

# GRAM

OUTGOING

Foreign Service of the  
United States of America

*Mr. Haggerty*  
*atomic matters*

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**December 23, 1960**  
**3:30 p.m.**

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In conversation with Director Liggit, USOM, December 22, Addy Cohen, Director, Economic Assistance Branch, Ministry of Finance, broached question of Negev reactor. Although Cohen at first treated matter with levity, impression came through that he believed reactor could be used eventually for weapons purposes. He expressed satisfaction that this might be "deterrent" to Arab action against Israel. Cohen indicated that he was privy to secret information on this subject and recalled helicopter flight in May when he, Dinstein, Liggit and Don Stoops of DLF had observed reactor site from short distance. He said he had been unable identify construction then because it was "Top Secret".

Later on December 22 Cohen told Williams he had flown within four or five kilometers of site in helicopter in February with Ambassador, Haggerty and Chalfant of USOM. In answer to question

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from one member of party he had stated then that building would be textile plant "because", said Cohen, "that was our story at that time."

Cohen who has raised question frequently in past few days told Agricultural Attache Chappell December 21 that he suspected some correlation between the delay in signing PL-480 Agreement and the atomic development. He added "we have been misbehaving a little". In answer to subsequent question from Chappell December 22 regarding Jerusalem Post statement that atomic plant would cost about 250 million Israeli pounds, Cohen replied "Well, we haven't spent that much yet."

Source close to Prime Minister told Canadian Ambassador Dec. 20 in answer to query about so much secrecy re Negev reactor, that he could not justify it, that secrecy was a "stupid mistake on the part of Israel". In response to further question as to why matter had been broached at this time, source said he had only a "personal theory" which was that the American Central Intelligence Agency had been caught off guard before Sinai and this time did not want to be caught napping.

REID

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