

SECRET

Telephone No.
WHITEHALL 8474
Ext.

RECEIVED IN
ARCHIVES

8-OCT-1964

ER1241/31 /G

From: R.C. Trewicks, DCS
MINISTRY OF DEFENCE, (H.Q.)
METROPOLE BUILDINGS,
NORTHUMBERLAND AVENUE,
LONDON, W.C.2.

C.p.s.c. 6th October, 1964

Our ref: AL.13/1. 230/30

Dear *Goodison,*

The following report has just been received from the Americans about the supply of uranium to Israel by Argentina.

1. Contrary to our previous information, we have received a recent report that an agreement was concluded between Argentina and Israel for the sale of at least 80 tons of U₃O₈ and that recent Argentine uranium exports had gone only to Israel. According to the provisions of Decree No.1098 of 8 February 1963, the Argentine National Atomic Energy Commission was given authority to sell a total of 100 tons of yellow cake at a minimum FOB price of \$15 per kilogram of U₃O₈. Sales contracts are permitted over a period of three years starting 1 January 1963, and the shipment of material contracted may be extended nine months beyond that period. The decree stipulated that necessary precautions must be taken by the Commission to make certain that these exports are "intended only for peaceful uses of nuclear energy".
2. We do not know what precautions were taken by the Commission to ensure the peaceful use of the uranium exported to Israel, but 80 tons of U₃O₈ is far in excess of that needed by Israel to operate the Dimona reactor only for research purposes.
3. The report states that the Argentines expect to have an annual production capacity of about 120 tons of U₃O₈ when the plant in Mendoza goes into operation (expected to be in 1965). Although production of yellow cake for the year 1963 had been given previously as about 10 tons, the Cordoba plant now is reported to producing concentrate at the current rate of about 60 tons per year. It is known that the production capacity of the Cordoba plant is being increased. In any event, Argentina should have no difficulty in meeting contracts up to 100 tons of yellow cake by mid-1966.

We agree with the assessment of the second paragraph of the report. This does not tell us, of course, how much uranium has in fact been shipped. British Embassy Tel Aviv may be able to help out with this.

We do not know of any safeguards arrangements between the two countries. Do you?

Your views on this report would be welcome before we decide how much further to disseminate it.

A.C. Goodison, *Reg.*,
Eastern Department,
FOREIGN OFFICE,
London S.W. 1.

Your sincerely,
D. Arkell.
for R.C. Trewicks.

SECRET