SECRET

MEMORANDUM FOR: HOLDERS OF NSAM 241

I have received the report on possible French-German cooperation in the Pierrelatte gaseous diffusion project and the coordinated policy recommendations transmitted by the Department of State. I agree that we should pursue further information on this subject urgently. I also agree we should make it as easy as possible for the Germans and others to acquire nuclear fuel for the peaceful uses from the United States on the most suitable terms.

Before we make representations to the Germans or Italians against cooperation with the French, I should like a reconsideration of the broader problem of allied attitudes toward Pierrelatte. I am not sure that such representations would necessarily be successful, and it is certain that they would have a very embittering effect in France.

One alternative which deserves consideration is the possibility that we might work out agreements that would prevent cooperation in such matters by nations with which we ourselves have bilateral nuclear arrangements.

If the Germans and Italians would give us a clear agreement

we would be in a stronger position than if we simply took a flat stand against any possible European cooperation in nuclear production. After all, the time may well come when a European nuclear weapons industry will be both inevitable and acceptable to us.

15/ John 7 Kemely

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