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MEMORANDUM OF CONFERENCE WITH THE PRESIDENT
December 19, 1960



Others present: Secretary Herter, Asst. Secretary Berding, Asst. Secretary Farley, Secretary Gates, General Lemnitzer, Secretary Anderson, Mr. Allen Dulles, Mr. McCone, Dr. Kistiakowsky, Mr. Gordon Gray, Mr. Hagerty, Mr. Harr, General Goodpaster

Mr. Herter said the group had come in to talk about the problem raised by information they have received to the effect that the Israelis are operating a plutonium production plant. This information is now beginning to leak to the press. He had a statement which he proposed be made public by the State Department, stressing that the Israelis assert this plant is for peaceful purposes. Mr. Gates said that our information is that the plant is not for peaceful uses. Dr. Kistiakowsky said there is some doubt about this, inasmuch as there seems to be no chemical separation plant on the site. Mr. McCone said that his people believe there is a chemical separation plant there. In any event, the Israelis would not build such a plant just to do part of the job. He stated he thought the plant had probably been financed from U.S. support for Israel.

On this point, Mr. Herter said it is clear that they have constructed this plant through diversions from private and public aid to Israel. Mr. Anderson said that the Israelis are getting an Ex-Im Bank loan, based on proper use of their economic resources.

Mr. McCone said he would like to suggest that the U.S. insist that the Israelis put this plant under the IAEA safeguards. The President commented that we could base such a request on evidence now reported to us that they are building an atomic plant of a value between \$100 and \$200 million dollars. We should add that we do not know where they have obtained the funds, but have a proper interest in this because of the aid we are giving them. Mr. Gates suggested that we say we will expect the Israelis to open this plant to inspection, pointing out that they have adhered to the Vienna agreement on peaceful uses of atomic energy. The President thought our statement should be that we are confident, in view of their vote for this convention and their statement that this is for peaceful uses, that they will permit such inspection. Mr. Herter thought they

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might reply that they will do so when the U.S. permits inspection of its plant. The President stated that we do not conceal that our plants are for weapons materiel production, nor do we make any claim that such production is peaceful.

Mr. Dulles said the Israelis seem to be trying to confuse this plant, which is a large production installation, with the very small research reactor on which we are helping them. Mr. Gray advanced the question whether we should tell the Israelis that we want a look at this plant. The President said this would not be necessary if we tell them that we want the IAEA to inspect it as a matter of course. At this point Mr. Herter read aloud his message concerning a meeting he had had with the Israeli Ambassador ten days ago when this matter first came to our attention.

Mr. Gray suggested that, short of the President, the Secretary of State should be the spokesman of our government and give guidance to everyone as to comments on this matter. The President thought we could say that we knew something was being done in this field,

Mr. Gates said the critical question is how deeply the French are in this with the Israelis. The whole matter of economic development is very explosive with the French, and they will probably react more strongly against us than the Israelis. Mr. Anderson thought that was a further reason for putting the task of inspection on the IAEA.

The President thought it was of great importance that we speak with a single voice insofar as the U.S. government reaction is concerned. Mr. Dulles commented in this regard that the Soviets and the Arabs are going to cause all the trouble they possibly can. Mr. Herter said that is the reason we are sending this note. We at least will remove ourselves from suspicion. The President said there is more of a problem than that involved, in that we are now face to face with the question of what we do as further countries become atomic producers. Mr. Herter thought it may still be possible to head off this production by the Israelis. Both in financing and safeguards, he thought we could go very far in our demands.



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Mr. Anderson recalled in this regard a recent problem with the Jewish charities. They have been sending money out without control over the purposes for which it is expended. For this reason there is a real question as to whether these contributions qualify as tax-deductible. We are looking into this at this very moment. The President thought through all of these means we must take the stand that we believe Israel should forthwith open the plants in order to assure that they conform to peaceful purposes.

Mr. Gray asked whether it would not be appropriate for Mr. Herter to see the Israeli Ambassador before any statement is put out. Mr. Herter thought he could simply say now that he saw the Israeli Ambassador and discussed this ten days ago. The President thought that, in reference to this discussion, we should say that we expressed our concern to him.

Mr. Gray again stressed the importance of maintaining a unified front within the government. The President asked whether he should make the statement since that would establish official policy. Mr. Herter thought it would be best to keep the matter with the Secretary of State for the moment. The President thought it is important to say that as of now we have no official information. We have simply a report made ten days ago, which was the cause of our concern. Mr. Gray thought it should be clearly understood that the State Department is the agency having primary responsibility in this matter. The President agreed, saying that no one else is to make any statement that has not been cleared through the State Department.

After brief further discussion, the meeting ended.

A. J. Goodpaster
Brigadier General, USA