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## Brazil

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# Haig's courtship wins apparent success

by Dennis Small, Latin America Editor

A sense of satisfaction has been exuding from the U.S. State Department over the current direction of relations between Brazil and the United States. After seven years of increasingly independent foreign policy and domestic economic development plans, Brazil is beginning to return to the fold and follow American policy leads—as defined by the people now running U.S. foreign policy, Alexander Haig and his mentor Henry Kissinger.

This emerged most clearly in the wake of the mid-January trip to Cuba by one of Brazil's leading industrialists and head of the Brazilian Chamber of Commerce, Ruy Barreto. Barreto led a five-man delegation which stayed in Cuba for five days, during which time it met with Fidel Castro for four hours, and discussed trade deals between the two countries totaling no less than \$1 billion per year.

Since anti-communist Brazil currently has no ties—either diplomatic or commercial—with Cuba, Barreto's visit received a good deal of press attention. The Brazilian business leader encouraged this publicity by traveling to New York for a prominent speaking engagement immediately after his Havana trip. And amid predictable but unconvincing finger-wagging from Planalto, the Brazilian presidential palace, and from Itamaraty, the foreign ministry, as well as from the Reagan administration, the truth of the Barreto trip emerged: it had been pre-planned with U.S. Vice-President George Bush.

Bush's office has of course denied this report, but reliable Brazilian source told *EIR* that the Barreto trip was quietly okayed by both the Brazilian government and Mr. Bush. Henry Kissinger's home base, the Jesuit Georgetown University's Center for Strategic and International Studies (CSIS), brags that it masterminded the whole project.

The unmentioned part of this potential Brazilian-Cuban deal is this. In exchange for urgently needed trade and other economic aid from Brazil, Castro is being invited to allow Brazil to replace Cuba's role in Africa, and facilitate the return of Cuban soldiers to the island. Since Brazil has developed excellent relations with Black Africa—in particular with Angola, where it already has

extensive economic interests—Kissinger and Co. are hoping that Cuba might accept from Brazil what they would never tolerate coming straight from the United States. Brazil, for its part, is willing to play the game only if it is not openly identified as an American surrogate. There is no indicati

arrangement would be acceptable to Castro.

For Kissinger and Haig, a Brazilian role in Africa—in itself not necessarily either good or bad—is only one aspect of a far-ranging “package deal” being negotiated between the U.S. and Brazil—a deal of a scope unseen since the days, almost a decade ago, when Secretary of State Kissinger established a “special relationship” between the two countries.

What the State Department is offering Brazil in exchange for the African deployment, and for otherwise “returning to the fold,” is one simple item: political and economic stability during the crucial 1982 congressional elections in that country. Without this, the ruling PSD party fears it will run the risk of losing its grip on power. State's offer entails the following:

1) A slight easing up on the economic pressure Volcker's stratospheric interest rates have inflicted in Brazil. On top of its publicly admitted need for \$18 billion in loans to cover this year's debt service, Brazil also requires another \$8 billion to roll over short-term paper. Without some kind of debt relief, the military government will lack both the financial resources and the overall economic conditions necessary to win an election. In a word, the U.S. banks have Brazil over a barrel.

2) The State Department has finally agreed to allow Brazilian President Gen. J. P. Figueiredo to visit the United States in May of 1982. Figueiredo had long sought this invitation, which is crucial to bolstering his domestic image.

The shift in U.S.-Brazil relations has become visible only over the last few weeks, but the real turning point can be identified as occurring in August 1981. It was then that State Department and Israeli pressure combined to force the retirement of President Figueiredo's principal policy adviser and the *eminence grise* of the Brazilian regime, Gen. Golbery de Couto e Silva. Golbery had resisted hitching Brazil's future to Kissinger's wagon, and defended an independent pragmatic foreign policy. His removal has meant the waning of the power of his entire “Sorbonne” faction in the military, to the benefit of the opposing “Medicista” faction, which is named after the hard-line former President, Gen. Garrastazu Medici. Thus, Golbery was replaced by one of Medici's former top advisers, Gen. Leito de Abreu. And there are persistent rumors in Washington that Brazil will soon be naming a new U.S. envoy to replace Ambassador Azeredo Da Silveira, and that he too will come from the Medici camp. The name of former Foreign Minister Gibson Barboza is among those frequently mentioned.