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Department of State

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NIACT

EYES ONLY DILLON FROM THE SECRETARY

COUVE TOLD ME LAST NIGHT ISRAELI REACTOR WAS RESULT OF VERY SECRET AGREEMENT REACHED BETWEEN ISRAEL AND FRANCE SHORTLY AFTER SUEZ WITH WHICH HE HIMSELF HAD NOT BECOME FAMILIAR UNTIL HE TOOK OFFICE AS FORMIN. REACTOR IS IN EFFECT PRAC-TICALLY A REPLICA OF MARCOULE PLANT IN FRANCE AND AGREEMENT PROVIDES FRANCE TO SUPPLY RAW MATERIALS AND TO RECEIVE IN RETURN ALL RPT ALL PLUTONIUM.

IN REPLY MY QUESTION WHO FINANCING COUVE SAID HE ASSUMED MONEY CAME FROM US. (I INFER FROM THIS HE MEANT BY DIVERSION US GOVERNMENT OR PRIVATE AID).

HE ALSO STATED ISRAELIS HAVE AGREED NOT RPT NOT ISSUE ANY PUBLIC STATEMENT THIS SUBJECT WITHOUT SHOWING TO FRANCE. I POINTED OUT THAT STORY WHICH WE HAD BEEN TOLD BEN GURION PLANNING GIVE OUT WOULD NOT RPT NOT HOLD WATER FOR MOMENT IN LIGHT OF FACT ANY KNOWLEGEABLE PERSON COULD SEE THIS PLANT WAS NOT AS REPRESENTED IN PROPOSED ANNOUNCEMENT. COUVE ALSO ADMITTED IT HAD NO CONNECTION WITH NEW UNIVERSITY.

HERTER

JEF

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