I enclose copy of your letter of 7 November 1964 in which you write that the Americans have had discussions with the Embassy in Buenos Aires on the subject of sales of safeguard-free Argentine uranium concentrate to Israel.

1. You will note from Ambassador's letter of June 4 that the Argentine National Atomic Energy Commission has recently sold some uranium concentrate to Israel and Germany. This offer was not 100% secure. What would the Germans want with safeguard-free uranium? One principal reason for the possibility of such sales is that they might want to resell it to Israel. It is possible that this seems very unlikely to you, but the question of whether the Germans want safeguard-free uranium or not is one which we shall have to consider. It is a delicate subject to raise with the Germans but we shall be very grateful for anything you may be able to tell us.

The earlier correspondence is marked 'Secret'. This letter is not to be marked 'Secret' because it is not the same as the earlier correspondence.

I am sending copy of this letter to Arnon A. Arnon in Tel Aviv, Washington, and Buenos Aires.

Draft.

Miss A.H. Webber, London

J. F. Smith

18 JUN 1964

Enclosure (separate sheet)

Copy

a) Copy of your letter of 7 November 1964
b) ER 1241/20/5

b) Copy of the Ambassador's letter of 7 April 1964

2) FO 371/175844/ER 1241/21G
I enclose copies of correspondence we have had with the Embassy in Buenos Aires on the subject of sales of safeguard-free Argentine uranium concentrate to Israel.

2. You will note from Audland's letter of June 4 that the Argentine National Atomic Energy Commission has recently sold uranium concentrate to West Germany. This strikes us as odd. What would the Germans want with safeguard-free uranium? One ominous possibility is that they might want to re-export it to Israel. On the face of it this seems very unlikely but in view of the air of mystery surrounding the subject of German military assistance to Israel the kite seems just worth flying. Uranium sales could conceivably amount for some of the very large sums mentioned in your letter 1066/89 of June 2 to Alan Goodison (not to all). This is obviously a delicate subject to raise with the Germans but we should be very grateful for anything you may be able to find out.

3. The earlier correspondence was marked 'Guard'. This letter is not so marked because the information which was the subject of Goodison's letter of April 29 has now, with Canadian permission, been passed to the Americans.

4. I am sending copies of this letter without enclosures to Kellie in Tel Aviv, Wright in Washington, Audland in Buenos Aires and Askell in the Defence Intelligence Staff.

(R. J. T. McLaren)

Miss A. M. Barburton,
Bonn.