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**FROM**

FM DIA WASHINGTON DC, (b)(3):10 USC 424

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(b)(3):10 USC 424,(b)(3):50 USC 403-1(i)

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SERIAL: MILITARY INTELLIGENCE DIGEST (MID) 105-1A

**BODY**

SUBJ: **SOUTH AFRICA: NUCLEAR PROGRAM IN TURMOIL.** (U)

DOI: 15 APR 94 (AS OF 1445 EDT)

(b)(1),1.4 (c)

2' (U) THE DISGRUNTLED SCIENTISTS APPARENTLY WERE LAID OFF IN APRIL 1993 AS THE ATOMIC ENERGY CORPORATION OF SOUTH AFRICA (AEC) CONTINUED ITS TRANSITION FROM A GOVERNMENT-SUBSIDIZED TO A MARKET-DRIVEN OPERATION. THESE LAYOFFS PROBABLY RESULTED FROM DECREASING SUBSIDIES TO THE AEC, WHOSE BUDGET HAS BEEN CUT 480 MILLION RAND (\$137 MILLION) SINCE 1990. IN 1990, THE CORPORATION'S BUDGET WAS APPROXIMATELY 1 BILLION RAND, 70 PERCENT OF WHICH WAS GOVERNMENT SUBSIDIES. BY 1998, GOVERNMENT FUNDING IS EXPECTED TO DECREASE ANOTHER 200 MILLION RAND. SINCE THE DOWNSIZING BEGAN, PERSONNEL EMPLOYED BY AEC HAVE DROPPED FROM 8,200 TO 2,900, AND SEVERAL PROJECTS AND OPERATIONS HAVE BEEN SHUT DOWN.

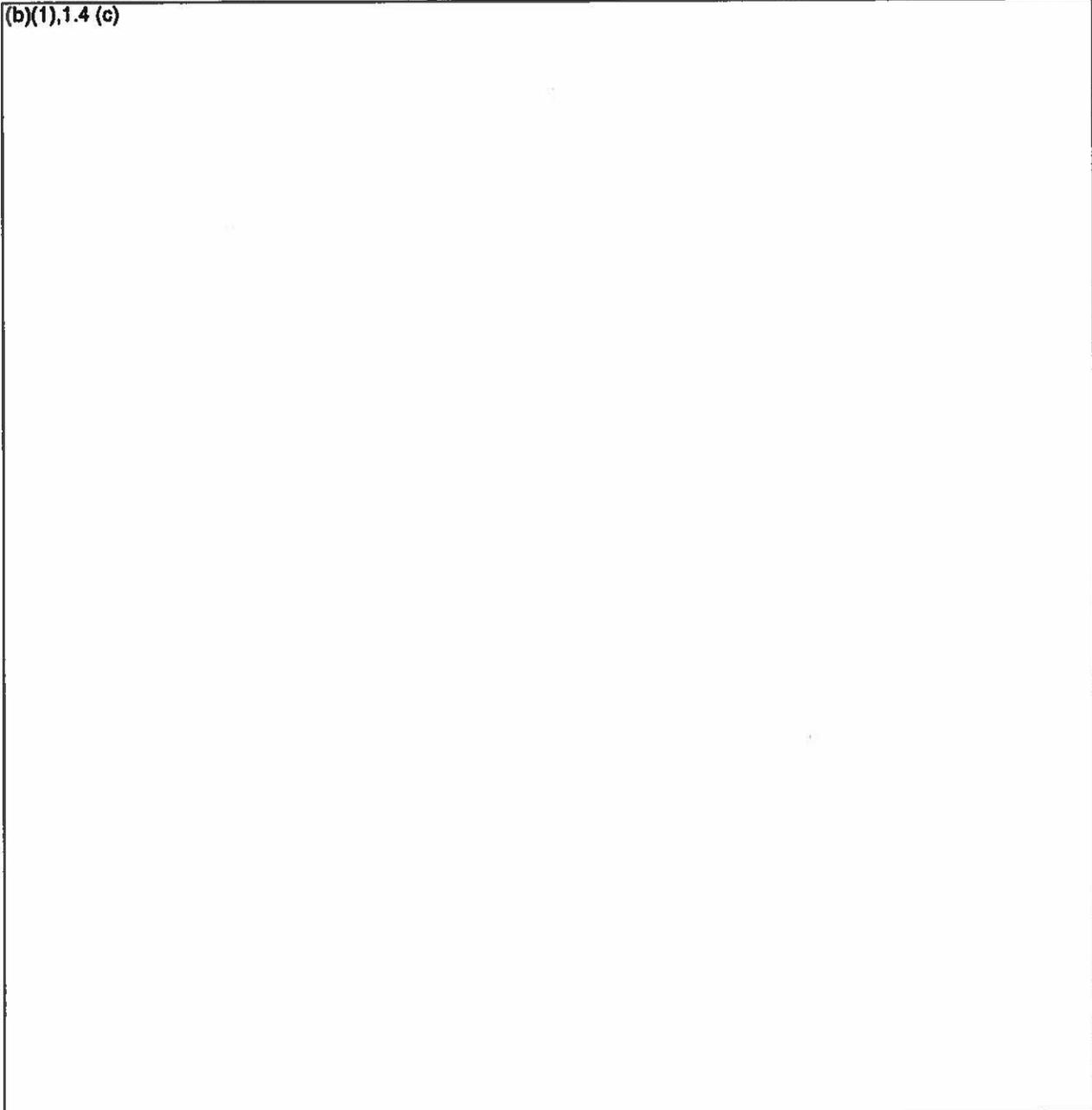
3. (U) ACCORDING TO SOUTH AFRICAN PRESS REPORTS, 16 MISSILE AND

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NUCLEAR SCIENTISTS LAID OFF FROM AN AEC WEAPONS FACILITY HAVE THREATENED TO REVEAL CLOSELY GUARDED SECRETS ABOUT SOUTH AFRICA'S ARMS PROGRAM UNLESS THEY RECEIVE SEVERANCE PAY. THIS THREAT INCLUDES THE EXPOSURE OF FOREIGN SOURCES OF SPECIALIZED EQUIPMENT USED IN THE COUNTRY'S NUCLEAR WEAPONS PROGRAM. MOREOVER, THESE SCIENTISTS REPORTEDLY CLAIMED THEY WOULD CONSTRUCT BOMBS FOR ANYONE WHO WOULD GUARANTEE THEIR SALARIES.

(b)(1),1.4 (c)



Pg. 25 is denied in full  
per b(3) 10 USC 424

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