

requirements will demand the construction of at least 20 reactors, essential as initial support for the future development of the nuclear industry. As opposed to other sources of energy, he added, nuclear energy is one of the

cleanest sources of energy and it does not contaminate the environment. Besides, the risk of accidents is much less than that from any other combustible given the security measures which have been established.

## Vance Is At It Again

Secretary of State Cyrus Vance began a four-day diplomatic tour of Argentina, Brazil, and Venezuela Nov. 20 in yet another effort to somehow subvert the Brazil-West German nuclear technology agreement. Highly placed sources in Washington and Latin America revealed last week that the White House has two basic objectives riding on Vance's mission: first, stall the Brazilian nuclear program as long as possible; second, prevent Venezuela and Argentina from allying with Brazil on a perspective of nuclear technology transfers from the advanced sector.

The Brazilian nuclear question has become the hub of a fight that has erupted within the State Department and other policymaking layers of the Carter Administration. It is now recognized that the Carter policy of direct confrontation against the West German deal, combined with the pressure of the "human rights" insult, has been a total failure. As a result, Brazil, the traditional linchpin of U.S.-Latin American policy, has strengthened its commitment to nuclear energy and has moved closer to European powers who oppose the U.S. government's energy stance.

In an attempt to salvage U.S.-Brazilian relations, the "old guard" associated with the diplomacy of Henry Kissinger in the State Department demands the Administration drop its confrontationist profile and opt for a "softer" policy to buy time. The rationale for this approach was described in detail by Roger Fontaine in the latest issue of *Foreign Policy*. (see below.)

As the "package" of supposed U.S. concessions to be presented to the Brazilians indicates, Vance has settled on the "old guard" option. Last week's announcement by the State Department recommending export permits to be granted for the sale of uranium to Brazil is merely an enticement. As one Washington source explained, it is Vance's "visa" — without it, he would not even get the Brazilian to sit down with him. Columnist Edgardo Costa Reis, in the Rio de Janeiro daily *O Globo* confirmed this scenario Nov. 17 by revealing that Washington admits that Vance's "package of offers" is intended to provoke a "postponement" of the West German agreement.

Vance's chances of actually sabotaging the Brazil-West German deal, however, lies less in this direct diplomacy with Brazil than they do in his manipulation of Argentina and Venezuela against the Brazilian deal.

### *Argentina's Role*

Vance is certainly not limited to a "soft" line in his dealings with Argentina the way he will be in Brazil. In Argentina he will pressure the Videla regime on the human rights issue, for concessions on Argentina's own ambitious nuclear program which can then be used as

leverage against Brazil. One option is to rope both nations into a "regional" nuclear pact that would include mutual inspection to enforce "nonproliferation."

As the Stanley Foundation, a Wall Street think-tank, spelled out regarding the "regional" approach several months ago, under such an agreement, the U.S. could effectively police against undesired technologies (such as the full-fuel cycle system being made available to Brazil by West Germany) and maintain control over Latin American uranium supplies.

All indications are that Buenos Aires will not be able to offer much resistance to Vance's gameplan since the total collapse of the Argentine economy has left the government desperate for trade and credit. A Stanley Foundation source remarked that if Brazil were in the same economic shape as Argentina, Brazil would already have buckled "four times over" to U.S. pressures to drop the West German deal. Secondly, Argentina's nuclear program, based on the use of heavy water technology in its reactors, is already highly dependent on the U.S. and Canada. Finally, the political instability of the Videla regime makes it very vulnerable to "human rights" armtwisting.

The U.S. monetarist press has already opened fire on the human rights question. On Nov. 21, the day Vance arrived in Buenos Aires, the *Washington Post* editorialized that Argentina is "ready" for concessions on human rights, with the suggestion that the Videla government push for "regional cooperation" on nuclear energy. Similarly, Juan de Onis in the *New York Times* Nov. 20 stressed the "anti-semitic" violence in Buenos Aires — a cue to the Argentine government that the financially powerful "Jewish Lobby" in the U.S. should not be offended.

Argentina is already bending under the pressure. Less than a week before Vance's trip, the Argentine Foreign Ministry's top advisor on nuclear matters was invited to dinner with John Stanley of the Stanley Foundation, where sources report he viewed the "regional" nuclear control scheme very favorably. Furthermore, Foreign Minister Oscar Montes signed the 1974 Tlatelolco non-proliferation treaty — which Brazil still refuses to do — on the day Vance arrived.

### *Roping In CAP*

Venezuelan President Carlos Andres Perez's leading role in shaping the Third World's campaign for a new world economic order has prompted Vance to place special emphasis on preventing Venezuela and Brazil from forming an axis in favor of nuclear energy. Temporarily, he has succeeded, even successfully manipulating Perez to attack the Brazil-West German deal.

During his crucial three-day trip beginning Nov. 16 to Brazil for summit talks with President Ernesto Geisel, Perez completely endorsed the Stanley Foundation's scheme for multilateral nuclear control and praised Carter's energy policy — a position that is not only directly antagonistic to Brazilian nuclear development, but represents a complete turnaround of CAP's earlier stated policy.

