

FORM DS-10 4-1-55		DEPARTMENT OF STATE REFERENCE SLIP		DATE 1/5/61		
TO: NAME OR TITLE		ORGAN. SYMBOL	ROOM NO.	BLDG.	INITIALS	DATE
1. Mr. Courtney		S/AE				
2.						
3.		SPECIAL ASSISTANT TO THE SECRETARY S/AE				
4.						
5.						
APPROVAL		ZIG	NOTE AND FORWARDING			
AS REQUESTED			NOTE AND RETURN			
COMMENT			PER CONVERSATION			
FOR YOUR INFORMATION			PREPARE REPLY			
INITIAL FOR CLEARANCE			SEE ME			
NECESSARY ACTION			SIGNATURE			
REMARKS OR ADDITIONAL ROUTING						GPO 874886
<p>Attached for your information is a letter from Mr. Kerry, First Secretary of Embassy at Oslo, enclosing a copy of a secret agreement covering the sale of heavy water to Israel by Norway.</p> <p>Please note Mr. Kerry's injunction to keep the knowledge of this transaction strictly on a need-to-know basis in view of the political sensitivity of this subject in Norway.</p> <p><i>Copy given AEC-Mr. Hudson on need-to-know basis.</i></p> <p style="text-align: center;"><b>SECRET</b></p>						
FROM (NAME AND ORGANIZATION) Robert M. Brandin			ROOM NO. AND BLDG. 5515 NS/B			
SIGNATURE			PHONE NO. 4207			

DEPARTMENT OF STATE  
 OFFICE OF THE  
 UNITED STATES OF AMERICA

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American Embassy,  
 Oslo, Norway,  
 December 30, 1960.

OFFICIAL-INFORMAL

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LIMIT DISTRIBUTION

Dear Bill:

The text of the heavy water agreement between Norway and Israel promised us by the Foreign Ministry earlier today (Embtel ) has just come in and I am enclosing it. Both Embtel and the earlier G-96 allude to the sensitive nature of this transaction, however, it might be well at this juncture to spell out the considerations involved fairly carefully.

The Norwegians are exceedingly proud of the role which they have played as honest brokers in and around the UN in negotiating acceptable texts for difficult resolutions and in making other contributions to the peaceful settlement of disputes. Halyard Lange and Hans Engen particularly have drawn praise from all sides of the Parliament on this account. It is a form of activity which is highly satisfactory to the Norwegians' urge to play an important role on the world stage. The work which Engen did at the Special GA session two years ago in contributing to a constructive resolution on the Middle East crisis is a good case in point and Norway's "acceptability" to the Arab states is an important element in her capacity to maneuver successfully in this type of situation.

Public disclosure of Norway's heavy water deal with Israel might seriously impair her relations with the Arab states. Such consequences would, however, almost surely not be limited to the international field. If Norway's past successes have been the source of great non-partisan pride expressed in the Parliament, a setback in this area, particularly in an election year, would be acutely embarrassing to the Government. Additionally, if there should be an armaments aspect we have to take

William C. Burdett, Esquire,  
 Director,  
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 Washington 25, D. C.

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into account the special sensitivity of a Labor Government, as demonstrated in the Cuffen arms affair, when criticized for munitions export. And finally, sensitivity would have to be multiplied by a special factor in a nuclear situation. It may well be that eventual disclosure of this transaction--which almost inevitably must be disclosed someday--will pass off relatively quietly. On the other hand we ought at least to allow for the possibility of its embarrassing the Government even more acutely than the arms shipment to Batista. It appears that this transaction has only very recently come to the attention of the Political Department of the Foreign Ministry. Apparently the sale, like the sale to Cuba, was licensed in a process which involved inadequate political clearance. The Political Department broadly shares our estimate of the situation. It is not at all apparent how the GON is going to extricate itself from this one.

My immediate purpose is only to spell out in detail our reasons for believing that knowledge of this transaction should be kept strictly on a need-to-know basis and that those who are already informed should be aware of the at least potential sensitivity of the information.

Sincerely,

Richard J. Kerry  
First Secretary of Embassy

Enclosure:

Copy of heavy water agreement  
between Norway and Israel.

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Your Excellency,

I have the honour to acknowledge the receipt of your note of today's date reading as follows:

"I have the honour to refer to recent discussions between NORATOM A/S and Atomic Energy Commission of Israel regarding sale of heavy water to Israel. In order to ensure that the cooperation between Norway and Israel in the field of atomic energy shall be devoted dolely to the promotion and development of the peaceful use of atomic energy, I have the honour to propose an agreement between the Government of Norway and the Government of Israel in the following terms:

1. The Government of Israel shall guarantee that
  - a. any heavy water sold from Norway to Israel pursuant to a contract duly notified to the competent authorities in both countries will be employed solely for the promotion and development of the peaceful uses of atomic energy and not for any military purpose,
  - b. no such material will be transferred to unauthorised persons or beyond the jurisdiction of the Government of Israel except with the prior consent in writing of the Government of Norway.
2. a. The Norwegian Government shall be given the opportunity to ascertain to its satisfaction that the use of the heavy

His Excellency  
Dr. Halvard Lange  
Minister for Foreign Affairs  
Oslo.

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heavy water is in accordance with these guarantees.

- b. In exercising these rights the Government of Norway will not infringe on the free utilization of the heavy water by the Israel authorities within the provisions of this agreement.
  - c. If these obligations are not observed, each party may request that the steps necessary to remedy the situation be taken within a reasonable time. If this is not done each party shall have the right to suspend or cancel scheduled delivery of heavy water, and to require the return of all identified heavy water under the control of the other Contracting Party.
3. Subject to their responsibilities to their Governments representatives and other officials under the jurisdiction of either Contracting Party who by reason of their official duties arising from the provisions of this Agreement might acquire any industrial secret or other confidential information shall not make any disclosure of such information.
  4. When the International Atomic Energy Agency is in the position to discharge the functions of safeguards and controls provided for in its statute, or at a later date, the parties shall consult with each other to determine whether or to what extent it is necessary to modify the present agreement with a view to bring it into conformity with the provisions of the statute of the Agency, in order

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to transfer the functions of safeguards and controls to the Agency, and to arrange for the administration by the Agency of those conditions, controls and safeguards required by the Agency in connection with assistance rendered by it.

If the above proposal is acceptable to the Government of Israel, I have the honour to suggest that this Note, together with your Excellency's reply to that effect, shall be regarded as constituting an Agreement between the two Governments on the above terms."

In reply I have the honour to inform you that the proposals set forth in your note are acceptable to the Government of Israel who also agree to the suggestion that your note and the present reply shall be regarded as constituting an agreement between the two Governments in this matter.

I avail myself of this opportunity to reassure Your Excellency of my highest consideration.

Oslo, 25 February, 1959.

Dr. Chaim Yahil  
Minister of Israel.

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