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INCO-URANIUM 17  
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1965 FEB 8 AM 7 14  
 RUMAN ANALYSIS & DISTRIBUTION BRANCH

FROM : Amembassy BUENOS AIRES DATE: February 3, 1965

SUBJECT : Argentine Sale of Uranium Oxide to Israel

REF : CA-3932 of October 9, 1964  
INCO-URANIUM 17 ISR - ARG

Attached is a copy of the Argentine Foreign Ministry Note No. 72, of January 8, 1965 (received January 20), with an unofficial translation thereof, by which the Argentine Government responded to the Embassy's Aide-Mémoire of October 22, 1964, which requested the Argentine Government to undertake the application of safeguards measures in connection with its sale of uranium to Israel. The Aide-Mémoire, delivered to the Foreign Ministry in accordance with CA-3932 of October 9, 1964, was followed by the Embassy's third-person note No. 212 of November 27, pursuant to DEPTTEL 549 of November 25, 1964.

In discussions between the Embassy's Atomic Energy Agency Representative and Admiral Oscar A. QUIHILLALT, President of the Comisión Nacional de Energía Atómica, undertaken before the Argentine Government had replied to the Aide-Mémoire and note, the Admiral set forth the view that the contract with Israel had been in effect for approximately two years, was consummated prior to the implementation of the safeguards measures formulated within the International Atomic Energy Agency and that, due to these circumstances and others, he did not feel it is practicable for Argentina now to seek to include a requirement for reporting and inspection.

Quihillalt noted that the sales contract with Israel does contain assurances that the uranium obtained from Argentina will be used only for peaceful purposes. Other countries such as South Africa have, he observed, sold large quantities of uranium for export without safeguards provisions equivalent to those elaborated by the IAEA and, as far as he is aware, such

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Drafted by: CAH  
 POL: CAGendreau/AEC: LRRogers:dp Jan. 29, 1965

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EA:ACHewitt

sales are still being made. In the absence of a general agreement between Western suppliers governing the application of safeguards to uranium and thorium ores and source materials, Quihillalt did not feel that bilateral agreements or understandings between only a few of them would be very meaningful or effective.

Paragraph four of the cited Embassy Aide-Mémoire stated that "as the Government of Argentina is aware, the United States also has endeavored to maintain a common position with other leading Western suppliers of atomic materials that none of the suppliers would permit the transfer of significant quantities of nuclear materials or significant amounts of equipment to other countries without the application of safeguards equivalent to those administered by the IAEA". Quihillalt pointed out with reference to this statement that he was not aware of these efforts and that to his knowledge there have never been any previous discussions or understandings between the U.S. Government and the Argentine Government on this specific subject other than with respect to materials and equipment the Argentine Government obtains from the United States under the bilateral agreement.

Admiral Quihillalt emphasized, however, that the CNEA fully subscribes to the principle of applying safeguards to atomic energy materials and equipment supplied by or through the IAEA as well as such materials supplied bilaterally between countries. He went so far in this connection as to assure the AEC Representative verbally that contracts for any future sales of uranium by the CNEA would provide for safeguards equivalent to those proposed by the IAEA.

While somewhat abbreviated in content, the Argentine note responding to the Embassy's representations largely follows the argument set forth by Quihillalt with the principal exceptions that it (1) does not follow through on Quihillalt's assurances that safeguards would be applied to future sales and (2) states that the Argentine Government would be pleased to consider an agreement among all Western suppliers of fertile materials tending to prevent the transfer of these to other countries without the application of IAEA safeguards or those compatible therewith.

Following receipt of the Argentine note, an Embassy officer discussed its contents at length with a representative of the Foreign Office Department of International Organizations and Treaties in an effort to insure its contents were properly understood, particularly in view of Admiral Quihillalt's comments regarding CNEA's future policies respecting bilateral sales.

