In February 1985 Tancredo Neves, Brazil's new civilian president, met Alfonsín. The latter proposed a wide programme of nuclear cooperation, including guarantees and inspections, with a view to establishing greater confidence between the two countries. Neves was not as much a free agent as Alfonsín, whose military were quite cowed at this stage. Instead, he faced armed forces just recently in the saddle and well able to exert pressure on his government. And those forces were still keen on a nuclear programme. By November the two made a joint statement on nuclear policy and announced a mixed working group headed by their respective foreign ministries to sustain relations between the two countries in the nuclear sector. At the same time both stated that they would not acquire nuclear weapons.

It was of course easier for Argentina than Brazil to keep these promises. The armed forces were to keep their control of the Brazilian parallel programme for some time still. Some Brazilians were also suspicious of the Argentine offers, saying that Buenos Aires could make such proposals because it was further ahead than Brazil in this domain and had little to loose by freezing research at that time. But in August the new president Sarney announced to the Germans a reduction in Brazilian resources to be given over to the joint programme. This was going even further than the Argentines who nonetheless meanwhile signed their first treaty outlawing a nuclear activity, in this case, nuclear testing in the atmosphere.

Brazil even went so far in December as to invite the Argentines to visit one of their main nuclear centres. Alfonsin returned the favour for the next year. The next month the disclosure of secret bank accounts connected with the parallel programme was added to other disquieting information on related matters. While troubling for the Argentines in the short term, in fact these events strengthened Sarney's hand with the military. Cuts followed to the national body dealing with nuclear energy and its director resigned. Relations with Brazil were now improving so fast that Alfonsin was able to receive Sarney at the key centre for nuclear arms projects – Pilcaniyeu. The next year, Menem responded in kind, insisting that the high cost of the nuclear programme could simply no longer be sustained.

For the Argentines, internal political and economic contexts were added to international ones. In addition, on the international front, the Menem government did not hesitate to suggest that pragmatism would dominate. Contesting Brazilian, and indeed US, power had cost Argentina far too much in the view of the new government. Logic obliged the country to look for a reinsertion into the international community, especially on the economic front, if it was to launch the economy again.

Menem moved quickly to reduce tensions with the British over the Falklands (the 1982 war had still not been declared officially over by Buenos Aires as late as 1989), reestablish diplomatic relations with London, and establish a wide range of confidence building measures (CBMs) with Britain. Knowing that the route to better relations with Europe ran through London, Menem swallowed his pride and put the sovereignty issue on hold ("under an umbrella", as it was termed). One of the CBMs put in place was British assistance to strengthen relations between Argentina and Europe.