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By PNARA Date 1/19112

DEPARTMENT OF STATE ASSISTANT SECRETARY

July 8, 1960

U - The Acting Secretary

I concur in Mr. Farley's memorandum on the understanding that should the contingency in Recommendation (d) arise, the Department will have an opportunity fully to review the situation in the light of the political considerations described in the final paragraph of the discussion section of the memorandum. I also assume that the team will keep in mind these considerations during its discussions.

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SPECIAL ASSISTANT TO THE SECRETARY

July 8, 1960

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SECRET

MEMORANDUM FOR THE ACTING SECRETARY

THROUGH:

s/s \m\

FROM:

S/AR - Philip J. Farley

SUBJECT:

Gas Centrifuge Discussions with GFR.

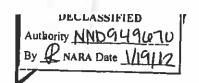
During the past several months Chairman McCone has discussed with the Secretary and other representatives of the Department developments in the gas centrifuge process and the potential of this process as a source of weapons grade uranium.

The gas centrifuge process is not new, having been considered and rejected by the U.S. in the early days of our atomic energy program. The process has been under development in Germany prior to and since World War II. However, in the past several years the United States has made impressive progress in the development of the gas centrifuge process. The AFC reports that with further research and development weapons grade uranium could be produced by cascading high-speed centrifuges. The AFC further reports that the process could be refined and simplified to a point where almost any nation could produce weapons grade material.

Given the aforementioned potential of the centrifuge process, the AEC classified all U.S. information on the subject and has expressed considerable concern that unless some means is found to control both information on centrifuge developments and centrifuge equipment, the Nth country problem will be considerably complicated. In addition to the United States and Germany, the Netherlands is thought to be making progress in developing the centrifuge process. As a result of a suggestion by Chairman McCone to the Secretary, it was agreed that discussions would be held with the GFR regarding possible classification of future centrifuge developments. It has also been suggested that similar discussions take place at the Hague. Accordingly, arrangements have been made for discussions to take place at Bonn July 13, 14 and 15. Mr. Sullivan will head the U.S. Team and will be accompanied by four AEC representatives and one representative from the U.S. Mission at Brussels.

Preparatory

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Preparatory discussions with AEC representatives have made it clear that the problems connected with German classification are by no means simple. Involved are (a) the German centrifuge program is not under government direction, but rather the process is being developed by private companies and universities; (b) German classification could prevent dissemination of centrifuge information, thereby raising serious questions with respect to EURATOM and the German obligations to the Western European Union. Specifically, Germany could be accused of classifying the process for military reasons, and if the action were taken at U.S. initiative, we would likewise have serious political problems. In view of these complications, we have informed AEC that we continue to agree that it should be our objective to seek German classification. However, we do not consider it desireable to attempt to force German agreement on classification. Therefore, the forthcoming talks at Bonn should be considered as exploratory with a view to determining whether classification is, in fact, a feasible course of action.

RECOMMENDATION

That the U.S. position in the forthcoming Bonn discussions be as follo

ows:		
(a)	That the German representatives be informed of the basis for U.S. centrifuge classification, i.e., future potential of the centrifuge process for producing weapons grade uranium; Approve Car Disapprove	7/8/60
(b)	That we inform the GFR of our interest in German classification of the centrifuge process; Approve Disapprove	7/8/60
(c)	That we explore GFR views on classification and alternative	701
	methods which might lead to adequate classification	10/10
	procedures; Approve Disapprove	7/8/00
(d)	That if agreement on classification appears feasible, the U.S. Team should submit recommendations to the Department for consideration.	0
	Approved:	7/8/60
	Disapproved:	0

S/AE: CASullivan: apo