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Vienna IAEA.

Circular 179.

Bucleonics Week August h contains following story:

QUOTE West Germans agree to put secrecy lid on gas centrifuging.

The U.S. has persuaded West Germany to veil in secrecy the gas centrifuge isotope-separation technology under development in that country, according to authoritative sources. West Germany is the noncommunist-world leader in this approach to producing enriched uranium. Degussa with at least two active programs (Pograms and Prof, Wilhelm Groth have both built developmental machines). The U.S. has a small AEC program and considerable commercial interest (NU Wk. 7 July '60,2) but appears to be well behind West Germany. Centrifuge research-development is also being carried out by the Brazilian government (using three German built machines) and the Univ. of Amsterdam, Netherlands.

The U.S. plea to shroud centrifuge development in West Germany was transmitted at the very highest diplomatic level. The action reflects deep U.S. concern that: 1. centrifuge know-how and equipment may spread to other nations and give them muclear weapons capability; and 2. that the

Orafted by:

S/AE:WAChapin:aw 8/9/60

Tolographic transmission and classification approved by: S/AE -

Charles A. Sullivan

Clearances

GER - Mr. Devine

RA - Mr. Fessenden

RECEDENCE

AEC - Mr. Wells

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technology shoul be at least informally close-held until formal international control can be arranged.

AEC had been on the verge of classifying all centrifuge technology in this country earlier this year (NU Wk, 19 May *60, 1) but has not yet followed through. The Commission's course of action is under study. The secrecy policy is creating a governmental dilemma for West Germany because there is no legal grounds for shutting off discussion. Either centrifuges are purely for peaceful uses, in which case no secrecy can be enforced by the government; or the centrifuges have military importance, in which case Germany cannot carry out work in this field without violating post-World War II pledges on nuclear capability.

On the other hand, the situation is further complicated by the desire of German firms to work out cooperative and exchange programs with U.S. firms (Groth has given Thor-Westcliffe, Inc., of Santa Fe, N. M., exclusive North American rights to his process, for example). Classifying the U.S. partner's work would not work out unless the German work was also classified. Informal INNER-UOTE trade secret END INNER-UOTE arrangements would also appear to be impossible in the nuclear field because the German partner would be in violation of Euratom regulations. UNUOTE.

Department unaware source this leak, but knows there have been others.

IAEA secretariat staff aware nature our discussions with Germans as result of latter from Beyerle.

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In event queries, Department and AEC wild follow for time being line stated REFTEL. Will consult with Bonn, Hague and London if it appears desirable say more in light nature of leak.

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