

# The National Intelligence Daily

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## Brazil - W. Europe

### Efforts to Secure Uranium

In anticipation of President Carter's visit next month, the Brazilian Government is intensifying its attempt to ensure that it will acquire enriched uranium from the West German - Dutch - British Urenco group and sensitive nuclear technology from West Germany. The West Europeans are aware of US concern about Brazil's nuclear program but are eager to court Brazil not only as a nuclear client but also as an economic partner in other fields and as a political ally on global issues.

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Last month, Brazilian officials and Dutch Foreign Minister van der Stoep agreed in principle to a Brazilian safeguards program that satisfies Dutch conditions for supplying Brazil, through Urenco, with enriched uranium for the Angra II and III reactors to be built by West German firms. The program is not significantly stricter than that already provided for in the Brazil - West Germany - IAEA safeguards agreement, but the Dutch believe it is no longer possible to impose wider safeguards or to prevent the Brazilians from reprocessing nuclear fuel by imposing restraints on fuel supply.

Last week, the new French Ambassador to Brazil said publicly that his government could export enriched uranium. He refused to say whether French fuel could become an alternative to US fuel for Brazil's Angra I reactor, but he confirmed that a Brazilian request would receive serious consideration in Paris. Brazilian officials are certain to view a French offer as a way to reduce their vulnerability on nuclear issues.

Brazilian Mines and Energy Minister Ueki said yesterday that Brazilian officials will soon sign a contract in Bonn to acquire a nuclear fuel reprocessing plant. The decision to advance the signing—originally scheduled for 1978 under the Brazilian - West German nuclear cooperation accord—was reportedly made to avoid US diplomatic pressure. One West German firm involved has denied that a contract for a plant will be signed, but the Brazilians may be seeking assurances about the reprocessing deal. The West Germans probably also want to allay Brazilian concern over the slow progress in implementation of the nuclear accord.

