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U.S. Agencies Suspected Missing Uranium Went to Israel for Arms

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WASHINGTON, Nov. 5—Two classified documents written in 1976 and made public today show that the nation's intelligence agencies suspected that Israel might have obtained up to 200 pounds of uranium missing from a Pennsylvania factory in the mid-1960's and used it to produce nuclear weapons.

The Federal Government, over the years, has publicly maintained there was no evidence that the nuclear material, which was discovered missing in 1965, was stolen from the Nuclear Materials and Equipment Corporation (NUMEC) in Apollo, Pa. The General Accounting Office, the only independent agency that investigated the case, concluded that the evidence was insufficient to make any finding, but the documents released today show that Federal officials suspected the material had gone to Israel.

One of the documents was written by Samuel C.T. McDowell, a scientist in the Energy Research and Development Administration, and was dated May 26, 1976. The document, a memorandum for the scientist's files, said that on May 20 he met with an official of the Federal Bureau of Investigation who "asked what technique might be available to determine whether enriched uranium, if such can be obtained from the Israelis, could be traced to material from the NUMEC facility during the 1963-1965 timeframe." Mr. McDowell said he had told the F.B.I. that there were "two possibilities" for tracing the material.

No Other Country Named

A second document, dated April 20, 1976, also mentioned Israel and described how the National Security Council and the Central Intelligence Agency were given scientific evidence about "the number of nuclear weapons that could have been made if the material had been diverted."

No other country was named in the documents as a possible recipient of the missing uranium. The documents provide the first specific indication of the seriousness with which intelligence agencies in the Ford administration viewed the possibility that the enriched uranium that could not be accounted for by the plant may have been obtained by Israel.

The Carter Administration, apparently concerned about its relations with Israel, said last week that as far as it was concerned the allegations about Israel remained unproved.

Those concerned about the problem of the spread of atomic weapons have cited the unresolved circumstances of the Apollo case as evidence of a failure by the country and government to protect the world against the spread of such weapons to new nations and even to terrorist groups.

More Than 3,000 Documents

The two memorandums describing the actions of the National Security Council, the C.I.A. and the F.B.I. were among more than 3,000 documents that the Department of Energy has made public about the case in response to requests under the Freedom of Information Act from newsmen and the Natural Resources Defense Council, an environmental group critical of nuclear energy.

The case first became of major concern in 1965, when an inspection by the Atomic Energy Commission determined that the Nuclear Materials and Equipment Corporation in Apollo was unable to account for a large amount of the uranium it had been given to turn into fuel for Navy reactors and a space rocket, which never took off.

Company Is Investigated

Partly because of incomplete records, even the Government's estimates of how much uranium could not be accounted for have not been consistent. According to one summary prepared by the Nuclear Regulatory Commission, there was a cumulative loss of 381.6 pounds of the material, 200.3 pounds of which could not be accounted for as having been trapped in the machinery, wiping rags and other equipment. Another summary, apparently prepared for the White House in 1976, said there was a shortage of 134 pounds of uranium.

Most experts agree that a nuclear bomb could be made from about 10 pounds of highly enriched uranium. Thus, depending on which estimate is relied on, the uranium that could not be accounted for could have been used to make 13 to 20 bombs.

As a result of the discovery, the Nuclear Materials and Equipment Corporation and Dr. Zalman M. Shapiro, the company's founder and first president, have been subjected to investigations beginning in 1965, 1966, 1968 and 1976. It was during the last investigation, which a Justice Department spokesman said yesterday was still open, that the memorandums about the 1976 actions of the National Security Council, the F.B.I. and the C.I.A. were written.

One of the documents generated by the investigations and made public today was an Atomic Energy Commission memorandum of Feb. 21, 1967, concluding that an investigation by the F.B.I. and the Justice Department had uncovered no evidence that either the Nuclear Materials and Equipment Corporation or Dr. Shapiro were agents of Israel or any other country.

Other documents, however, showed that the commission was deeply concerned about Dr. Shapiro's alleged lack of attention to security and the presence in the plant during the 60's of a number of other

A report dated Jan. 13, 1962, for instance, said, "Numerous deficiencies were found in NUMEC's overall security program." Another report, dated Jan. 22, 1962 said that if security discrepancies "continue to develop, classified weapons work may be withheld from NUMEC."

First Disclosure of Weapons Work

This reference to "weapons work" disclosed in the documents made public today was the first indication that the company was involved in the early 60's in nuclear production beyond the manufacture of fuel.

Among the aliens working at the Apollo plant in the early 1960's, according to the documents, were an Israeli metallurgist and two technicians from Argentina. The documents also show that the company had contracts to provide nuclear services in at least nine foreign countries, including Israel.

Some of the notes, letters, reports and other documents made public today also undermined the Government's repeated assurances that there was no evidence that nuclear material had been diverted. A 1966 note, for instance, discussed the Atomic Energy Commission's system of control of nuclear exports and said that the "verification of overseas shipments largely is based on the assumed integrity of the domestic shipper and of the foreign receiver."

Another note, discussing the Nuclear Materials and Equipment Corporation, said an examination of records of 32 of its foreign shipments had found that in 26 of them the records were "incomplete, inaccurate or missing."

Discussing the investigation into the missing uranium, the Atomic Energy Commission on Feb. 14, 1966, privately told Congress that it was not possible to reconstruct "the specific events which resulted in this high loss."

Less Positive View

A secret summary of the case, apparently prepared last year for President Gerald R. Ford, also was far less positive than recent public assertions.

"The A.E.C. concluded that while the possibility of diversion could not be excluded, in the absence of evidence to that effect and in the presence of facts tending to support a long history of accumulated losses, there was not a basis for assigning a high priority to the possibility of diversion," it said.

Harold Ungar, a Washington lawyer now representing Dr. Shapiro, said his client's position "is very simple: he never diverted a single microgram of nuclear material to Israel or anyone else and does not believe that anyone else did so at the plant."

Mr. Ungar also said: "If they are pursuing Dr. Shapiro because he is Jewish and a Zionist, for which he offers no apologies, it's a hell of a basis for an investigation."

The Israeli Government has repeatedly denied that it illegally obtained any nuclear material from Dr. Shapiro's company.