The Ministry official reiterated Quihillalt's view that it would be difficult and inappropriate for Argentina now to try to revise a sales agreement with Israel for the purpose of applying safeguards: the sale had been consummated two years ago; there have been deliveries under the agreement and payments have been received; assurances were obtained both in writing and orally from the Israeli Government that the uranium would be used solely for peaceful purposes; there would be technical difficulties in trying to unravel how Argentine uranium, now probably indistinguishable from that received by Israel from other sources, had in fact been utilized. Moreover, he noted, that, while the Argentine Government is in accord with efforts

to limit the capacity to produce nuclear weapons, and is not fundamentally opposed to the application of safeguards in its bilateral sales, it is of the opinion that the application of such safeguards would be workable in practice only in connection with a general agreement among Western suppliers to that end. Without such an agreement, it has doubts if the bilateral application of safeguards by only a few nations could be effective since, for example, if a potential buyer were faced under present circumstances with a demand by the seller for the application of safeguards, it would be possible for it to turn to other sources of supply rather than conclude the sale.

While adduced obliquely and not offered as a rationale for the position set forth in the Foreign Office note, it is worth noting that the Ministry official observed that the fact of the sale to Israel has not been made public partly because the Government is concerned lest information it has provided uranium to Israel become known to the Arab states with possible adverse consequences to Argentina's relations with them.

Although Admiral Quihillalt's prior assurances that he is prepared to apply safeguards to possible future Argentine sales were not mentioned to the Ministry official (nor did the latter volunteer that he possessed such information), the Embassy officer observed that it might be helpful were the Argentine Government to acquaint the United States Government with what it considered its policy would be with respect to the application of safeguards in future sales. The Ministry official stated that such a prospect was something which would have to be explored with the CNEA and, although he could of course provide no assurances what the result might be, he thought the inquiry might well be undertaken. To assist in pursuing such an inquiry he suggested it would be preferable to pose the question in writing: an Aide-Mémoire would, he believed, probably do.

The Embassy, however, prefers not to engage in further dialogue with the Foreign Ministry regarding either the GOA's intentions with respect to future bilateral sales or other aspects of the Argentine response until the Department and the AEC have examined the attached note and provided additional instructions.

FOR THE AMBASSADOR:

*Ellwood M. Rabenold, Jr.*

Ellwood M. Rabenold, Jr.  
Counselor of Embassy for  
Political Affairs

Copies to:

ARA/APU/A - Mr. Bartch  
AEC REP. Buenos Aires

Enclosures:

1. FONOFF Note 72
2. Translation
3. Emb. Note 212

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Enclosure 1  
A-691  
BUENOS AIRES

PODER EJECUTIVO NACIONAL

MINISTERIO DE RELACIONES EXTERIORES Y CULTO

D.O.I. y T.  
D.N.U.

No. 72

El Ministerio de Relaciones Exteriores y Culto presenta sus atentos saludos a la Embajada de los Estados Unidos de América y tiene el agrado de referirse a su aide-mémoire de fecha 22 de octubre ppdo. y su nota N° 212, fechada el 27 de noviembre último, referentes a la aplicación de salvaguardias en una venta de óxido de uranio al Estado de Israel.

Como resultado de la consulta efectuada con el organismo competente, esta Cancillería está en condiciones de expresar lo siguiente:

1º) A principios de 1963 se firmó un contrato de venta con Israel para la provisión de óxido de uranio.

2º) En dicho contrato se incluyó una cláusula por la cual el Gobierno de Israel se compromete a usar el material vendido exclusivamente con fines pacíficos, e idéntica seguridad fué dada al Embajador argentino en ese país.

3º) En oportunidad de efectuarse la operación no se requirió inspecciones según las Normas de Salvaguardias del Organismo Internacional de Energía Atómica, por entender que las mismas, que contaron y cuentan con la aprobación del Gobierno argentino, se refieren a materiales suministrados por intermedio del Organismo.

4º) En los que se refiere a la posición común que el Gobierno de Estados Unidos manifiesta haber tratado de mantener con los demás principales proveedores occidentales de materiales atómicos, en el sentido de que no se efectuarían suministros sin la aplicación de medidas de seguridad equivalentes a las que administra el Organismo Internacional de Energía Atómica, el departamento técnico competente informa no tener conocimiento de gestiones realizadas en ese sentido por las autoridades norteamericanas.

