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INFO OCT-01 EUR-12 NEA-10 ISO-00 SSO-00 NSCE-00 ACDA-07
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FM AMEMBASSY PARIS
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INFO AMEMBASSY LONDON IMMEDIATE
AMEMBASSY ISLAMABAD
ERDA WASHDC

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LONDON PASS U.S. TEAM LONDON SUPPLIERS MEETING

E.O. 11652: N/A
TAGS: TECH, FR, PFOR, ENRG, PK.
SUBJECT: FRENCH REPROCESSING PLANT FOR PAKISTAN:
NOV. 10 LE MONDE ARTICLE

REF: PARIS 32581

1. SUMMARY: FRENCH DAILY NEWSPAPER LE MONDE CARRIED FRONT PAGE ARTICLE STATING THAT "PARIS NO LONGER INSISTS ON THE SALE OF A NUCLEAR PLANT (REPROCESSING) TO PAKISTAN." REFERRING TO MEETINGS IN ISLAMABAD BY A "SPECIAL ENVOY FROM PRESIDENT GISCARD D'ESTAING," WELL-INFORMED SOURCES INDICATE THAT FRANCE WILL NOT OBJECT TO PAKISTAN GIVING UP THE CONTRACT ON THE REPROCESSING PLANT. THE ARTICLE INCLUDES MENTION OF U.S. OBJECTION TO THE PLANT AND RECENT CANADIAN OBJECTIONS (CARRIED BY AP ON NOVEMBER 10). END SUMMARY

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2. A BRIEF SUMMARY TRANSLATION OF THE ARTICLE FOLLOWS: ACCORDING TO WELL-INFORMED SOURCES, FRANCE WOULD HAVE NO MAJOR OBJECTION IF PAKISTAN--UNDER THE PRESSURE OF THE U.S. AND CANADA--GAVE UP THE CONTRACT

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FOR A NUCLEAR REPROCESSING PLANT. THE CONTRACT HAS PROBABLY BEEN MENTIONED DURING RECENT MEETINGS IN PARIS BETWEEN THE TWO GOVERNMENTS DURING THE WEEK OF NOVEMBER 8.

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ON NOV. 9, IT WAS REPORTED FROM A WELL-INFORMED SOURCE THAT A SPECIAL REPRESENTATIVE OF PRESIDENT GISCARD D'ESTAING MET MR. ZULFIKAR ALI BHUTTO, PRIME MINISTER OF PAKISTAN, BETWEEN NOV. 5 AND 7, IN ISLAMABAD. ALTHOUGH NO COMMENTS HAVE BEEN MADE, THE PAKISTAN DAILY "MUSAWAT" SPECIFIES THAT AMONG OTHER TOPICS, NUCLEAR COOPERATION BETWEEN FRANCE AND PAKISTAN WAS DISCUSSED. IN PARIS, ON NOV. 10, THIS INFORMATION WAS NEITHER CONFIRMED NOR DENIED.

MR. AZIZ AHMED, DEFENSE AND FOREIGN AFFAIRS MINISTER FOR PAKISTAN, ARRIVED IN PARIS AT THE BEGINNING OF THE WEEK OF NOV. 8. ON MONDAY, HE MET WITH MR. LOUIS DE GUIRINGAUD, FOREIGN AFFAIRS MINISTER. THEN HE MET WITH MR. YVON BOURGES, DEFENSE MINISTER, AND MR. MICHEL D'ORNANO, MINISTER FOR INDUSTRY AND RESEARCH. ON WEDNESDAY, NOV. 10, HE MET WITH MR. ANDRE ROSSI, MINISTER FOR EXTERNAL TRADE. FROM FRENCH SOURCES, IT IS SAID THAT TALKS HAVE ESSENTIALLY AN ECONOMIC ASPECT AND CONCERN PARTICULARLY THE SECAM PROCESS FOR TELEVISION AS WELL AS WEAPON AND AUTOMOBILE CONSTRUCTION CONTRACTS.

ALTHOUGH NOT OFFICIALLY MENTIONED IN PARIS, THERE IS NO DOUBT THAT NUCLEAR MATTERS WERE ALSO DISCUSSED; THIS HAS BEEN CONFIRMED BY A PAKISTANI SOURCE IN ISLAMABAD. THE PROBLEM POSED BY THE DELIVERY BY FRANCE OF A REPROCESSING PLANT TO PAKISTAN, WHICH GAVE RISE TO A VIOLENT WARNING ON THE PART OF MR. KISSINGER AND AGAINST WHICH MR. CARTER ALSO PROTESTED SHORTLY BEFORE HIS ELECTION, IS

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STILL UNSOLVED. AMERICAN PRESSURES ARE INCREASING.

WHILE WAITING FOR THE RESULT, IT APPEARS THAT PARIS IS TRYING TO SELL TO ISLAMABAD A NUCLEAR PLANT OF 600 MW AT THE PRICE OF 550 MILLION DOLLARS. THE PURCHASE OF SUCH A PLANT BY PAKISTAN, WHICH WISHES TO HAVE BY THE END OF THE CENTURY A NUCLEAR CAPACITY OF 5,000 MW, WAS MENTIONED BY ALI BHUTTO DURING HIS VISIT TO FRANCE IN OCTOBER 1975.

