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**Latin America**

**REGIONAL AND  
POLITICAL ANALYSIS**

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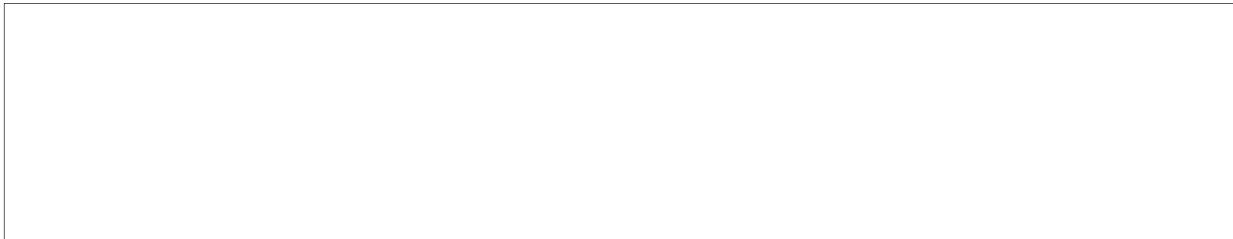


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This publication is prepared for regional specialists in the Washington community by the Latin America Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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(b)(6)Brazil - West Germany: Nuclear Developments Program

The Brazilian government is increasingly adamant in its refusal to consider revisions in its nuclear development program.

Last week the government publicly rejected a suggestion by Secretary of State Vance that Brazil temporarily suspend its agreement with West Germany under which the Germans are to provide plants for uranium enrichment and spent fuel reprocessing. The government statement comes at a time when prominent congressmen in both Brazilian parties as well as senior foreign policy officials are denouncing US criticism of the accord as outside interference and an insult to their national prestige.

The statement--which ended a long period of official silence on the subject--was apparently based on a decision by the Geisel government not to consider alternatives to present plans for obtaining plants for enriching uranium and recycling fuel. Brazil is seeking energy alternatives to petroleum, coal, and natural gas, which it must now import at great expense. It intends to obtain a full nuclear fuel cycle, including reprocessing, in order to reduce its dependence on foreign sources of nuclear fuel.

Brazil is increasing its pressure on Bonn to fulfill the terms of the agreement. It has strongly intimated that if the Germans renege on the provisions for reprocessing, it will look elsewhere to purchase the eight nuclear reactors--currently worth \$4-5 billion.

The Brazilian press has been strongly critical of US statements that warn against nuclear proliferation, arguing that the Nonproliferation Treaty is discriminatory. The government insists that it will not be bound by any agreement that could restrict its economic and technological development. Brazilian officials

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have said, moreover, that the government will not sign the Nonproliferation Treaty so long as Argentina, Brazil's regional rival, refuses to do so.

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