

Office Memorandum • UNITED STATES GOVERNMENT

TO : Lyall Johnson, Chief, Licensing Branch
Division of Civilian Application

FROM : C. T. Edwards

DATE: February 12, 1957

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SUBJECT: REPORTED URANIUM ISOTOPE SEPARATION ACTIVITIES IN WEST GERMANY.

SYMBOL: CAL:CTE

As you are aware, during the past year we have had four applications for licenses to export uranium compounds to the firm Degussa in Western Germany. In January, 1956 we issued a license to Terra Chemical, Inc., New York City authorizing the export to Degussa in Frankfurt of 260 pounds of uranium oxide. The end-use was for general research purposes in Western Germany. On May 3, 1956 we issued a license to the City Chemical Corporation authorizing the export of 450 pounds of sodium uranate to Wilhelm Priem and Company, Bielefeld, Federal Republic of Germany for resale to Degussa for use in the development of chemical and metallurgical processes. In each case issuance of the license had the concurrence of personnel in the Division of International Affairs. Although the quantity of uranium compounds represented in these two shipments was substantial compared with the historical pattern of United States exports of such material to Western Germany the quantity was, of course, quite insignificant in terms of a fissionable material production program, and no indication of its possible use in such a program had been given.

On November 27, 1956 the Terra Chemical Company filed an application for license to export 1400 pounds of uranium oxide to Degussa for use in general research in Western Germany. On January 22, 1957 the City Chemical Corporation filed an application for license to export 900 pounds of uranium oxide to Degussa for the same purpose. No immediate action was taken on either of these applications while the views of other offices concerning the significance of an order for this quantity of material for use in research purposes were sought. Personnel of the Division of International Affairs, the Division of Research, and the Office of Operations Analysis and Planning were agreed that these quantities were in excess of those necessary only to a basic research program. At the suggestion and with the concurrence of DIA, letters were sent to Terra and City Chemical on February 7, 1957 advising that further action could not be taken on their applications pending receipt from those firms of a statement in writing by Degussa, supported by a statement by the Government of the Federal Republic of Germany, to the effect that the uranium concerned would not be used in a nuclear reactor.

This position was considered necessary in order that the AEC be consistent with the terms of its bilateral agreements in the matter of safeguards.

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On February 11, I received a copy of an unevaluated Intelligence document reporting that Degussa "is strongly considering a joint venture with a Canadian firm to produce uranium and fissionable materials by the Degussa diffusion process". Since this was the first indication I had received that there was a uranium isotope separation production program planned in Western Germany, I discussed with Dr. E. H. Edwards, DIA the effect which this would have on our pending and future export license applications for that country. Dr. Edwards said that the entire matter would need to be carefully reviewed and considered before our position vis-a-vis West Germany in this matter could be resolved. I next saw Dr. C. H. Reichardt, Division of Intelligence who showed me a recent dispatch from George Kolstad, RES in Stockholm indicating that there was some activity in Western Germany concerning separation of uranium isotopes by a centrifugal process.

Both Drs. Edwards and Reichardt agree that a Commission information paper is in order. The paper will be prepared by the Division of Intelligence. I have already furnished that office with our information on the subject and will keep in touch with the matter.

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