



Department of State

TELEGRAM

F800 001-0482

EXDIS EXDIS EXDIS EXDIS EXDIS

~~SECRET~~

EO50x1 STATE

PAGE 02 STATEI T94949

3. [] SAID AECB TEAM QTE UNSETTLED UNQTE BY DISCOVERY AND PLANNED TO TURN INFORMATION OVER TO GOC AEC AUTHORITIES FOR ANALYSIS IMMEDIATELY UPON THEIR RETURN TO OTTAWA.

4. AS A RESULT OF THIS TURN OF EVENTS [] STATED HI COMI IS UNDERTAKING REVIEW OF ITS BILATERAL WITH GOI RELATING TO USE OF THE CANADA-INDIA REACTOR (CIR) AT TROMBAY. HE SAID SAFEGUARDS PORTION OF AGREEMENT WAS QTE NOT AS TIGHTLY DRAFTED AS IT SHOULD HAVE BEEN UNQTE. AGREEMENT SPECIFIES THAT REACTOR AND ANY PRODUCTS RESULTING FROM ITS USE ARE TO BE EMPLOYED FOR PEACEFUL USES ONLY. BUT HE AND OTHERS IN HI COMM FEAR POSSIBILITY OF AN INDIAN INTERPRETATION OF TERM QTE PEACEFUL USES UNQTE TO IMPLY USE OF REACTOR FOR PRODUCTION OF PLUTONIUM FOR USE IN A QTE PEACEFUL UNQTEI NUCLEAR DEVICE. [] OBSERVED THIS WOULD BE ENTIRELY CONSISTENT WITH GOI POSITION THAT THERE IS A DISTINCTION BETWEEN A QTE PEACEFUL UNQTEI AND A QTE MILITARY UNQTEI NUCLEAR DEVICE.

5. [] SAID AECB TEAM HAD BEEN SATISFIED BY PHYSICAL AUDIT OF CANADIAN SUPPLIED FUEL ELEMENTS AND QUANTITY OF PLUTONIUM PRODUCED BY THESE ELEMENTS. EIGHTY OR EIGHTY-ONE (HE WAS NOT SURE OF FIGURE) OF THE ELEMENTS HAD BEEN USED. QUESTION OF RETURN TO CANADA OF APPROXIMATELY 20 UNUSED FUEL RODS (INCLUDING SEVERAL THAT HAVE CORRODED IN STORAGE AND CANNOT BE UTILIZED) IS STILL UNDER DISCUSSION.

6. DESPITE FACT THAT AUDIT APPEARED TO BE IN ORDER, [] SAID THE TEAM WAS QTE UNEASY UNQTEI ABOUT INSPECTION BECAUSE QTE WE DO NOT HAVE AN ENTIRELY CLEAR PICTURE OF THE TOTAL USE OF THE REACTOR UNQTE. IN HIS DISCUSSION WITH EMB OFF HE REITERATED SEVERAL TIMES THAT CANADIAN INSPECTION PROCEDURES FOR THE CIR REACTOR WERE, IN HIS VIEW, QTE NOT SUFFICIENTLY COMPREHENSIVE UNQTE. RESULT COULD BE, HE SAID, THAT QTE THE DAMAGE IS ALREADY DONE UNQTE.

7. COMMENT: [] IS WELL KNOWN TO EMBASSY AS A RESPONSIBLE AND RELIABLE SOURCE ON INDIAN NUCLEAR ACTIVITIES. IT SHOULD BE NOTED, HOWEVER, THAT HE IS NOT A TRAINED NUCLEAR SCIENTIST. IN RECENT WEEKS HE HAS EXPRESSED INCREASING PESSIMISM AS TO PROBABILITY OF INDIA'S EVENTUALLY GOING NUCLEAR.

~~SECRET~~