In his groundbreaking interview with *Jornal do Brazil* Sept. 26, CAP had indicated his total support for Brazil's "right and necessity" to develop its own nuclear energy, signaling a break with his previous tacit support for the Carter "nonproliferation" policy. In the weeks that followed, this stand was reiterated several times, including in comments by the Venezuelan ambassador in Brazil, who told the press that his country is anxious to start a nuclear program of its own.

However, in a subsequent interview with *Jornal* on Nov. 13, Perez called for the creation of a "Latin American nuclear energy enterprise" to remove "all doubts" as to the exclusive peaceful use of nuclear energy — indicating precisely that he did have doubts about Brazilian intentions. A few days later, Thomas O'Toole of the *Washington Post* "leaked" that Vance was going to propose a similar "regional" nuclear organization for fuel reprocessing during his tour. The Brazilian foreign ministry immediately rejected Perez's proposal, and the State Department, noting this, quickly denied the *Post* story.

Once in Brazil, however, Perez continued to stick with his U.S.-inspired plan, emphasizing doubts about whether Brazil's program can remain peaceful. He even identified himself openly with the Carter Administration's "worries" on this count.

How and why did Perez allow himself to be identified as an emissary of the Carter Administration? The answer is to be found largely with his foreign minister, Simon Alberto Consalvi. Sources in Brazil and Caracas acknowledge that it is Consalvi, a Brazilian "expert" trained at Columbia University, and a personal friend of Zbigniew Brzezinski, who has been forging Venezuela's turn toward Brazil since his predecessor, Ramon Escovar Salom, was ousted last summer. It is clear that Consalvi has convinced the Venezuelan President that Brazil cannot be trusted. Moreover, he has played on long-standing Venezuelan fears of a Brazilian invasion, urging Perez to cautiously open limited diplomatic channels on the condition that Brazil must at all costs be prevented from "getting the bomb." Consalvi undoubtedly also warned Perez of the danger of burning all his bridges behind him by antagonizing the Carter Administration.

The chances for Vance's success are slim. As the *Christian Science Monitor* commented this week, Vance may well be walking into a "diplomatic hurricane." If he's lucky, Brazil may treat him as a mere tourist. And although his friend Consalvi has Perez's ear, the danger for the Carter Administration is that Brazil and Venezuela have nonetheless set up channels — almost totally blocked for 15 years — that can lead to precisely the kind of alliance for nuclear power that Vance seeks to avoid.

## For a "Soft" Policy

*Roger Fontaine, head of the Latin America division of the Center for Strategic and International Studies, recommended that the U.S. appear to soften its policy on Latin American nuclear energy development in an article published in Foreign Policy, Fall 1977.*

The United States and Brazil have ended more than a century of close ties. The destruction followed a trumpet blast from the Carter administration consisting of two shrill notes: human rights and nonproliferation. President Carter... wanted to restore respect for human rights in Brazil and, more importantly, to prevent that country from acquiring a complete nuclear fuel cycle and hence the bomb. The objectives were laudable; the implementation is another, rather sad matter.

We have alienated a friend and old ally, and we did not get (nor will we likely get) what we sought in the first place. Worse, we have probably increased the chances that Brazil will select the nuclear option by the end of the century. That decision will be made by a generation of Brazilian leaders who have accepted Charles DeGaulle's warning: Don't trust the Americans if your greatness is at stake....

The first move of the Carter administration was to place direct pressure on the Germans to cancel the agreement, commencing with Vice-President Walter F. Mondale's trip to Bonn last January. That move had the effect of virtually canceling the "memorandum of understanding" which had been signed by the U.S. and Brazil less than a year earlier (for regular consultations on a broad range of economic, political and technological matters — ed.)....

The German-Brazilian accord might have unraveled by itself. Until we blundered into the china shop, serious doubt was arising about the quality of the goods being offered. Furthermore, given Brazil's pinched budget, there might have been a stretchout or even cancellation of some parts of the agreement. American alternatives, if presented at the proper moment, might have been listened to in Brazil....

Now, of course, national pride is at stake: public positions are chiseled in granite, and any suggestions from Brazil's former friend will be treated with suspicion, if not outright hostility. Indeed, the current regime may even accelerate development, despite current budget restraints, in order to prove Brazilian independence....

## CAP: Brazil Must Develop Nuclear Power

*Jornal do Brazil, Sept. 27:*

The Venezuelan president (Perez) indicated that "it was worth clarifying the position of Venezuela on Brazil's nuclear program," and said "It will assure the strengthening of the industrial and economic development of that great neighboring country."

"Brazil not only has the perfect right to develop its nuclear energy, but also needs to do it..."

"Brazil is perhaps the Latin American nation which can no longer wait to begin its nuclear development..."