5º) No obstante lo manifestado en el párrafo anterior, el Gobierno argentino está dispuesto a considerar con la mejor disposición la conclusión de un Acuerdo entre todos los proveedores occidentales de materiales fértiles, tendiente a no permitir el traspaso de estos a otros países sin la aplicación de las medidas de Salvaguardia del Organismo Internacional de Energía Atómica o similares.

El Ministerio de Relaciones Exteriores y Culto hace propicia la oportunidad para reiterar a la Embajada de los Estados Unidos de América las seguridades de su más alta y distinguida consideración.

Buenos Aires, 8 de enero de 1965.

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Enclosure 2  
A-691  
BUENOS AIRES

(Unofficial Translation)

NATIONAL EXECUTIVE POWER  
MINISTRY OF FOREIGN AFFAIRS AND WORSHIP

D.O.I. y T.  
D.N.U.

No. 72

The Ministry of Foreign Affairs and Worship presents its compliments to the Embassy of the United States of America and takes pleasure in referring to its Aide-Mémoire of October 22 last and its Note No. 212, of November 27 last, regarding the application of safeguards to the sale of uranium oxide to the State of Israel.

As a result of consultations with the competent agency, the Ministry is in a position to state the following:

1. Early in 1963 a sales contract was signed with Israel for the supply of uranium oxide.
2. A clause was included in the contract whereby the Government of Israel pledges itself to use the material thus sold exclusively for peaceful purposes, and an identical assurance was given to the Argentine Ambassador in that country.
3. At the time the transaction was undertaken, no inspections were required under the Safeguard System of the International Atomic Energy Agency, because it was understood that such safeguards, which had and have the approval of the Argentine Government, refer to materials furnished through the said Agency.
4. As regards the common position which the Government of the United States says it has sought to maintain with other principal Western suppliers of atomic materials, in the sense that transfers would not be undertaken without the application of safeguards' measures equivalent to those applied by the International Atomic Energy Agency, the competent technical department reports that it has no knowledge of representations made in this respect by the United States' authorities.
5. Notwithstanding the statement contained in the preceding paragraph, the Argentine Government is prepared to consider favorably the conclusion of an Agreement among all Western suppliers of fertile materials, with a view of preventing the transfer of such materials to other countries without the application of Safeguard measures of the International Atomic Energy Agency or similar ones.

The Ministry of Foreign Affairs and Worship takes this opportunity to renew to the Embassy of the United States of America the assurance of its highest and most distinguished consideration.

Buenos Aires, January 8, 1965.

To the Embassy of the United States of America,  
BUENOS AIRES

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Enclosure 3  
A-691  
BUENOS AIRES

No. 212

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and Worship of the Argentine Republic and has the honor to refer to the Embassy's Aide-Mémoire of October 22, 1964 regarding the provision of safeguards in connection with the sale by the Government of the Argentine Republic of eighty tons of uranium oxide to the Government of Israel.

In connection with the efforts of the Government of the United States to establish and maintain a common position with leading western suppliers of atomic materials to the end of ensuring that none of the suppliers would permit the transfer of significant amounts thereof without the application of safeguards equivalent to those administered by the International Atomic Energy Agency, the United States Government, conscious of the support received from the Government of Argentina in pursuance of these objectives, expressed its serious concern upon learning that arrangements have been made to sell and transfer eighty tons of uranium oxide to the Government of Israel without provision for the inspection and reporting comparable to that encompassed in pertinent International Atomic Energy Agency Safeguards Documents. The sole reason for this expression of concern is the belief of those at the highest levels of the United States Government that adherence to a commonly agreed safeguards' policy is essential if the proliferation of the capacity to build nuclear weapons throughout the world is to be minimized.

Accordingly, the Embassy of the United States of America would very much appreciate if the Ministry of Foreign Affairs and Worship might as soon as possible inform it whether the Government of the Argentine Republic considers that the application of International Atomic Energy Agency safeguards is feasible in the case of the sale of uranium oxide to Israel or if, alternatively, it is prepared to provide for bilateral safeguards in connection with the sale which are consistent with those established by that agency.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs and Worship the assurances of its highest consideration.

Embassy of the United States of America,  
Buenos Aires, November 27, 1964.

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