CANADA, WHICH DELIVERED TO PAKISTAN THE ONLY NUCLEAR PLANT IT POSSESSES WITH A CAPACITY OF 124 MW, HAS ALSO JUST PROTESTED AGAINST THE FRENCH PROJECT TO SELL A REPROCESSING PLANT, THROUGH ITS FOREIGN AFFAIRS

MINISTER. PAKISTAN MUST CHOOSE BETWEEN NUCLEAR COOPERATION WITH CANADA FOR PEACEFUL NEEDS OR

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TO SECSTATE WASHDC IMMEDIATE 7046
INFO AMEMBASSY LONDON IMMEDIATE
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NUCLEAR COOPERATION WITH FRANCE WHICH RISKS TO BE USED FOR MILITARY PURPOSES, STATED MR. DON JAMIESON IN OTTAWA.

THE CANADIAN MINISTER ADDED THAT CANADA WOULD SELL ITS HEAVY WATER REACTORS, CANDU, TO PAKISTAN ONLY UNDER CERTAIN CONDITIONS:

- 1) CANADA WILL SUPPLY THE NECESSARY NUCLEAR FUEL FOR THE CANDU REACTOR DURING 10 YEARS FOR WHICH PAKISTAN PROMISES NOT TO USE THE SUPPLIED NUCLEAR MATERIAL FOR MILITARY PURPOSES;
- 2) IF PAKISTAN INSISTS ON HAVING A REPROCESSING PLANT, CANADA WILL SUPPLY THE NUCLEAR FUEL FOR ONLY TWO YEARS;
- 3) CANADA MUST HAVE THE POWER TO VETO ANY USE OF NUCLEAR MATERIAL TREATED IN A REPROCESSING PLANT.

[REDACTED] PAKISTAN DOES NOT ACCEPT ONE OF THESE THREE
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*CONDITIONS, CONCLUDED MR. DON JAMIESON, CANADA WILL CEASE ALL NUCLEAR COOPERATION WITH THAT GOVERNMENT. IT IS TO BE RECALLED THAT IN 1974 INDIA CONDUCTED A NUCLEAR TEST, THANKS TO A CANDU REACTOR, FOLLOWING WHICH OTTAWA SUSPENDED ALL NUCLEAR COOPERATION WITH NEW DELHI. OTTAWA CONSIDERS THAT ADDING A REPROCESSING PLANT TO ONE OF ITS CANDU REACTORS WOULD BE PARTICULARLY DANGEROUS.

BRITISH SOURCES HAVE INDICATED THAT A MEETING OF THE GROUP OF COUNTRIES EXPORTING NUCLEAR TECHNOLOGY WILL TAKE PLACE AT THE END OF THE WEEK (OF NOV. 8). REPRESENTATIVES OF 14 COUNTRIES WILL PROBABLY DISCUSS THE POLICY STATEMENT OF OCTOBER 28 BY PRESIDENT FORD ON REDUCING THE RISKS OF NUCLEAR PROLIFERATION.

FINALLY, IT IS CONFIRMED BY WELL-INFORMED SOURCES THAT, AS ANNOUNCED ABOUT TEN DAYS AGO BY THE WEEKLY "JEWISH TRIBUNE," FRANCE WILL SELL TO IRAQ A TEST NUCLEAR REACTOR OF THE OSIRIS TYPE, ITS LOAD OF ABOUT 12 KILOGRAMS OF ENRICHED URANIUM AT 93, AS WELL AS VARIOUS TEST EQUIPMENT. THE REACTOR WILL BE SUPPLIED BY THE FIRM TECHNICATOME, A SUBSIDIARY OF THE COMMISSARIAT A L'ENERGIE ATOMIQUE (CEA). IN ACCORDANCE WITH THE PROVISIONS OF THE N.P.T., WHICH IRAQ SIGNED, THE EQUIPMENT WILL BE UNDER THE CONTROL OF THE IAEA.

3. COMMENT: THIS ARTICLE APPEARS TO BE BASED ON SENIOR-LEVEL QUAY SOURCES. IT GIVES A FULL PUBLIC VIEW TO THE COMMENTS OF NOV. 2 BY MINISTER DE GUIRINGAUD (REFTEL), RECENT CANADIAN VIEWS, AND THE RECENT VISIT TO PAKISTAN BY GOF OFFICIALS. THE EMSSY RECEIVED SEVERAL CALLS REGARDING THE LE MONDE ARTICLE ON NOV. 10 AND 11 FROM AMERICAN NEWSPAPER REPORTERS FOLLOWING NUCLEAR MATTERS. NO OTHER FRENCH NEWSPAPERS OR NEWS SERVICES ARE KNOWN TO HAVE CARRIED THE STORY. IT REPRESENTS ANOTHER STEP BY FRANCE TOWARD DROPPING THE REPROCESSING PLANT CONTRACT, BUT THE GOF STILL HAS NOT FOUND THE HELPFUL SITUATION TO FORMALLY END THE CONTRACT. AS WITH THE SOUTH KOREAN
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PLANT, QUAY OFFICIALS HAVE SAID THAT IF THE GOF

STOPS THE CONTRACT, THE FRENCH FIRM WILL SUE THE GOF
FOR REIMBURSEMENT FOR WORK ALREADY UNDERTAKEN, WHILE
IF THE GOP STOPS THE PLANT, THE CONTRACT PROVIDES FOR
THE GOP COVERING THE COSTS OF COMPLETED WORK. PERHAPS
A CONTRACT FOR A 600 MW REACTOR WILL INVOLVE SUFFICIENT
FUNDS TO COVER THIS MATTER.
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*** Current Handling Restrictions *** n/a
*** Current Classification ***

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