



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

You asked about the
U.S. reaction.

29 November 1983

A.S.C. $\frac{30}{11}$

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Dear John,

Argentina: Uranium Enrichment Plant

My minute to you of 24 November in New Delhi gave an initial response to the Prime Minister's question whether we had been in touch with the United States on this matter. We have now received the Americans' reaction to Argentina's announcement that she has developed uranium enrichment technology.

The State Department have told our Embassy in Washington that they had no foreknowledge of Argentine plans, and are unable to confirm or disprove the claim that a pilot plant is now operational. Given the limited resources which Argentina appears to have been able to devote to the enterprise, they believe that any facility would have to be a modest one. The US Embassy in Buenos Aires shares our suspicion that the CNEA's announcement was prompted, at least in part, by a desire to project a good image and protect itself against budget cuts. Like us, the Americans await the report by Dr Blix, Director-General of the IAEA, following his current trip to Argentina.

Whether or not the CNEA's achievements have been exaggerated, the State Department remain concerned on non-proliferation grounds about the Argentine declaration. They say that they have already told Argentina that the construction in secret of unsafeguarded nuclear facilities is a cause for anxiety and likely to provoke a sharp negative reaction in the US. They have urged the Argentine Government to place all nuclear facilities under IAEA safeguards and to impose strict controls on any future exports of enriched uranium. In addition, the American Embassy here have told us that when the new American Ambassador in Buenos Aires presents his credentials to the Alfonsin government, he will again urge that the new plant be placed under safeguards.

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We have also been told that Richard Kennedy, US Ambassador-at-large and special adviser to Mr Shultz on non-proliferation policy and nuclear energy affairs, will be conducting a review of relations between Argentina and the United States in the nuclear field.

We shall continue to keep in close touch with the Americans on this subject, and I will let you know of any developments. Meanwhile, we have set in hand a JIC assessment of Argentina's nuclear programme in the light of the announcement on 18 November.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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1 December 1983

ARGENTINA: URANIUM ENRICHMENT PLANT

The Prime Minister has noted the contents of your letter of 29 November and sees with some surprise that the Americans had no foreknowledge of Argentine plans and were unable to confirm or disprove the claim that a pilot plant is now operational.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

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Please let me have the
again in London.

Mr Coles

A.S.C. 24/11.

10/24/11

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Argentina: Uranium Enrichment Plant

Thank you for your letter of 21 November on whether we had been in touch with the Americans over Argentina's development of a uranium enrichment plant.

We are in regular contact with the Americans on overt and covert channels about Argentina's nuclear programme in general, but we have not yet heard their reaction to the announced plans for an Argentine enrichment plant. We have raised the question both in London and Washington and expect to hear shortly.

Although the message we received from the Canadians said that a plant "had been built" it is clear from the subsequent Argentine public announcement that the plant is still under construction and will not be in production before the end of 1985. The announcement now is probably related to CNEA's wish to demonstrate the major role it can play in development of Argentina's economy at a time when it is short of funds and may fear that the new Radical government may seek to place it and its finances under tight civilian control.

There is, therefore, some time in which to solve the safeguards problem. We shall continue to do what we can in the circumstances to press for the conclusion of a new safeguards agreement between the IAEA and Argentina which would encompass all her nuclear activities. Negotiations are in train but the main sticking point is the Argentine wish to retain the right to exploit nuclear explosions for peaceful purposes.

P F Ricketts

(P F Ricketts)

24 November 1983

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10 DOWNING STREET

From the Private Secretary

21 November 1983

ARGENTINA: URANIUM ENRICHMENT PLANT

A submission, dated 18 November, from Mr. Kenyon of your Nuclear Energy Department was copied to me. In view of the importance of this subject, and in view of the Prime Minister's departure today for CHOGM, I showed Mrs. Thatcher the submission over the weekend.

Bof The Prime Minister has asked whether we have been in touch with the United States about Argentina's development of a uranium enrichment plant. I should be grateful for your comments.

A. J. COLES

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

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Have we been in touch with the U.S. about this?
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Prime Minister.

Private Secretary

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ARGENTINA: URANIUM ENRICHMENT PLANT

1. I have just heard from the Canadian High Commission that the Argentine Foreign Minister today called in the Canadian Ambassador to announce "a major Argentine nuclear achievement". He said that the media would be informed shortly that Argentina has, without outside help, developed and built a medium-sized uranium enrichment plant in Rio Negro. The plant is based on gas diffusion technology (such as was used in the original Capenhurst plant). The Foreign Minister reiterated to the Canadian Ambassador that Argentine policy remains that nuclear energy should be used only for peaceful purposes. He stressed that the Argentine nuclear programme would not be used to the detriment of any of her neighbours, including the Falkland Islands. He stated that Argentina continues to believe in "the non-proliferation of nuclear weapons".

→ 2. We were not previously aware of this development. The Argentina nuclear power programme is based entirely on natural uranium and has no need for enrichment. However, Argentina has several research reactors, including a new one under construction. She is also building a research reactor for Peru and negotiating to build one for Colombia. So far all these research reactors have had to be fuelled with imported enriched uranium and the ability to offer enriched uranium for export will put her in a stronger position to sell research reactors to other developing countries. The ability to produce highly enriched uranium would of course also provide a source of fissile material for a nuclear weapon or for nuclear submarine propulsion.

3. I suggest the following line for use by News Department:

"We note Argentine statements that her nuclear programme is entirely for peaceful purposes. We would however be more confident of her intentions if such sensitive plant were to be placed under IAEA safeguards and if Argentina were to accede to the Non-Proliferation Treaty or to ratify the Treaty of Tlatelolco."

IR Kenyon

18 November 1983

I R Kenyon
Nuclear Energy Department

→ cc Private Secretary, No 10
Mr Cartledge
Mr Wright
Sir J Bullard
Mr Ure
FID
News Department
PUSD