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THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

Norway & S! AE FILE COPY

American Embassy, Oslo, Norway, August 7, 1959.

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## LIMIT DISTRIBUTION

Dear Mr. Farley:

I enclose a copy of a letter which I have written to Bob Brandin of BNA together with extra copies of a memorandum of conversation which you may want to pass on to John Hall and William Fullerton of the AEC.

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Sincerely yours.

Richard J. Kerry

First Secretary of Embassy

#### Enclosure:

- One copy of a letter to Mr. Brandin, dated August 7, 1959.
- 2/ Three copies of a memorandum of conversation between Gunnar Randers and Richard J. Kerry, dated August 6, 1959.

Philip J. Farley, Esquire, S/AE,
Department of State, Washington.

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SPECIAL ASSISTANT TO THE SECRETARY S/AE AUG 17 1959

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American Embassy, Oslo, Norway, August 7, 1959.

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Dear Bob:

I enclose a memorandum of conversation between Gunnar Randers and myself which relates to a transaction in which Norsk-Hydro, with the sanction of the Norwegian Government, has furnished heavy water to Israel.

The last previous on this was a memorandum of conversation, dated June 9, 1959 between Bill Fullerton of the AEC and Olaf Solli of the Foreign Ministry. Copies of that memorandum were forwarded to SAE/Philip Farley under cover of my letter of June 15, 1959. I am forwarding a copy of this letter and the enclosed memorandum of conversation to Farley with the suggestion that he transmit the memorandum of conversation to John Hall and William Fullerton of the AEC.

The Norwegians say they are concerned to have information concerning this transaction very closely held because of the effect it might have on their relations with Egypt. In fact, bearing in mind the importance to them of fheir role in the UN and their consequent relations with the Middle East, it can be assumed that the political implications involve a great deal more than their relations with Egypt. Having said this I think it best to leave to you the problem of proceeding to a decision as to what further distribution is necessary.

Sincerely yours,

Richard J. Kerry, First Secretary of Embassy

Robert M. Brandin, Esquire, EUR/BNA, Department of State, Washington, D.C.

/Enclosures:

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# Enclosures:

Memorandum of conversation, dated August 6, 1959, between Gunnar Randers and Richard J. Kerry, one copy.

## Copy sent to:

Philip J. Farley, S/AE, with copy (3) of memorandum of conversation.

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AMERICAN EMBASSY, OSLO

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Memorandum of Conversation

DATE: August 6, 1959

### LIMIT DISTRIBUTION

SUBJECT:

Conversation of August 6, 1959 at the Atomic Energy Institute, Kjeller, Norway.

PARTICIPANTS: Gunnar Randers, Director, Atomic Energy Institute; and Richard J. Kerry, First Secretary of Embassy.

COPIES TO: Robert M. Brandin, EUR/BNA; Philip J. Farley, S/AE.

Iminquired of Randers concerning his future travel plans. He stated that he had been away too much in the past and was attempting to follow a strict stay at home policy. He expected, however, to visit England, France, and Austria. He considered it important, as in the past, to visit the U.S. twice a year to maintain contacts. He would probably vis it Israel.

(In view of his recent visit to Israel and his reference to a stay at home policy) I inquired whether the visit to Israel was necessitated by certain highly classified transactions with Israel and whether continuing contacts would be necessary.

Randers replied that the Israeli's were being very slow in making decisions concerning the design of their reactor and that consultations would probably continue over a three or four year period. The situation was doubly delicate because Noratom was now negotiating to do isotope work for the Egyptians. This fact could have beneficial consequences and Nasser would not make any difficulties as long as he was not faced with a public issue. At the moment the Egyptians were in Norway negotiating with Noratom. They were trying to force the price down and were threatening to turn to the East ("the old Aswan dam technique").

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