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**2nd FOIA Number:**

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# FOIA MARKER

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<b>WHORM Category Code:</b>	TA003
<b>WHORM Category Name:</b>	Export Registration

<b>Document Number:</b>	175023
<b>Alpha File Name:</b>	

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UNCLASSIFIED  
ACTION DATA SUMMARY REPORT

RECORD ID: 9007394

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 JOHNSON  
001  
001 STATE  
002 JOHNSON  
002 STATE

Z 90091812 PREPARE MEMO FOR SCOWCROFT  
Z 90091820 ACTION TRANSFERRED  
Z 90091820 RECOMMENDATIONS  
Z 90121209 PREPARE MEMO FOR SCOWCROFT  
X 90121811 DIRECT REPLY

UNCLASSIFIED

TO: SCOWCROFT

FROM: ROY, J

DOC DATE: 11 DEC 90  
SOURCE REF: 9020318

KEYWORDS: BRAZIL  
TECHNOLOGY TRANSFERS  
ARMS SALES

EXPORT CONTROLS  
PERSIAN GULF  
CO

PERSONS:

SUBJECT: ALLEGED BRAZILIAN PROLIFERATION

*14 Dec 90*

ACTION: PREPARE MEMO FOR SCOWCROFT DUE DATE: ~~21 SEP 90~~ STATUS: S

STAFF OFFICER: JOHNSON LOGREF: 9007406 9007426

FILES: WH NSCP: CODES:

DOCUMENT DISTRIBUTION

FOR ACTION  
JOHNSON

FOR CONCURRENCE  
BARTH  
LAMPLEY  
TOBEY

FOR INFO  
BASORA  
CHARLES  
DEAL  
HAASS

*12/17 Return to State for direct reply by State.  
This was been done with Bill Ayce & Arnee Kanter.*

COMMENTS:

~~*Handled together under with # 7451 as  
one package - close file for it & etc*~~

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ BY HAND W/ATTCH

OPENED BY: NSJWD CLOSED BY: DOC 2 OF 2

NATIONAL SECURITY COUNCIL

ID 9007394

REFERRAL

DATE: 18 DEC 90

MEMORANDUM FOR: STATE

STATE SECRETARY

DOCUMENT DESCRIPTION: TO: SCOWCROFT

SOURCE: ROY, J

DATE: 11 DEC 90

SUBJ: ALLEGED BRAZILIAN PROLIFERATION

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REQUIRED ACTION: DIRECT REPLY

DUE DATE:

COMMENT:

FOR

  
GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT



9020318  
United States Department of State

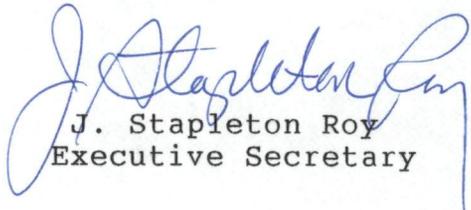
Washington, D.C. 20520

December 11, 1990

MEMORANDUM FOR BRENT SCOWCROFT  
THE WHITE HOUSE

Subject: Alleged Brazilian Proliferation

Attached is a draft reply for signature by President Bush to a letter of September 12, 1990, from Senators Nunn, Inouye, Warner, and Stevens on the subject of alleged Brazilian proliferation.

  
J. Stapleton Roy  
Executive Secretary

Attachment:  
As stated

20 02015 198: 23

STATE DEPARTMENT'S DRAFT RESPONSE

Dear Senator (name):

In response to your inquiry concerning the export of rocket motor casings from the United States to Brazil, let me briefly outline what happened.

Seven rocket motor casings were involved. Their stated use was as components of a Brazilian space launch vehicle (SLV). They were shipped from Brazil to the United States, where they were heat treated for strengthening, and then returned to Brazil pursuant to a U.S. munition license granted by the Department of State.

This license was originally issued in October 1989 by a State Department licensing officer without interagency review, based on a judgment that the application did not request the provision to Brazil of any U.S.-origin hardware or technology.

When it came to the attention of the interagency nonproliferation community that a license had been issued in this case, a review was initiated. The license was suspended pending completion of the review, but at a point when the initial shipment of seven casings had already reached the U.S. company which was to perform the heat treatment.

This case was reviewed at senior levels in the Administration, taking into account a number of considerations. The Brazilians acted in good faith by applying for a license to allow the heat treatment of the casings to take place. The casings remained the property of Brazil and we had no legal authority to seize them without compensation. At the same time, the Administration wanted to underscore its firm policy of avoiding even the appearance of support for programs of missile proliferation concern.

Based on these factors, the review concluded that existing policy guidance had been incomplete. The Administration decided to permit the re-export to Brazil of the seven casings which had already received heat treatment but to revoke the remainder of the license (for 11 more motor casings) and to deny any subsequent license applications for this purpose from the Brazilian space program.

We have pressed the Brazilians very hard on both proliferation issues and arms exports in general. A decision to seize the casings would have produced a strong reaction in Brazil, undercutting those, including President Collor, who support constructive efforts against nuclear, chemical and missile proliferation and who seek a more cooperative relationship with the United States. When I visited Brazil, I used the opportunity to strengthen further our nonproliferation efforts.

The United States maintains a policy of export restraint that applies equally to space launch vehicle and ballistic missile development programs. This policy reflects the provisions of the Missile Technology Control Regime, to which fourteen nations formally adhere, as well as the underlying fact that space launch vehicles and ballistic missiles share a common technology, and in many cases, common components. Nothing in our handling of this specific export case should be interpreted as a change in policy.

