

## **September 2, 1949**

# **Memorandum of Conversation Regarding Eximbank Loan to South Africa**

### **Citation:**

"Memorandum of Conversation Regarding Eximbank Loan to South Africa", September 2, 1949, Wilson Center Digital Archive, National Archives at College Park, 21.79 South Africa d. General, 1947-1950, Special Assistant to the Secretary for Energy and Outer Space, Records Relating to Atomic Energy Matters, 1944-1963; General Records of the State Department, RG 59. Contributed by Mara Drogan.  
<https://digitalarchive.umd.edu/document/117462>

### **Summary:**

Assistant Secretary of State Thorp, Arneson, and Wendel discuss a potential Eximbank loan to South Africa, noting that though the loan application should be considered separate from US uranium purchases, South Africa was due to become the main source of uranium in the US after the Congo's supply was depleted.

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Original Scan



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banking interests to be backed by a gold deposit. The South Africans, however, presumably as a matter of pride, have been reluctant to accept a loan involving this condition.

Mr. Inneson remarked that he understood that if a \$50 million dollar EXIM credit were made available to the South Africans the bulk of it would likely be used to pay for equipment now on order in the United States for the improvement of the harbor and railway facilities of South Africa. Should this be accurate, there might be a definite advantage from the standpoint of expediting production and delivery of uranium through the granting of the loan since considerable equipment must be transported to construct the new uranium processing facilities in South Africa and within several years there will be a movement of a considerable tonnage of uranium-bearing materials to port.

Mr. Thorp reviewed the negotiations of the last several months with the South Africans noting particularly that South Africa has had a tendency to squander her financial resources on imported consumer goods and that although measures have been taken to curb these practices, the situation is still not entirely satisfactory. He pointed out that in addition to drawing down internal assets there had also been a large influx into South Africa of flight capital from the U.K. which was now largely depleted. It was Mr. Thorp's opinion that the South Africans might not necessarily require the loan at this time and that if they did it was theirs for the taking and that requirement of a gold deposit is not a too onerous condition. He said he appreciated having the uranium matter brought up to date and would, of course, keep it in mind.

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