DEPARTMENT OF STATE ASSISTANT SECRETARY

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To

M - Mr. Mérchant

Through:

S/S

From

NEA - G. Lewis Jones

Subject: / Israel's Atomic Energy Activities

Discussion:

With reference to your memorandum of December 28/you will be interested in the steps taken during the past three days with respect to Israel's atomic energy activities:

- (1) My letter to Ambassador Reid of December 28 pointing out the need for a more forthcoming attitude on the part of the Israelis (Tab B).
- (2) S/AE's telegram to Oslo urging the Norwegians to exercise the safeguard rights incorporated in their agreement with the Israelis (Tab C).
- (3) The telegram which you signed yesterday to Beirut and other posts noting our determination to press the Israelis to undertake safeguard arrangements (Tab D).
- (4) The attached draft telegram for your signature to Ambassador Reid instructing him to seek to obtain satisfactory answers to as yet unanswered questions.
- (5) S/AE in consultation with interested bureaus is drafting a telegram designed to obtain from the French clarification of some inconsistencies in their position with respect to Israel's atomic energy program.
- (6) S/AE is also drafting a telegram to our Embassy in Vienna with a view to utilizing present interest in the Israeli program to advance the cause of international safeguards. This is in line with your suggestion in this morning's staff meeting.

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In the belief that a further round of alarmist publicity can only exacerbate the situation, we concur 100 per cent in your view that further publicity be avoided and that our efforts be conducted quietly through diplomatic channels. With this in mind, I would hope that communications such as the attached will be given minimum distribution and that in our contacts with OCB officials and others we emphasize the importance of

Ambassador Harman should be returning late next week. If he does not request an appointment with the Secretary, we shall ask him if he does not wish to make such an appointment.

We are preparing a separate memorandum for you on the subject of tex exemption for contributions to Israel.

Recommendation:

That you sign the attached telegram (Tab A) /4/ LTM 31/68 by RU.

shments:

Attachments:

Tab A - Telegram for signature

Tab B - Letter to Ambassador Reid dated 12/28/60

Tab C - Telegram to Embassy Oslo

Tab D - Telegram to Beirut and other posts

S/AE - Mr. Farley

NEA:NE:AHMeyer:atm 12/30/60

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December 26, 1960

OFFICIAL INFORMAL SECRET

Dear Brown:

The Israeli reactor story has, of course, stirred Washington to the core. It was stupid of them. I think there was a certain amount/of intemperate reaction here as well, but at the soment NEA learned about it CIA had rushed off with a briefing for the Joint Committee, the President, etc. etc. Everybody was interested: everybody wanted to get into the act.

NEA's role has been to attempt to calm things down. We urged from the outset that we should hear what the Israelis had to say before we condemmed them but too many people were in the know.

The reactions in the Arab World are only now beginning. The mishandling of their reactor by Israel has, I think, set back the prospects of a modus viveadi with Israel's neighbors. The hope of achieving something via the PCC grows diamer but there is no alternative to making some kind of a try - just what is undecided since the views of Dean Rusk are not known.

What worries me is the lasting effect of this unnecessary
Israeli caper on the minds of responsible officials in Washington.
There is a lasting sense that the Israelis have inexcusably duped us - Israel's greatest friend and benefactor. Our confidence having been shaken the question I get is: "How do you know Ben Gurion is not lying? How do you know they do not have a third reactor in the works?"

Israel has had a good credit standing up to now in Washington but NEA has had to stave off a tendency to put stop orders on DLF loans and other transactions with Israel. We are told that if Israel can spend millions and millions on reactors it does not need help from the US taxpayer. To all of these sallies - not very well thought through - we have been able to exert a calming influence - so far.

The Honorable
Ogden R. Reid,
American Ambassador,
Tel Aviv.

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It would be wrong, however, to judge from Link White's statement, which BG liked, that Washington's interest in Israel's reactor is waning. The Secretary, Livie Merchant, CIA and a wide assortment of other agencies and individuals let me know in no uncertain terms that they want from Israel the truth, the whole truth and nothing but the truth and if this is not forthcoming the United States in its future dealings with Israel is not going to be forthcoming. The United States Covernment wants to know what Israel proposes to do with its plutonium: it wants to know that there is not a third reactor in being or contemplated: it wants to know the true cost figures of the reactor since the five million dollars a year plus local costs is disbelieved: it wants to know more about the training program which the new reactor is alleged to provide.

In the last analysis, I doubt that Washington is going to be satisfied until some reputable American scientist is taken on a tour of the new reactor. This need not be a "name brand" such as Phil Farley. Such a visit need not be publicized but the nasty seed of doubt will probably not be dispelled in the scientific community of Washington until this happens.

I think I can understand Israel's desire to be one of the countries in the vanguard of atomic energy for peaceful purposes. It is the sovereign right of any country to decide what it has in the way of an atomic energy program. The United States has no legal right to demand information from Israel. By the same token U.S. - Israeli relations are not really going to be on the right track until a quiet invitation is extended. If Ben Gurion told the whole truth I see no reason why such an invitation should not be extended.

I know this has been a difficult one for you to handle (we all think you handled it extremely well). The new tubes in the State Department did not help your task I regret to say. The sooner we get this reactor mess liquidated the sooner we can get back to a business as usual basis - it is not quite business as usual now and as suspicion grows the situation is likely to worsen.

With best vishes.

Yours ever,

P. S. Harpy New Year!

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TRANSCRIPT

OFFICIAL-INFORMAL SECRET

December 28, 1960

Dear Brown:

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With best wishes.

Yours ever,

P.S. Happy new year!

Department of State

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In response his request Embassy should inform Kristiansen US would hope that Norway will exercise fully its safeguards rights under Norwegian-Israeli Agreement including inspection visit to Israel at earliest feasible date. Further US would appreciate being informed on confidential basis of results such inspection and extent Norwegian knowledge of current Israeli atomic energy program. If not previously requested per Department's G-26, Embassy should utilize opportunity request detailed information on terms Norwegian-Israeli Agreement, particularly specific safeguards imposed and implemented to date and on quantity heavy water involved and quantity actually shipped Israel to date.

We believe effect on Israelis would be emanced if any action taken by Norwegian Government assumed character of normal exercise Norwegian rights under agreement and avoided any implications Norway acting at US beheat.

Drafted by:

S/AEaMIManfull apmof

Telegraphic transmission and

dessification approved by: S/AE - Philip J. Farley

AEC . Mr. Hudson (in substance) NEA - Mr. Meyer (in substance)

12/28/60

BNA - Mr. Cook (in substance)

S/AE - Mr. Rutter (in draft)

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