Sincerely,

George Bush  
The White House

NATIONAL SECURITY COUNCIL

ID 9007394

REFERRAL

DATE: 18 SEP 90

MEMORANDUM FOR: ROY, J

STATE SECRETARIAT

-9020318

DOCUMENT DESCRIPTION: TO: PRESIDENT

SOURCE: NUNN, SAM

DATE: 12 SEP 90

SUBJ: LTR FM SENS EXPRESSING CONCERNS RE POSSIBLE EXPORT OF ROCKETS  
COMPONENTS TO BRAZIL

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REQUIRED ACTION: RECOMMENDATIONS

DUE DATE: 21 SEP 90

COMMENT:

FOR

*Walter E. Aries*

GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

*Received in S/S I & J/Sec  
1114 at 10:15 AM (CPL)*

September 13, 1990

Dear John:

Thank you for your September 12 letter to the President, cosigned by Senators Inouye, Nunn, and Stevens, expressing your concern about the possible export of rocket components to Brazil.

I have shared your comments with the President and have forwarded your letter to Brent Scowcroft so that he, too, is aware of your concerns.

Thank you again for writing.

With best regards,

Sincerely,

Frederick D. McClure  
Assistant to the President  
for Legislative Affairs

The Honorable John W. Warner  
United States Senate  
Washington, D.C. 20510

FDM:HGP:

bcc: w/ copy of inc to NSC - for DIRECT  
Response

bcc: w/ copy of inc to Dept. of State -  
FYI

bcc: w/ copy of inc to Dept. of Defense -  
FYI

bcc: w/ copy of inc to Dept. of Commerce -  
FYI

September 13, 1990

Dear Senator Nunn:

Thank you for your September 12 letter to the President, cosigned by Senators Inouye, Warner and Stevens, expressing your concern about the possible export of rocket components to Brazil.

I have shared your comments with the President and have forwarded your letter to Brent Scowcroft so that he, too, is aware of your concerns.

Thank you again for writing.

With best regards,

Sincerely,

Frederick D. McClure  
Assistant to the President  
for Legislative Affairs

The Honorable Sam Nunn  
United States Senate  
Washington, D.C. 20510

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175023  
7394

# United States Senate

COMMITTEE ON APPROPRIATIONS  
WASHINGTON, DC 20510-6025

September 12, 1990

The Honorable George Bush  
President  
The White House  
Washington, D.C.

Dear Mr. President:

We wish to express our support for your actions to date in responding to Iraq's aggression in the Persian Gulf which has threatened not only the security of the Persian Gulf nations but the state of the world economy. The deployment of military forces in accordance with the United Nations charter conveys to Saddam Hussein that aggression and violation of international law will not be tolerated by the world community.

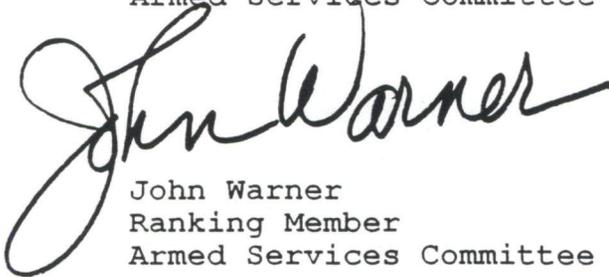
It is against this background of strong determination to resist aggression that we are alarmed by the State Department's decision to approve the export of rocket components to Brazil, a nation that has done much to assist Iraq in developing its ballistic missile capacity. The export of these rocket casings, coming at a time when the United States has taken the lead in fashioning a total embargo against Iraq, endangers the effectiveness of this embargo. Should military action be required, American forces should not have to face weapons produced with the assistance of their countrymen.

It is our understanding that this equipment could be exported to Brazil at any moment. We strongly urge you to reverse the State Department's approval of this license and prevent the shipment of these rocket components to Brazil.

Thank you for your consideration of this request.



Sam Nunn  
Chairman  
Armed Services Committee



John Warner  
Ranking Member  
Armed Services Committee

Sincerely,



Daniel K. Inouye  
Chairman  
Senate Appropriations  
Subcommittee on Defense



Ted Stevens  
Ranking Member  
Senate Appropriations  
Subcommittee on Defense

September 13, 1990

Dear Senator Inouye:

Thank you for your September 12 letter to the President, cosigned by Senators Nunn, Warner and Stevens, expressing your concern about the possible export of rocket components to Brazil.

I have shared your comments with the President and have forwarded your letter to Brent Scowcroft so that he, too, is aware of your concerns.

Thank you again for writing.

With best regards,

Sincerely,

Frederick D. McClure  
Assistant to the President  
for Legislative Affairs

The Honorable Daniel K. Inouye  
United States Senate  
Washington, D.C. 20510

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FYI

September 13, 1990

Dear Ted:

Thank you for your September 12 letter to the President, cosigned by Senators Inouye, Nunn, and Warner, expressing your concern about the possible export of rocket components to Brazil.

I have shared your comments with the President and have forwarded your letter to Brent Scowcroft so that he, too, is aware of your concerns.

Thank you again for writing.

With best regards,

Sincerely,

Frederick D. McClure  
Assistant to the President  
for Legislative Affairs

The Honorable Ted Stevens  
United States Senate  
Washington, D.C. 20510

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