerting them when we learn from our intelligence sources of Pakistani efforts to acquire items for sensitive nuclear programs from companies in their countries.
- We met with Deputy Permanent Undersecretary Parsons of the FCO on March 16 to review our thinking and agreed we would get back to the British well before David Owen's planned trip to the sub-continent in mid-April on specific steps we might take.
- We have sought British reaction to our initiating high Foreign Office level briefings about the seriousness of the Pakistani situation in several key supplier countries. We have already alerted IAEA Director General Eklund of our concerns in a general way.
- A separate approach to the Soviets is also contemplated at the appropriate time.
- We are preparing an approach to the Saudis and are following up with the Chinese.
- Finally, in preparing a draft response for the President to Prime Minister Desai's letter, we will include a statement of concern in general terms about developments on the sub-continent.

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-7-

NEXT STEPS

You may wish to suggest that the proposed letter to Zia from the President be amended to include a specific reiteration by the President of our defense commitment to Pakistan in the 1959 bilateral agreement in the context of the most recent Soviet activities in Afghanistan. Such a reiteration would be welcomed by Zia and would put some teeth into the general expression of interest in continued cooperation conveyed in the letter. This letter as a whole is an important element in exploring Zia's receptivity to amending or adjusting his nuclear program; we believe you should urge it be sent. We recognize the potential conflict with our human rights concerns over the possible execution of Bhutto, but believe we must engage Zia in a high-level dialogue on the nuclear issue in any event, and that suggesting a potential visit to Washington is one of the few immediate inducements we can put forward.

YOUR TALKING POINTS

- We are considering a draft letter from President Carter to President Zia urging him to suspend work on an enrichment program and enter a dialogue over how the US could assist Pakistan address economic and security needs without developing nuclear weapons.
- In addition there are Presidential letters to Callaghan, Giscard, Schmidt and Trudeau also under consideration, in which we ask for support for our approach to Zia and suggest that they consider an approach of their own.

STATE TALKING POINTS

- While there is an uncertain prospect that we can deflect Pakistan with any of the proposals under consideration, given the importance of the issue, we think it is worth asking the President to take a personal hand in trying to slow or stop the Pakistanis before the political atmosphere deteriorates further.

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-8-

- The letter asks Zia to suspend his uranium enrichment program as a first step in a process of preserving and improving relations between Pakistan and the US.
- If he indicates that he is willing to consider such a step, senior level US officials would go to Pakistan and begin a dialogue about future US economic and military assistance and the conditions, in terms of Pakistani nuclear activities, under which it could be provided.
- We have not explicitly told the Pakistanis that we have terminated our aid programs, nor have we addressed their resumption or continuation. This is partly to avoid unnecessarily disturbing the political atmosphere, and partly because there is still some uncertainty over the criteria to be applied for resuming aid.
- The letter also includes an invitation to visit Washington -- if the dialogue with Zia over Pakistan's sensitive nuclear program is fruitful -- without reference to how the Bhutto case comes out. This represents a shift in our approach to a Zia visit but we believe the urgency of the nuclear issue is such as to warrant such an invitation as soon as possible if Zia responded positively to the President's letter.
- We believe it should also include a specific reiteration of the US commitment to Pakistan under the 1959 bilateral, and should refer to US concern over recent Soviet activities in Afghanistan. This would help reassure Zia we are serious in expressing a continued interest in Pakistan's security.
- I think it is unlikely that we will get a clear acceptance or rejection of our proposal; we could get a denial of any nuclear weapons program in Pakistan with a willingness to meet with US representatives.

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-9-

- Even if we did receive a response along those lines, we would have to be prepared to sound out Zia on military and economic assistance, as well as pursue whatever scenario we settle upon for mutual restraint. In addition, we would have to describe in some detail what it is we want the Pakistanis to do with respect to their sensitive nuclear programs.
- At a minimum, the Presidential invitation will show Zia that we are still trying to find a solution, despite the bleak results of Warren Christopher's trip. We recognize that this strategy draws on the prestige of the Presidency sooner rather than later, and thus makes future escalation more difficult, but we do not think we can afford to delay the initiative and reduce its chance for success nor do we think it will stop future actions we should take in our own interest.
- The President should also ask the principal Western leaders to weigh in with Zia to demonstrate solidarity in concern over Pakistani nuclear activities.

DISCUSSION OF ELEMENTS OF STRATEGY FOR DEALING WITH PAKISTAN

We suggest you seek the views of the PRC participants on expanding our military arms supply relationship by providing more sophisticated air defense systems, e.g., the F-16, as part of an inducement package for Pakistan. Indian acquisition of the Jaguar and its clear interest in the Mig-23 may provide a basis for such reconsideration on our part, assuming Pakistan can find someone to pay for the aircraft. The cost in terms of our relations with India, however, will be high and it may be preferable to ask Defense to review whether there are alternative systems to strengthen Pakistan's air defense which might be considered.

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-10-

YOUR TALKING POINTS

- The issues and analysis paper provides options for each category of actions which we should discuss.
- They include (1) initiatives for Pak-Indian restraint, (2) economic assistance, (3) military supply and new bilateral security assurances, and (4) sanctions.
- I believe there is little likelihood that sanctions will be effective and I suggest we focus on elements of a positive strategy. We may wish to take up sanctions if this approach does not succeed.
- I encourage you to speak to the more difficult items in the third category so that we can see what sort of package of economic and military assistance is plausible.
- That will also permit us to directly address the question of Indian reaction, as well as the best diplomatic strategy to follow.

DISCUSS TACTICS OF APPROACH

- There are at least two general courses we can follow.
- The first emphasizes arrangements for mutual Indo-Pak restraint and would lead us first to New Delhi. There is reason to believe that no such approach will work by itself, but it could be combined with a limited package of inducements in Pakistan.
- The second emphasizes economic and military inducements to the Pakistanis, and perhaps some new US security assurances. This course leads us first to Islamabad to negotiate the termination of their sensitive nuclear programs and then to New Delhi where we would seek to

SECRET/SENSITIVE/NODIS

SECRET/SENSITIVE/NODIS

-11-

dampen Indian reaction by confronting them with the alternative of a nuclear arms race with Pakistan.

- This latter scenario can also include efforts in Islamabad and New Delhi at some kind of arrangement for mutual restraint in development and use of nuclear weapons.

WRAP-UP

- I would like agreement that the PRC
- (1) should recommend sending Presidential letters to Zia and the Western leaders,
 - (2) should recommend that the President authorize initiation of diplomatic initiatives on mutual restraint in the context of an overall strategy to deal with nuclear problems on the sub-continent,
 - (3) instruct State, Defense, AID, OMB, and Treasury to prepare a recommendation, with options, to the President on specific economic and military assistance which might be offered to Pakistan as inducements in negotiations over Pakistan's sensitive nuclear programs and
 - (4) prepare recommendations to the President on strengthened security assurances to Pakistan, including legislative strategy.
- Are there any other steps or choices which should be included for the President's consideration?

Attachment:

Issues and Analysis Paper -(S/S 7905365)

Concurrences: L - Mr. Michel ^{at for SM} ACDA - Mr. Van Doren ^{at for CD}
PM - Mr. Humphreys ^{at for MM}

SECRET/SENSITIVE/NODIS