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COUNTRY	West Germany/Brazil	REPORT NO.	CS -1,307,742
SUBJECT	Negotiations Between the Friedrich Krupp Firm, and a Brazilian Delegation of Brazil	DATE DISTR.	6 March 1957
		NO. PAGES	1
		REQUIREMENT NO.	RD
DATE OF INFO.	December 1956	REFERENCES	
PLACE ACQUIRED	Germany, Bonn (9 December 1956)		

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

SOURCE: A Krupp official (F). Appraisal of Content. 3

1. Alfried Krupp von Bohlen-Halbach, during a recent visit to Brazil, negotiated a preliminary agreement with President Kubitschek which will eventually lead to the establishment of a large industrial enterprise in that country. Allegedly, the Brazilian government desires the firm to build diesel-electric rail equipment and is prepared to extend tax exemption privileges and other benefits to the firm.

2. Very much to the surprise of some of the leading officials of the firm, who are against extension into foreign markets through erection of branch plants, von Bohlen committed the firm to start building within 1957. Since this enterprise is thought risky, the firm is now trying hard to interest General Electric in joint participation in this enterprise. The U.S. firm, it is hoped, would furnish the electric components and the know-how necessary to produce the propulsion equipment.

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STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC						NPC	X	

(Place Washington distribution indicated by "X"; Field distribution by "#".) EGH-577

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