

TOP SECRET



The National Intelligence Daily

Published by the Director of Central Intelligence for Named Principals Only

Copy No. 040

(b)(3)

(b)(3)

MONDAY 11 DECEMBER 1978

VOLUME 5, NUMBER 287

TCS 787/78

NR Record

BRAZIL

Nuclear Energy Program

Brazil has decided to cut back its nuclear energy development program,

considers the acquisition of such technology indispensable to its drive to become a major world actor. Even if the government has decided on a cutback, we do not expect it to be undertaken before the new President takes over next March.

(b)(3)

(b)(1)
(b)(3)

We believe it likely that the Brazilians will indeed cut back—but by no means abandon—the nuclear program. The cost of the enormous effort is rapidly growing and could by itself result in a scaledown. Moreover, demand for electricity has not grown nearly as rapidly as was predicted at the time the nuclear deal was signed, and there is ample hydroelectric potential for power requirements.

(b)(3)

The program has been under strong domestic attack, with charges of shoddy security practices, corruption by private contractors, bureaucratic rivalries in the Brazilian Government, and friction between the Brazilian and West German participants.

(b)(3)

President-elect Figueiredo is said to favor a cutback and to desire more stress on the country's hydroelectric resources. There is nonetheless no indication that Brazil is any less determined than before to acquire a full nuclear fuel cycle, including at least a limited capacity for enrichment and reprocessing. Brazil con-

(b)(3)



Warning Notice
Sensitive Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

The National Intelligence Daily is prepared in the Central Intelligence Agency in cooperation with the other US foreign intelligence organization. Analytical feature articles are attributed to their authors.

Security and control abbreviations used in this publication:

- TSU—Top Secret UMBRA
- SS—Secret SPOKE
- S—Secret
- C—Confidential
- U—Unclassified
- NOFORN—Not Releasable to Foreign Nationals
- ORCON—Dissemination and Extraction of Information Controlled by Originator
- REL . . . —This information has been Authorized for Release to . . .

CG NID 78-287JX



(b)(3)

(b)(3)