

World and Nation

U.S. officials arrest Pakistani for trying to export steel to make atom bomb

WASHINGTON (AP) — A Pakistani arrested on charges of trying to export a rare type of steel used in the manufacture of weapons-grade uranium was part of a broader effort by the Moslem nation to build nuclear arms, government and private experts said Wednesday.

Pakistan's drive to build a bomb dates from the explosion of a nuclear device in 1974 by India, its historic enemy, and has included theft, bribery and subterfuge to obtain technology and material, according to court records in the United States and Western Europe.

Despite the secrecy surrounding Pakistan's nuclear program, "a consensus seems to have emerged that Pakistan is at the nuclear-weapons threshold: it either possesses all of the components needed to manufacture one or several atom bombs or else remains just short of this goal," said Leonard Spector, a Washington-based nuclear proliferation expert and author of "Going Nuclear."

Pakistan wants the maraging steel, as the special alloy is called, for centrifuges at a second

uranium enrichment plant at its nuclear facility in Kahuta, 18 miles from the capital of Islamabad, Spector said.

A second plant would allow Pakistan to produce fuel for up to 10 bombs a year, whereas the one enrichment facility at Kahuta can produce 22 pounds of uranium annually, enough for about one bomb, Spector said.

Although Pakistan claims that its nuclear program is peaceful in intent, U.S. officials became convinced that Pakistan had the capability to build the bomb after three Pakistani nationals were indicted in June 1984 for attempting to smuggle out high-speed electronic switches, known as krytons, said a knowledgeable administration source who spoke on condition of anonymity.

Two of the Pakistanis testified for the prosecution and were released, and one, Nazir Ahmed Vaid, pleaded guilty to lesser charges, served three months and was deported, according to court records in Houston.

Krytons are used almost exclusively to trigger

nuclear explosions, just as maraging steel is used almost exclusively in uranium enrichment.

After the kryton incident, Congress passed a law in 1985 that would cancel foreign aid to any non-nuclear nation that tried to import from the United States materials that "would contribute significantly to manufacture of a nuclear explosive device."

Pakistan, which received \$650 million in U.S. aid this year, refuses to allow inspection of its Kahuta plant and will not sign the nuclear non-proliferation treaty until India does likewise, said embassy spokesman Salim Gul Shaikh.

The spokesman declined to comment on the latest case, which was disclosed in papers filed last week in Philadelphia federal court when Customs agents arrested Arshad Z. Perviz of Pakistan for bribing Commerce Department officials to obtain a license to export 50,000 pounds of maraging steel.

Pakistani agents have been trying for at least two years in Europe and the United States to buy maraging steel.

Cocaine trafficker admits to dealing drugs for Contras

WASHINGTON (AP) — A convicted cocaine trafficker told Congress Wednesday that he helped the Nicaraguan Contras smuggle drugs into the United States and ship automatic weapons and explosives to Central America.

George Morales, who is serving a 16-year federal prison sentence in Miami, also said he made payoffs to officials in Cuba and the Bahamas — countries he said were used to transship drugs and launder money. Panama was another money-laundering point, he said.

The 38-year-old Colombian-born American citizen described for a Senate Foreign Relations subcommittee on drugs a large-scale smuggling operation that used airplanes, helicopters and boats to make millions of dollars.

The Contras have repeatedly denied allegations of drug-smuggling. Contra spokesman Ernesto Palazio said the rebel organization is "more interested than anyone else in finding out if any of our people" were involved in such activity, so action can be taken.

But Palazio dismissed Morales' allegations, saying, "We've heard this gentleman's accusations before. He is a convicted drug dealer."

Morales, who testified in the custody of federal marshals, said he had nothing to gain from appearing before the subcommittee, which is headed by Sen. John Kerry, D-Mass. He volunteered to take a lie detector test to demonstrate the truthfulness of his statements.

Because of the nature of the drug business, Kerry said his panel was forced to gather information from witnesses who had been involved with narcotics. The overall aim of hearings, he said, is

to find out "what steps we take in lessening the role that narcotics can play" in the international arena.

Morales said his involvement with the Contras began after he was indicted on a drug charge March 1984. About a month later, he said, he was approached by a group of men associated with the Contras.

In exchange for Morales' help, the men promised to "take care of my (legal) problem and to a large extent they did." The men resented themselves as having connections with the CIA, Morales said. The CIA has repeatedly said it is not involved in drug smuggling.

Morales, an international-known speedboat racer, said his involvement with the Contras lasted from June 1984 until January 1986, six months before he was arrested and jailed. His arrest came after he accidentally killed a man who was an informant of the Drug Enforcement Administration.

On at least seven occasions, Morales said his airplanes — part of his air cargo company — were loaded with weapons and flown to Costa Rica or El Salvador for use by the Contras. The planes were then packed with drugs and brought to Florida.

Morales said his operatives sold the drugs and returned the profits to the Contras. Asked how much the project generated for the rebels who were banned from receiving U.S. military aid, Morales said, "Many, many millions of dollars."

Although Morales said he never personally flew the routes to Central America to deliver weapons and pick up drugs, he said trained pilots who made such flights and he helped on-and-offload the airplanes.

U.S. orders 2 diplomats out of country

WASHINGTON (AP) — Two Cuban diplomats were ordered out of the United States on Wednesday in response to what the State Department called an "intolerable" campaign against American diplomats in Havana.

The ousted Cubans, Bienvenido Abierno and Virgilio Lora, are third secretaries. They were told to leave within 10 days.

State Department spokesman Bruce Ammerman said American diplomats had been accused by the Cuban media of espionage, causing "irreparable harm" to their families and endangering their safety.

The United States and Cuba do not have formal diplomatic relations, but maintain "interests sections" in each other's capitals. There are 17 Cubans working out of the Czechoslovak embassy here.

U.S. trade deficit increases in May as imports shoot up

WASHINGTON (AP) — Reversing two monthly improvements, the nation's trade deficit widened in May to \$14.4 billion as Americans bucked rising prices and imported a record level of foreign goods, the Commerce Department reported Wednesday.

The growth of the merchandise trade deficit from \$13.3 billion in April and \$13.6 billion in March drew expressions of disappointment from government and private economists, who had expected better figures under the pressure of increasing import prices from a weaker U.S. dollar.

Coming as the Senate neared a final vote on far-reaching trade legislation, the report was expected to make the Reagan administration's battle against restrictive trade measures even more difficult.

"It's bad news for the opponents of protectionism," said David Wyss, chief financial economist for Data Resources Inc. "Anything else you argue about this, the headline Congress is going to be reading will say 'Trade Deficit Worsens.'"

For the first five months of 1987, the deficit was running at an annual rate of \$164.8 billion — slightly trailing last year's record \$166.3 billion shortfall.

Administration officials said they were disappointed but characterized the turnabout as temporary. Commerce Secretary Malcolm Baldrige noted trade figures had narrowed in six of the preceding nine months.

"As we have warned in the past, while the trade deficit will continue to improve, there will be occasional monthly setbacks against that improving trend," Baldrige said.

Meanwhile, the Commerce Department said business inventories had swollen 0.7 percent in May for the biggest increase in unsold goods in three years.

May's figure was the highest deficit since a \$15.1 billion gap in February.

Analysts gave some possible explanations for the poorer-than-expected performance:

- Unlike other government economic statistics, the trade figures are not adjusted to remove the effects of predictable seasonal factors. Thus, the May figures were heavily influenced by a surge in automobile imports that occurs each spring.
- Petroleum-product imports jumped \$500 million, to \$3.5 billion, in May, reflecting heavy purchases by U.S. oil companies.



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