He asserted that Venezuela defends the thesis of the use of nuclear energy "exclusively for peaceful purposes" and that Latin America aspires to be one of the denuclearized zones of the world, in so far as the use of atomic energy for bellicose purposes is concerned.

## Brazil, Venezuela Agree

*Response by Brazilian Foreign Relations Ministry to an official statement of support for Brazil's nuclear program from the Venezuelan government. Printed in the Venezuelan daily El Nacional, Oct. 30, 1977.*

Today, the Brazilian Foreign Relations Ministry commented that "without a doubt the (Venezuelan President's comments) reflect the coincidence of points of view on the nuclear issue between Brazil and Venezuela, and explains the climate of understanding between the two countries."

## Stanley Foundation: Limit Latin America's Nuclear Capability

*The following is taken from a conference discussion of "U.S. Nuclear Policy and Latin America" sponsored by the Stanley Foundation, Dec. 10, 1976. Among the participants were Brazil specialist Riordan Roett, director of Latin American Studies for the John Hopkins University School for Advanced International Studies; Lincoln Gordon, U.S. Ambassador to Brazil during the 1964 coup; and the director of International Relations division of the Rockefeller Foundation.*

In discussing U.S. nuclear proliferation policy relative to Latin America, there was a shared assumption by participants that Argentina and Brazil intend to become fully self-sufficient in all aspects of the nuclear fuel cycle as soon as possible...both are considered very near a nuclear explosive capability, assuming an affirmative political decision and, as mentioned earlier, both have carefully kept their options open by refusing to become party to regional or global nonproliferation agreements...but have permitted International Atomic Energy Administration safeguards as part of purchases of nuclear equipment from foreign governments.

...If a satisfactory solution is to be found to the threat of nuclear proliferation in Latin America, it will probably be in the context of resolutions of pending critical economic, social, trade, and energy issues....

All participants believed that a U.S. nuclear policy which attempts to freeze either, or both nations, into a permanently inferior position...will be perceived as insulting, and resisted. Rather than seeking to inhibit their technological momentum, we should endeavor to help create a political situation which will permit them not to proceed with the development of nuclear explosive devices. The U.S. should initiate high level discussions with both nations regarding U.S. nuclear policy, and their nuclear aspirations and energy requirements.

One suggested approach is to encourage cooperative efforts between the two Latin American nations, building initially upon a common approach to energy problems ...Interconnected with the above is the often discussed suggestion that the U.S. should support establishment of a regional nuclear fuel cycle center to meet some of the nuclear requirements of Argentina, Brazil, and other Latin American nations....

There was considerable support for serious consideration of establishing a regional spent fuel storage facility, with principal Argentine and Brazilian investment and control, in a relatively neutral country such as Paraguay....U.S. support for the establishment of such a facility could be expressed, while emphasizing our own decision to defer reprocessing and plutonium recycle for the indefinite future. Such a policy, it was argued, could conceivably make it possible for both Argentina and Brazil to painlessly decide not to advance into further development of reprocessing....

## Perez: Safeguard Against Atom-Power Race

*At a Nov. 18 press conference, Venezuelan President Perez had this to say on Brazil's and Argentina's energy plans:*

I believe in the sincerity of what was told me (by Presidents Geisel and Videla). But since we are thinking in terms of integration, in terms of the region and not in terms of individuals, it is necessary that we create in the region all the safeguards which are indispensable to assure that in the future no ruler and no political system in Latin America will be given the right to begin an atomic arms race....We have confidence in what Brazil is doing, but we will have more confidence when we reach an inter-American agreement which assures the denuclearization of Latin America in an undoubtable manner.

## U.S. Energy Policy Defended

*Venezuelan President Perez's characterization of the Carter Administration's energy policy was presented in O Globo, Nov. 18:*

President Andres Perez again defended the creation of a regional enterprise to control the production of nuclear fuel in Latin America....He said that the position of the President of the United States, Jimmy Carter, in relation to nuclear energy has two basic purposes:

"In the first place, it was more directed towards Europe to show that technology can not and should not be sold like any kind of merchandize. In the second place, to guarantee that everyone is convinced world denuclearization is worth whatever effort is necessary!"

## Brazil Rejects Regionalization

*Folha de Sao Paulo, Brazilian daily, editorial page feature by Luiz Alberto Bahia, Nov. 16, 1977:*

It follows the logic of the policy of great power status that Itamarati refused to support the proposal of President Andres Perez to set up a Latin American nuclear energy enterprise. The Brazilian Government has a program which is strictly national in appearance, but binational in reality. Its nuclear project is put together in intimate association and interdependence with the German Federal Republic. The central conception of the deal is to give to Brazil power — extensive nuclear potential, including military — in the shortest possible

time — even if we put ourselves in a position of technological dependency.

....The Venezuelan proposal is, without doubt, the only one which would guarantee the banishing of nuclear military possibilities from our continent. International and internal safeguards against military deviation of peaceful energy programs are never sufficient, so long as nation states reserve the sovereign right to develop nuclear energy.