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E.O. 12065: GDS 3/21/80 (SAYRE, 1 497345 ..) OR-M
TAGS: PARM, MNUC, TECH
SUBJECT: NON-PROLIFERATION ASSESSMENT

REF1 (A) STATE 68365, (B) 79 BRASILIA 10578,
(C) 79 BRASILIA 3737

1. (S - ENTIRE TEXT.)

2. THE CONCLUSION OF INFCE PROVIDES A GOOD OPPORTUNITY TO ASSESS OUR NON-PROLIFERATION POLICIES. INFCE BY ITSELF IS UNLIKELY TO BRING ABOUT ANY RADICAL CHANGES IN NATIONAL NUCLEAR ENERGY POLICIES--ALTHOUGH IT HAS ENHANCED AWARENESS OF PROLIFERATION PROBLEMS AND MAY ALREADY HAVE CONTRIBUTED TO SOME TIGHTENING UP. (THE GOB FOREIGN MINISTRY EXPRESSED TO US ITS COMPLETE SATISFACTION--RELIEF MAY BE A MORE APPROPRIATE DESCRIPTION.) OUR NON-PROLIFERATION ASSESSMENT SHOULD CONSIDER HOW MODIFICATIONS TO OUR NUCLEAR EXPORT AND NON-PROLIFERATION POLICIES WOULD ENABLE THE USG TO TAKE ADVANTAGE OF THE BODY OF KNOWLEDGE AND APPARENT SPIRIT OF COOPERATION DEVELOPED WITH INFCE FOR THE LONG-TERM PURPOSE OF OBTAINING CONCESSIONS FROM NATIONS WHICH DO NOT NOW AGREE WITH OUR NON-PROLIFERATION POLICIES. TO THIS END, I HAVE ANSWERED THE QUESTIONS POSED IN REF A IN THE FORM OF PROPOSITIONS, BASED MAINLY ON BRAZILIAN AND LATIN AMERICAN EXPERIENCE BUT ADDRESSED MORE GENERALLY TO FACILITATE DEBATE. (SEE ALSO REFS B AND C FOR BACKGROUND ON GOB NUCLEAR PROGRAM AND ATTITUDES TO US NON-PROLIFERATION POLICIES.)

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3. FIRST, NATIONAL DECISIONS TO DEVELOP A DELIVERABLE NUCLEAR WEAPON SYSTEM ARE TAKEN AT THE HIGHEST GOVERNMENTAL LEVEL, BASED ON PROFOUND CONSIDERATION OF VITAL NATIONAL SECURITY INTERESTS AND OF THE LONG-TERM STRATEGIC SITUATION. SUCH DECISIONS WOULD NOT BE DEFERRED BY COMMITMENTS IN NUCLEAR COOPERATION AGREEMENTS. SINCE THE MEANS TO DEVELOP NUCLEAR WEAPONS TECHNOLOGY ARE WITHIN THE TECHNICAL CAPABILITY OF MODERATELY ADVANCED NATIONS, E.G., BRAZIL, SOUTH AFRICA, ISRAEL, ARGENTINA, PROLIFERATION DOES NOT COME FROM A BROAD POLICY DECISION BUT FROM A TECHNOLOGICAL OPPORTUNITY. OUR OVERALL POLITICAL, ECONOMIC AND MILITARY POLICIES: BY SHAPING THE STRATEGIC ENVIRONMENT AND ESTABLISHING DEPENDABLE AND PREDICTABLE COOPERATIVE SECURITY ARRANGEMENTS, ARE MORE IMPORTANT TO

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THE PROLIFERATION PROBLEM THAN US NON-PROLIFERATION POLICIES THEMSELVES.

