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## BRAZIL

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# Figueredo in Bonn: uncertainties persist

by Mark Sonnenblick

Brazilian President João Figueredo's promise during his May 17 to 19 visit with West German Chancellor Helmut Schmidt, that "the Brazilian government has fulfilled and will completely fulfill its commitments" on peaceful nuclear energy cooperation between the two countries, broke through the climate of uncertainty that had built up around the nuclear deal as well as the trip itself. The opponents of nuclear development in Brazil and their allies in the London press had mounted rumors to the effect that Brazil would renege on its promise to carry out the most ambitious technology-transfer agreement between partners from the "North" and the "South."

Figueredo reflected those pressures in an interview with German television on the eve of his trip, in which he strongly hinted that "the economic difficulties Brazil is living through" could force some reduction in the size or the pace of the nuclear program. Although those economic problems are real and quite painful, however, Brazil did not seek to renegotiate the nuclear agreement.

New economic deals were signed between Brazil and West Germany, including \$370 million in loans for nuclear, railroads, and other projects. West Germany—whose largest investments in the Third World are in Brazil—agreed to pump in another \$900 million of investments, including a \$700 million aluminum complex. Such business, however, was not the main subject of the talks.

### How to deal with Reagan

The rulers of the two most developed economies in Europe and the Third World, respectively, meeting on the eve of Schmidt's visit to the United States, were actually most concerned to exchange views on how to handle the Reagan administration.

Figueredo stressed that what the developing countries of the South need from the advanced countries is technology, capital, and especially markets for their products. He explained Brazil's desperation to repeat last year's 36 percent increase in its exports of manufactures, which is the key to its plan for recycling its \$60 billion foreign debt. However, with world markets shrinking, Brazil has resorted to subsidies to promote its exports. This has caused friction with the United

States and the European Community.

Although SPD Chairman Willy Brandt pressed his strategy for North-South relations on Figueredo during their hour-long meeting, he failed to gain public support for it from the Brazilians.

### 'Dual power'

Figueredo's apparent success in Germany contrasts with a sharply deteriorated economic and political picture at home in Brazil. On the political front, he has been boxed in by hardline military factions which fear and oppose Figueredo's determination to open up the political process so as to build a broad civilian base for the regime.

Terrorism is playing a role in determining Figueredo's plans. A bomb went off just outside the stadium in Rio de Janeiro on May Day eve where 20,000 Brazilians were gathered to listen to protest music. The bomb exploded in the hands of a sergeant of the Army's Red Squad (the DOI-CODI), killing him and critically wounding a captain of the same service. The sports car the plainclothes officers were riding in had fake plates and carried two more identical bombs. Three similar vehicles fled after the blast.

"The bomb went off right inside the government," Justice Minister Ibrahim Abi-Ackel later exclaimed. It caused what some observers are calling "the worst crisis since 1964."

Figueredo responded to the terrorist challenge, saying, "Not one, not two thousand bombs will change my decision to persevere with the political opening." But the crisis he now faces is over whether, when, and how to act on what can no longer be covered up—part of the government security apparatus itself is committing terrorist acts. Brazil's disaffected right has performed at least 20 similar major acts of violence during the last year . . . but none of the cases has been solved.

Figueredo has been reluctant to move against the right-wing terrorists for fear of splitting the military. He is now waiting for the First Army—the prime suspect—to complete its own investigation of the Rio bomb explosion. "Figueredo is trying to buy time, until he can have full control over the Army High Command," say expert observers of the Brazilian military.

Time may not be on his side, however. In the words of a journalist who testified in congressional hearings on terrorism, "there are parallel governments in the country. Nowadays, the person who least gives the orders in the country is President Figueredo."

This weakening of Figueredo's authority is just what the terrorists want. If the Jesuit-run Brazilian left now reverts to its 1967-1971 terrorist posture, a civil brawl would provide the pretext for closing the "democratic opening" and radically shifting Brazil's domestic—and perhaps its international—course.