
BRAZIL

'No hope for us, the way we are going'

If there were direct elections for the Brazilian presidency this year, Vice-President Aureliano Chaves would win, according to the latest polls. But direct popular elections are unlikely.

São Paulo industrialists and military nationbuilders who fear that the International Monetary Fund's policies will make Brazil into another Iran view Chaves as the statesman capable of bringing national unity to face the crisis.

'Brazil's IMF agreement cannot work'

Chaves visited Washington and New York on March 15-23. He addressed the debt question at a press conference: "The way the agreement [of Brazil] with the International Monetary Fund is now set up, the country cannot comply with its international obligations. How are we going to accept paying our international commitments by stopping, amputating, and intercepting our productive capacity? We have to chose new paths."

The next day, in New York, what he had to say about Franklin Delano Roosevelt, whose home he had just visited, convinced reporters he was projecting his own program for Brazil:

"When Roosevelt replaced president Herbert Hoover in 1933, he found the American nation drowning in a terrible recession. Of about 120 million people, 17 million were on the unemployment index. American industry was hit by a sharp and sustained drop in production. American agriculture which always had been a bulwark was in a state of enormous depression. American foreign trade had fallen to dangerous levels. There was enormous social unrest and worrisome national demoralization.

"In the first 100 days, Roosevelt sent Congress 15 bills. . . . He restored confidence . . . through the fireside chats. . . .

"The American recession coexisted with an important fact, the economic liberalism carried to an extreme in that period.

"President Roosevelt was a man who . . . was committed to free enterprise, to the market economy, but he found him-

self compelled to make incursions into the American economy, not to intervene for its own sake, but to bring back an ordering principle.

"He was compelled to take initiatives in areas which were unattractive to private enterprise, but were fundamental to the American economy from a broader perspective.

"For example, the initiative to create the Tennessee Valley Authority . . . the first step toward furnishing electricity on a large scale to permit the recuperation of a region which had inexorably been condemned to extreme misery. . . .

"It was evident that no private electric company would make that kind of investment. What was needed was the vision of a statesman who would discern the future rather than focus on the present. A businessman, battered by the here and now, generally tends to look at the day-by-day as though he did not need the future. He tends to see the day-by-day and to project tomorrow as a function of today. The vision of a statesman extends a bit beyond that."

Chaves said that he gathered from his brief meeting with President Reagan that Reagan "comprehends President Figueiredo's efforts to consolidate democratic life . . . and comprehends that Brazil must resume development to comply—as it wishes to do—with its international commitments.

'To roll over debt is to increase it'

"For us to have satisfactory results, we must change the methodology being used to balance our foreign debt. . . . The initiative on this must come from us. The initiative must come from the debtor countries, especially Brazil. . . .

"There is no hope for Brazil the way we are going. We are taking palliatives; we are apparently solving the problems of the moment, today's problems, and aggravating tomorrow's problems. Rolling over the debt does not mean paying the debt; it means increasing the debt. . . .

"Brazil cannot live for long with a recession. Development must be resumed; thus any foreign debt payment agreement which aggravates the recession in Brazil is a harmful prescription."

EIR asked Chaves whether the impending visit of Mexican President de la Madrid to Brazil would bring into play "the new methodology for negotiating the foreign debt" which Chaves had called for. Chaves replied, "I think the visit of President de la Madrid to Brazil is extremely important. . . .

"I think an exchange of information, of points of view, and even of what could be called doctrine would be very useful. The [debt] negotiation process may not be a joint one—since each country has its own peculiarities—but the doctrine which will inform the negotiations could have many points of agreement. . . .

"I think that Mexico is having a very sure vision of its reality and is being extremely cautious about the way in which it is going to exploit its natural resources. It is being careful to avoid its natural resources being exploited in a predatory, injudicious manner."