4. SECOND, AND A NEAR-COROLLARY, US NON-PROLIFERATION POLICIES HAVE NEITHER ADVANCED NOR RETARDED NON-PROLIFERATION OBJECTIVES. ON THE ONE HAND, WE HAVE SUCCEEDED IN GETTING NATIONAL LEADERS FULLY AWARE OF THE PROBLEM. PARTLY IN RESPONSE TO USG PRESSURE, THROUGH MAINLY TO PRESERVE THE ACCORD WITH WEST GERMANY, THE GOB HAS SCRUPULOUSLY RID ITS PEACEFUL NUCLEAR PROGRAM OF ANYTHING THAT COULD BE TAKEN AS IMPLYING NUCLEAR WEAPONS AMBITIONS. THE GOB HAS JUST AS SCRUPULOUSLY EXCLUDED SENSITIVE MATERIAL AND TECHNOLOGY FROM THE SCOPE OF BILATERAL NUCLEAR COOPERATIVE AGREEMENTS RECENTLY CONCLUDED OR UNDER NEGOTIATIONS. ON THE OTHER HAND, OUR UNILATERAL DECISIONS TO IMPOSE NEW RULES FOR NUCLEAR COOPERATION UNDERCUT ESTABLISHED INSTITUTIONS SUCH AS THE NPT, IAEA, AND THE NUCLEAR SUPPLIERS GUIDELINES. NEVERTHELESS, THESE INSTITUTIONS APPEAR TO BE ALIVE AND WELL, LARGELY OWING TO THEIR OWN FUNDAMENTAL STRENGTH AND THE COLLECTIVE AWARENESS OF THE MEMBER NATIONS TO AVOID A PROLIFERATING WORLD. IN PART. BY DRIVING POTENTIAL CUSTOMERS TO THIRD-COUNTRY SUPPLIERS OUR NUCLEAR EXPORT POLICIES HAVE LESSENED USG INFLUENCE THROUGH OTHER SUPPLIER NATIONS ARE APPLYING SAFEGUARDS OF EXPORTS.

FOURTH, MANAGEMENT OF US NON-PROLIFERATION POLICIES AND NUCLEAR SUPPLY ARRANGEMENTS OVER THE PAST DECADE HAVE NOT HELPED OVERALL US INTERNATIONAL RELATIONS. OUR OPPOSITION SINCE 1974 TO THE BRAZILIAN DETERMINATION TO OBTAIN NUCLEAR FUEL CYCLE TECHNOLOGY AND THE ATTEMPT TO DISSUADE WEST GERMANY IN 1977 CONTRIBUTED TO A SERIOUS DETERIORATION IN THE BILATERAL RELATIONSHIP AND ACCELERATED AN EXISTING GOB TENDENCY TO DIVERSIFY THE COUNTRY'S INTERNATIONAL INTERACTIONS AWAY FROM THE US TOWARD EUROPE AND THE DEVELOPING WORLD. AS A RESULT, THE GOB PERCEIVES THE US AS NEITHER A RELIABLE NUCLEAR SUPPLIER NOR EVEN A RELIABLE PARTNER IN ENERGY AND SCIENCE--THROUGH THIS PERCEPTION IS MELLOWING. BRAZIL AS WELL AS OTHER NATIONS CONSIDER US NUCLEAR EXPORT POLICIES AS UNILATERAL DECISIONS NOT TO MAINTAIN FULL INTERNATIONAL COMMITMENTS. THIS COINCIDES WITH INCREASING SCRUTINY AND QUESTIONING OF US COMMITMENTS IN OTHER AREAS. SIMILARLY, DEVELOPING NATIONS, PARTICULARLY THE MIDDLE TIER, CONSIDER THAT CONTROLS ON THE TRANSFER OF SOPHISTICATED TECHNOLOGY NOT ONLY DISCRIMINATE AGAINST THEM BUT ALSO TRY TO ENHANCE AIMED AT RESTRAINING THEIR ECONOMIC DEVELOPMENT AND MODERNIZATION.

