Mr. Greenhill said the Foreign Office was looking ahead to the possibility of serious consequences for peace in the Near East resulting from Israel's activities in the field of atomic energy. The sharpness of Arab, particularly UAR, reaction last year points to the need for preventive action before the development of Arab and Israel atomic capacities, without adequate international safeguards, puts the situation out of control. The first problem is with Israel. If its activities can be brought under international safeguards, it may be possible to extend the same system to cover UAR research. Despite the visit to Israel by two U.S. atomic scientists in May 1961, the United Kingdom considers that there remains a real uncertainty regarding Israel's ultimate intentions. Furthermore, and regardless of Israel's intentions, there is the problem of the Arab view of these intentions. It is significant that the UAR is reportedly getting a power reactor with which the Germans will help.

Mr. Greenhill said that with the goal of getting both Arabs and Israelis to accept supervision, the Foreign Office has prepared detailed proposals for the Department's consideration. In brief, these are based on the premise that, ultimately, the IAEA is the most suitable vehicle through which to achieve supervision. Israel may be resistant to this idea, but its opposition could perhaps be overcome by U.S. and U.K. persuasion. The U.K. is prepared, if necessary, to exert pressure through export sales. The U.S. has other, more effective instruments at hand. However, even if Israel were to accept the principle of IAEA supervision, no IAEA mechanism could be brought into being fast enough to stay the dangerous course of developments in the Arab countries. Therefore, the U.K. proposals look to the introduction, with a new institution of IAEA controls, of a system of ad hoc inspection by nations acceptable to all parties.
to both the Arabs and Israelis. In the U.K. view, Canada is well-qualified to be one of the inspecting nations. Canada has not yet been approached in this regard, but it would certainly want to have full U.S. and U.K. backing, including an assurance of their willingness to exert pressures on Israel, before undertaking this role. Procedurally, Israel must be the first to be persuaded to accept the type of ad hoc arrangements contemplated. Israel acquiescence would provide a basis for a subsequent approach to the UAR.

Mr. Greenhill said the Foreign Office hopes the U.S. will study and agree to the proposals presented. The matter can then be taken up with Canada.

Mr. Grant remarked that the U.K. is aware of our continuing deep interest in this problem. Mr. Greenhill can be sure the Foreign Office study will be reviewed with care.

Mr. Greenhill left copies of the Foreign Office proposals and, in addition, a study of Soviet "safeguards" policy affecting the supply of nuclear reactors to foreign countries.

Enclosures: (to NEA, NE, S/AS, London, Ottawa, Tel Aviv)

1. "Israel's Nuclear Reactor".
2. "Soviet 'Safeguards' Policy".