

DEPARTMENT OF STATE INSTRUCTION

SECRET

(Security Classification)

1483

1463 FOR DC USE ONLY



NO.: CA-2553 October 16, 1954
SUBJECT: Centrifuges for Brazil.

TO: HICOG, BONN
RPTD INFO: PARIS
RIO DE JANEIRO

Reference: Your telegram 979, October 6, 1954.

AEC is still considering the question of manufacture in Germany of gas centrifuges for Brazil raised in the subject telegram and earlier messages. The Department therefore is unable to take a final position.

For your information, the Department would be troubled by approval of an application believed contrary to U.S. interests (as we believe ~~that AEC~~ may ~~be the~~ case), even if inaction or denial by MSB would only delay the transaction until the Germans are free to act, since we consider the manufacture in question absolutely prohibited under AHC law (DEPTEL 148).

The Department suggests that at your discretion you discuss the case with the British and French, inform them that the Department is troubled by the prospect of action contrary to existing AHC law, and ascertain, without commitment as to the U.S. position, whether they would be willing to amend Law 22 to permit the proposed manufacture. Are not the French at least likely to oppose amending the law? If so, we believe we might confirm and stand on the position stated to the Brazilians reported in Department's telegram 148 that the law prohibits manufacture of these centrifuges, without suggesting the possibility of amending the law.

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