6. FOURTH, US NON-PROLIFERATION POLICIES SEEM TOO LEGALISTIC AND MECHANISTIC, WITHOUT ADEQUATE FLEXIBILITY TO ADDRESS SPECIFIC NATIONAL AND REGIONAL OPPORTUNITIES. WITHOUT THE FLEXIBILITY TO ACHIEVE THE MAXIMUM FEASIBLE IN POLITICAL TERMS, WE MAY END UP ACHIEVING FAR LESS. FOR EXAMPLE, THE LABORIOUSLY NEGOTIATED TREATY OF TLATELOLCO PROBABLY REPRESENTS AS FAR AS BRAZIL AND ARGENTINA ARE WILLING TO GO. THE TREATY'S LANGUAGE, WHILE INADEQUATE FOR US NEEDS, EXCEEDS EXISTING IAEA TRILATERAL SAFEGUARDS AND WOULD PROVIDE A GOOD BASIS FOR OBTAINING CONCESSIONS SUCH AS SAFEGUARDS ON ALL NUCLEAR ACTIVITIES. IT THUS SEEMS OF DOUBTFUL UTILITY TO HAVE FORMULATED IAEA TLATELOLCO-TYPE SAFEGUARDS THAT EXCEED WHAT THE TREATY REQUIRES AND HENCE WHAT BRAZIL AND ARGENTINA ARE WILLING TO ACCEPT. SIMILARLY, OUR RENEWED OPPOSITION TO THE WEST GERMANY-BRAZIL NUCLEAR COOPERATION IN 1977 CAME TOO LATE FOR EITHER SIDE TO REVERSE COMMITMENTS AND SUCCEEDED ONLY IN ANTAGONIZING THEM. INDEED, THE PRESENT PROGRAM, WITH ITS CONCENTRATION ON MASSIVE CENTRALIZED TECHNOLOGIES, MAY BE MORE PROLIFERATION-SAFE THEN THE ALTERNATIVE (STILL ESPOUSED BY THE NUCLEAR PROGRAM'S SCIENTIFIC CRITICS); THAT IS, THE DISPERSED AND GRADUAL DEVELOPMENT OF A BROAD DOMESTIC RESEARCH, DEVELOPMENT AND DEMONSTRATION PROGRAM AIMED AT AN INDEPENDENT BRAZILIAN INDUSTRIAL CAPABILITY, WITHOUT GUARANTEES OF SAFEGUARDS.

7. FIFTH, THE NRC SEEMS AN INAPPROPRIATE BODY TO HAVE THE FINAL WORD ON NUCLEAR EXPORTS, HENCE, ON A KEY ASPECT OF OUR NON-PROLIFERATION POLICY. BEING A TECHNICAL AGENCY WITHOUT INTERNATIONAL EXPERTISE, THE NRC SHOULD BE RESTRICTED TO DECISIONS WITHIN ITS COMPETENCE SUCH AS A NUCLEAR SAFETY AND SECURITY. THE NRC'S ROLE OVERRIDING THE NEGOTIATING PROCESS IS AN UNNECESSARY COMPLICATION AND ONE THAT IS RESENTED BY THE GOB BECAUSE OF THE DEBATABLE VALUE OF AGREEMENTS REACHED WITH EXECUTIVE BRANCH NEGOTIATORS. THE POSSIBILITY THAT THEY CAN BE REJECTED CAUSES DELAYS, AND EXPENSE FOR BRAZIL.

8. LASTLY, THE USG NUCLEAR EXPORT AND NON-PROLIFERATION POLICIES HAVE OVERESTIMATED OUR MEANS TO INFLUENCE OTHER NATIONS. WE ADOPTED A POLICY ULTIMATELY BASED ON DENIAL PRECISELY WHEN US SUPPLIERS OF NUCLEAR POWER REACTORS AND FUEL WERE LOSING THEIR COMPETITIVE EDGE TO CANADIAN, FRENCH, GERMAN AND SOVIET SUPPLIERS. IN LATIN AMERICA, BRAZIL AND ARGENTINA HAVE TURNED TO THIRD-COUNTRY SUPPLIERS AND DEPEND ON THE US ONLY FOR FUEL FOR RESEARCH REACTORS. IN SEEKING ADDITIONAL CONDITIONS FOR NUCLEAR EXPORTS, WE ARE THUS IN A POSITION OF ALL STICKS AND NO CARROTS.

9. TO CONCLUDE, I FAVOR THE STRICTEST POLICIES ON NUCLEAR EXPORTS AND NON-PROLIFERATION THAT WOULD ACHIEVE THE MAXIMUM FEASIBLE SUCCESS. HOWEVERBM OUR PRESENT POLICIES AND PROCEDURES DO NOT SEEM TO BE ACHIEVING THAT. THERE IS TOO MUCH DISPARITY IN THE WORLD SYSTEM ON NUCLEAR POLICIES TO LEGISLATE A SINGLE SET OF RULES.

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THE CURRENT ASSESSMENT COULD STRENGTHEN OUR NON-
PROLIFERATION POLICIES BY CONSOLIDATING GAINS MADE THUS
FAR AND DEVELOPING FLEXIBLE BUT CONSISTENT GUIDELINES
FOR POLICY IMPLEMENTATION IN THE FUTURE. SAYRE

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