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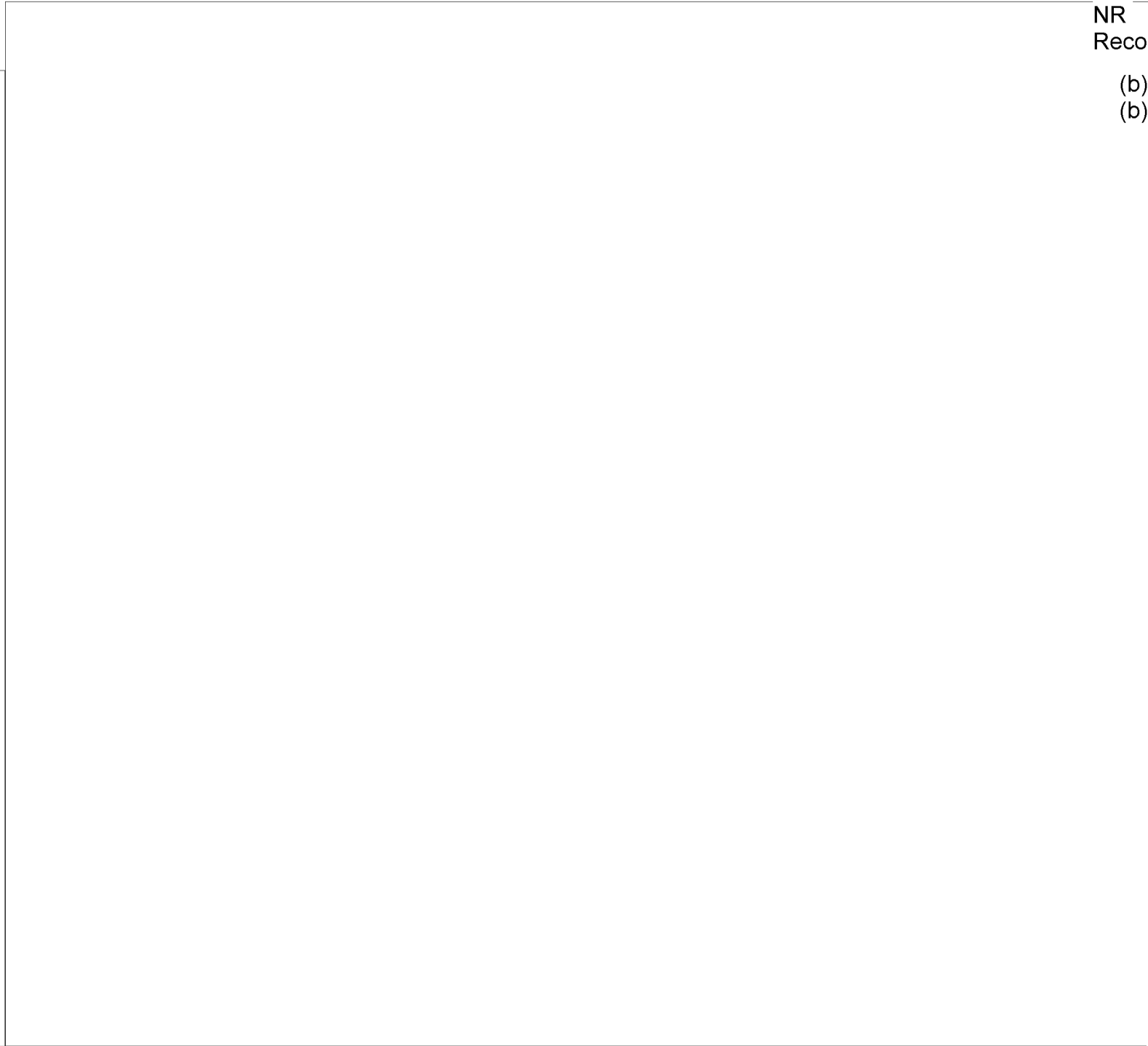
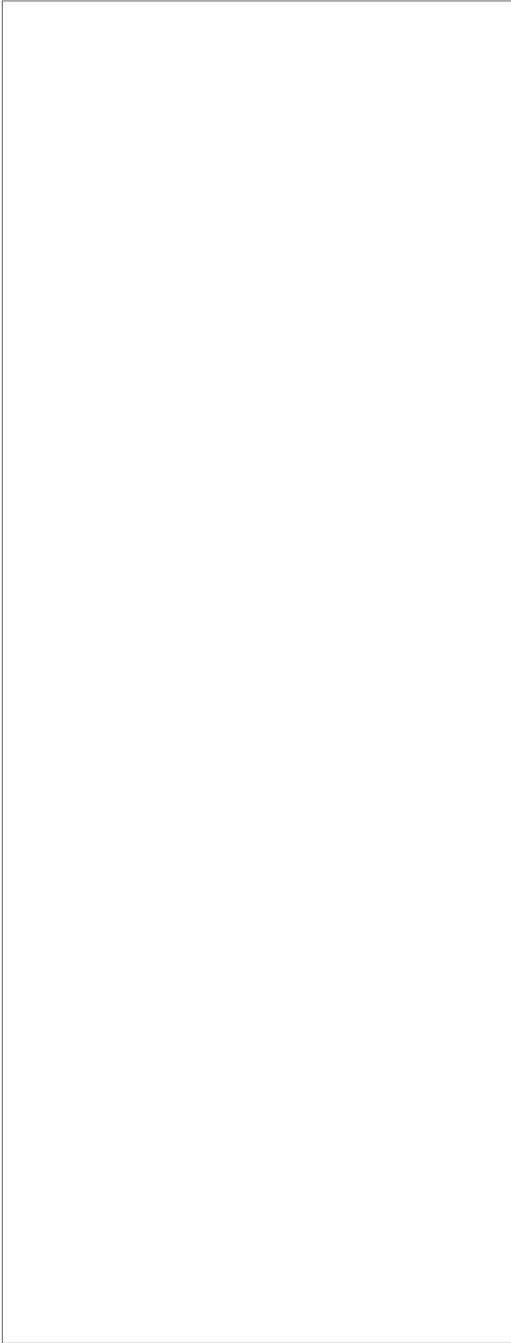
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- C—Confidential
- U—Unclassified
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