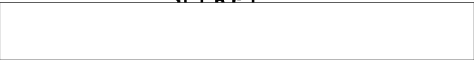


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THE DIRECTOR OF CENTRAL INTELLIGENCE


WASHINGTON, D.C. 20505

National Intelligence Council

NIC #2380-83/1
29 March 1983

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence
THROUGH : National Intelligence Officer for Warning
FROM : Hans Heymann, Jr.
National Intelligence Officer at Large
SUBJECT : Warning Report--Nuclear Issues

The Interagency Intelligence Working Group on Nuclear Proliferation (IIWP/NP) met on 23 March 1983 to discuss six nuclear issues:

- Extent and nature of Argentine 
- India's start-up of reprocessing spent fuel at PREFRE.
- Indigenous production of fuel elements in Pakistan.
- The forthcoming OPANAL Conference in Jamaica in May.
- The USSR and the IAEA: Benefits and detriments.
- Status of proposed French reactor sale to Iraq (Osirak).

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Among these six issues, only the first two generated enough concern to be highlighted in my report--attached.

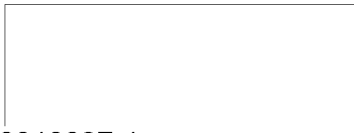

Hans Heymann, Jr.

Attachment:
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Warning Report: Nuclear Proliferation

(1) Argentina

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Argentina expects to complete work on its Ezeiza Reprocessing Laboratory (LPR) by 1986.

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First use of the LPR, when completed, would probably be for reprocessing spent fuel from the Atucha I reactor. That reactor is under IAEA safeguards, but there are troublesome questions about the adequacy of the IAEA inventory controls, surveillance equipment and inspection procedures in place at Atucha I. Given Argentine attitudes toward safeguards generally, this gives us cause for concern.

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(2) Indian Nuclear Fuel Reprocessing. Sensationalized press reports that India is reprocessing spent fuel from the Rajasthan Atomic Power Plant at the PREFRE (Power Reactor Fuel Reprocessing) facility at Tarapur has raised widespread concern that India may be diverting the plutonium being recovered to a separate military stockpile. While this is certainly possible in principle, the available evidence does not point to such an interpretation:

- o The reprocessing activity at PREFRE is being monitored by IAEA inspectors. To our knowledge, they have found no violation of India's safeguards obligations.

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Warning Report: Nuclear Proliferation (Continued)

- o There are no apparent irregularities in the movement of RAPP spent fuel to PREFRE, i.e., "batching" of fuel into high burnup and low burnup lots which would indicate an attempt to recover weapons-grade plutonium from specially selected fuel elements.
- o There are no indications of frequent shutdowns of PREFRE to allow "rearrangements" to switch from reprocessing high to low burnup spent fuel.
- o There appears to be no strong incentive for India to divert more plutonium to weapons use, since it already has a sizable stockpile of weapons-grade plutonium (probably in excess of 100 kg) recovered from spent fuel discharged from its CIRUS reactor.

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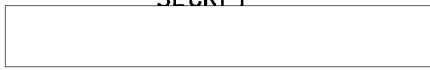
Nevertheless, the recovered plutonium, stored at the reprocessing facility, would be available at any time for bomb purposes, though the plutonium, if derived from high burnup spent fuel, would be of inferior quality and somewhat unreliable in weapons use.

There is no indication of Pakistani anxiety over the Indian reprocessing actions--i.e., it seems to make little difference to the Pakistanis in their weapons outlook.

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SUBJECT: March Warning Report--Nuclear Issues



29 March 1983

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