

Report from Rio by Nilder Costa

Nuclear deal negotiated with Germany

Will the Dark Ages forces succeed in stopping construction of Angra-2 from going ahead, or will science prevail?

Minister of Mines and Energy Marcus Vinicio Pratini de Moraes announced with great fanfare on July 10 that he had just negotiated a \$862 million financial package in Germany for Brazil's nuclear industry with the German Economics Ministry and Dresdner Bank. The accord will allow Brazil to restart construction work on the Angra-2 nuclear plant, which has been paralyzed for nine years.

According to Pratini de Moraes, a total of \$1.5 billion will be needed to complete construction of Angra-2, which means the Brazilian government will have to put up \$640 million in local currency to complement the money from Germany. While the full terms of the German deal have not been made public, the weekly *Relatorio Reservado* in its July 13 edition claimed the conditions imposed on Brazil are very tough, including demands for the eventual privatization of Angra-2, and of Angra-3 which will be built later.

But *Jornal do Brasil* hailed the accord in a July 15 editorial entitled "Atoms for the Future." The accord negotiated by the energy minister will allow Brazil to follow the example of France, for instance, where five of every 10 bulbs are lit by nuclear energy, it said.

"All of Europe has already inoculated itself against the alarmism that was fed by the Chernobyl accident. The truth is that the problems created by technology are solved by technology. In the last century, obscurantist resistance attempted to exploit the fears against hydroelectric energy, but

it did not succeed for long. Man did not abandon electrical energy because of the confusion sowed by last century's false science," the editorial said.

"Among the reasons to support restarting Angra-2, it should be recalled that barely 0.5% of the energy consumed in Brazil is nuclear. For an economy that prides itself on being the world's eighth largest, it is a mark of technological backwardness. It is through knowledge, science, and the spirit of progress that Brazil will jump forward, and not with the marks of backwardness that we try to hide in vain," noted *Jornal do Brasil*.

The optimistic climate generated by the news that the new German-Brazil nuclear accord will allow for the immediate restarting of construction at Angra-2, however, is tempered by the policies the Fernando Collor de Mello administration has otherwise followed regarding the strategic Brazilian nuclear energy sector ever since it came to power. In 1990, the government commissioned a high-level working group to develop a policy for the nuclear sector. The commission, known as GT-Pronen, recommended a plan that, if adopted, would have given Brazil mastery over the full nuclear technology cycle by the year 2015 at the latest. Predictably, the government filed away the report.

At the end of November 1990, a week before a scheduled visit to Argentina and Brazil by U.S. President George Bush, the Presidents of those two countries, Carlos Menem and Fernando Collor de Mello, signed an accord allowing for each to monitor

the other's nuclear programs, installations, and materials. The agreement, which was witnessed by Hans Blix of the International Atomic Energy Agency (IAEA), granted the IAEA full oversight rights over the nuclear programs of both nations.

Already ratified by the Congress of Argentina and the Congress of Brazil, the accord, in practice, means they have given a blank check to the monitoring of the Non-Proliferation Treaty (NPT.) As if that were not enough, soon after the accord was ratified, Brazil announced that it also intends to formally adhere to the Tlatelolco Treaty, which forbids nuclear weapons "south of the Rio Grande," and which Brazil had systematically rejected for the past 25 years.

Besides these technological restrictions, there are economic ones as well. It should be noted that of the \$860 million offered by Germany, \$580 million are monies that were approved previously but never allocated because Brazil failed to appropriate the necessary matching funds.

Those funds are not likely to ever be allocated, if the decision is left up to current Economics Minister Marcilio Marques Moreira. During a visit to Germany at the beginning of this year, Marques Moreira proclaimed that the Brazil-German nuclear accord was useless.

Nonetheless, it could be that in the end, Brazil's famous pragmatism will prevail. Although the construction of Angra-2, and even of Angra-3 is not sufficient, it is at least a start. For the pragmatist current, personified within the government by Energy Minister Pratini de Moraes, it makes more sense to complete Angra-2, even under conditions that are not completely favorable for Brazil, where it must continue paying \$120 million a year to store and guard its nuclear equipment in the port of Hamburg, Germany.