

INCO-URANIUM 17 FEB-  
ARB

# AIRGRAM

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RM/R	REP	AF
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ARA	EUR	FE
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L	FBO	AID
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ROUTINE

NO.

HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1966 APR 12 AM 7:06  
MESSAGE CENTER CONTROL

INFO : TEL AVIV

USAEC WASH D.C. ATTN KRATZER

ANALYSIS SECTION  
BRANCH

FROM : AmEmbassy BUENOS AIRES

DATE: APR 10 1966

SUBJECT : Israeli Purchase of Argentine Uranium

REF : Dept A-CA-2198 dated August 24, 1965

C-515-51941

2 copies received  
to CIA

In response to questions contained in referenced airgram, the following comments are submitted:

1. The Embassy has developed no additional information with respect to questions 1) and 2) which has not previously been reported in references listed in CA-2198.

2. With respect to question 3), the Embassy has no additional information to that reported to the Department in EMBTEL 555, October 19, 1964, and Embassy Airgram 691 with enclosures. However, EMBTEL 555 and Airgram 691 with Argentine Foreign Ministry Note No. 72, which was attached, appears to be specific in answering question 3), "What safeguard controls does Argentina place on the sale of uranium?"

In summary, these communications point out that:

a. Early in 1963 a sales contract was signed by Argentina with Israel for the supply of uranium oxide.

b. 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.

c. On October 16, 1964, the Chairman, Argentine Atomic Energy Commission, informed USAEC Scientific Representative and Embassy Scientific Attache that the Argentine agreement on shipments of U<sub>3</sub>O<sub>8</sub> to Israel includes only general safeguard provisions

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FORM 4-62 DS-323

1966 APR 12  
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DEPARTMENT OF STATE  
FOREIGN REPORTING  
STAFF  
DCM:LSaccio

Drafted by: AEC:LRRogers:jlr 4/4/66

Contents and Classification Approved by:

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Clearances: POL:NTanes SCIATT:HWoodruff

ECON:AMayo

EA:ACHewitt

EMRabenold

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that uranium will be used for peaceful purposes. The agreement contains no provisions for safeguards requiring reports, inspections, or other varification equivalent to the IAEA safeguards system.

3. With respect to question 4), the following information provided by the Argentine Atomic Energy Commission is submitted:

The total uranium produced in Argentina from 1958-1965 amounts to 130.25 metric tons  $U_3O_8$  with annual production as follows:

<u>Year</u>	<u>Metric Dry Tons Ore</u>	<u>Assay % <math>U_3O_8</math></u>	<u>Kilograms <math>U_3O_8</math> Contained</u>
1958	5,134	0.391	20,090
1959	3,934	0.372	13,382
1960	1,360	0.410	5,576
1961	300	0.300	900
1962			
1963	5,498	0.19	10,254
1964	21,757	0.15	29,606
1965	30,015	0.16	50,459

The uranium ore processing plant located in Cordoba has an annual production capacity of 25 - 30 metric tons  $U_3O_8$ .

The Malargue processing plant was placed in operation in July 1965. It has an annual production capacity of 55 - 75 tons  $U_3O_8$  depending upon the uranium content of the ore being processed and the extent of pre-concentration ores by the use of the heap leaching process. The mill is not yet in full production because all of the drying equipment has not been installed. However, it is expected to reach full production in 1966. No specific plans have been announced by CNEA to expand the capacity of the Cordoba or Malargue ore processing mills. However, emphasis is being placed on improving the heap leaching process to continually increase production capacity of  $U_3O_8$ .

The CNEA has announced that it is installing a new facility at the Cordoba plant for the production of nuclear grade of  $UO_2$  with a planned capacity of 100 tons  $UO_2$  annually.

The production of nuclear grade products has previously been carried out at the Ezeiza plant with a production capacity of five tons of metal uranium or ten tons of uranium oxide  $UO_2$  annually.

FOR THE AMBASSADOR:

Lester R. Rogers  
AEC Scientific Representative

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