

Latin America

A turn to the East in trade programs

by Mark Sonnenblick

While Jimmy Carter's top antinuclear diplomat was left cooling his heels in Buenos Aires on March 25, a West German technical team in the same city completed negotiations for the sale of a nuclear power station to Argentina. Meanwhile, two top Argentine officials toured Soviet nuclear centers and examined the nuclear technology being offered by Argentina's *leading* trade partner, the Soviet Union.

In only three years, the Carter administration's crusade for "human rights" and its efforts to prevent the use of nuclear energy—and indeed, any industrial development—in the least developed countries have lost for American industry and agriculture one market after another. Even the hoary rhetoric of anticommunism trumpeted by military regimes is no longer an effective prophylactic against Soviet economic penetration of America's erstwhile trade partners. Carter adviser Zbigniew Brzezinski and a faction in the Pentagon are still plotting the extension of NATO into the South Atlantic. But the necessary mainstays of any such operation, Brazil and Argentina, have made a mockery of Carter's "Soviet grain embargo" by exporting millions of tons of additional grain to the U.S.S.R. at premium prices.

Argentina euphoric

The liberal *New York Times* waxes hysterical in its March 26 editorial, "Argentina's Silent Partner": "Argentina's anti-Communist junta is the toast of Moscow for having increased grain sales to the Soviet Union in defiance of the American embargo. Thus do two nations ignore ideologies so sacrosanct. ... The Argentine generals, for all their pronouncements about defending Western civilization, have shown that their principles are stuffed with straw."

As the *Times's* feeling of deception certifies, General Videla's government seems to be making the supreme sacrifice: giving up the hopes nurtured in repeated visits by Henry Kissinger of being made Southern Hemisphere members of the Trilateral Commission.

"The feeling in Argentina, generated by the country's defiance of the U.S. embargo, is one of euphoria," complains the *Washington Post*. "It can now demonstrate its independence from the United States, show the world the importance of a Third World power, enhance its own self-esteem and gain national solidarity, since almost every faction in the political spectrum seems to agree with the government's position on the embargo." Such a national triumph at the expense of Washington bolsters the sagging position of General Videla, whose Friedmanite economic policies have just caused the collapse of the fourth largest bank amid 123 percent inflation and labor discontent. Not since the 1978 World Cup soccer victory has the dictator seen such unity.

The Carter administration has tried to veto Argentine grain and nuclear decisions by sending down General Andrew Jackson Goodpaster of West Point in January, Commerce Undersecretary Luther Hodges two weeks ago, and "Special Ambassador for Non-Proliferation Matters" Gerald Smith this week. Argentine military men basked in the attention they were getting from Washington after years of ostracism. Goodpaster got nowhere; Hodges' office said: "All I can tell you is that he went down and came back"; and Smith was wined and dined while German negotiators approved Argentine safeguards on KWU's sale of a nuclear power station to Argentina.

Brazil also turns to Europe

The Brazilians are also extremely attentive to the better deals coming from Europe—and from the Soviets in particular. They have been quite discreet but insistent, in selling a couple million tons of corn to the Soviets at \$10 per ton above U.S. export prices.

Similarly, the French aircraft industry is about to make an agreement potentially worth billions with Brazil on the basis of the kind of technology transfer abhorrent to Washington and to many short-sighted U.S. corporations. The French Air Force has agreed to buy 35 Xingu training planes from Brazil, instead of from Cessna or Beechcraft. The French state-owned SNIAS will assemble helicopters in Brazil and use Brazil as a "showcase" for marketing to all of Latin America. Brazilian airplanes are considering buying the Airbus, instead of the 747, and the Brazilian Air Force will buy 50 Mirage-50 fighter-bombers (the highest priced item), if austerity constraints can be breached. And the Brazilian Army Chief of Staff will be off to West Germany in June to seek similar arrangements in sales and production rights of down-to-earth hardware.

Meanwhile, Brazil is making peace with its historic enemy Argentina; they are negotiating agreements on shared communications satellites, joint aircraft production, and even nuclear cooperation.