

Brazil bows to U.S., dynamites its relationship with Iraq

In the 1970s, Brazil's relationship with Iraq was an exemplary case of two developing countries putting together their brains and their resources to progress together. After the Baghdad government nationalized the Iraq Petroleum Company in June 1972, the Seven Sisters oil cartel thought it could force Iraq to its knees by imposing an embargo on the technology needed to develop the oilfields. The Brazilian state oil company, Petrobrás, short-circuited the cartel's plan. It discovered and brought into production a major oilfield in Iraq. Until recently, oil-rich Iraq provided oil-poor Brazil with a guaranteed flow of oil at stable prices. In exchange, food-rich Brazil provided Iraq with a guaranteed flow of foodstuffs. Thousands of Brazilian engineers and skilled workers went to Iraq to design and build the nation's railroad and road system. The Brazilians transferred their technological knowledge in many areas to new Iraqi engineers and technicians. It was perhaps the most successful example of "South-South" cooperation overcoming obstacles to development placed by the neocolonialists.

The following is a condensation of a memorandum prepared by EIR's Rio de Janeiro bureau, and circulated in Brazil's political, military, industrial, and church circles. It details the chronology of Brazil's succumbing to U.S. pressures to break off its relationship to Iraq, and redirecting its foreign policy to suit the designs of a superpower condominium, following the Saddam Hussein government's retaking of Kuwait.

The immediate and unquestioning acceptance by the Brazilian government of the sanctions imposed on Iraq is a dangerous precedent which offends national sovereignty and subjects the country to the international condominium between the superpowers.

This grave precedent cannot be viewed as an isolated incident. It is but the coronation of the new Brazilian government's submitting the country to the "universalist" delirium widespread among its diplomats, by which national initiative would be subordinated to one-world government, which would rule in the name of "world peace."

In the case of the Middle East, concrete actions taken by the Brazilian government as part of its new political orienta-

tion helped to isolate Iraq in the wake of an international operation which, in recent months, left that nation without any options for survival. Brazil's attack on Iraq—a traditional ally and major economic partner—began after President Fernando Collor de Mello took office, with the shutting down of the government's trading company, Interbrás. This lucrative Petrobrás subsidiary was responsible for all foreign dealings involving petroleum, and arranged almost 70% of Brazil's trade with Iraq. In 1989, Brazil imported \$1.4 billion from Iraq and exported \$343 million.

In July, Brazil renegotiated its oil contracts with Iraq to reduce its imports by nearly 40% (some 100,000 barrels per day). One week before the current Persian Gulf conflict began, the Brazilian government began negotiating with Iran for that oil.

U.S. pressures

International orchestration against the Brazil-Iraq partnership was quite evident before Iraq moved into Kuwait. The daily *Jornal do Brasil* reported July 31 on U.S. efforts to thwart the sale of an IBM supercomputer to EMBRAER [Brazil's successful aircraft-manufacturing company]. The argument was that it could be used in an alleged Brazilian-Iraqi nuclear missile project. Two days before, the *New York Times* published a piece by Gary Milhollin, director of the obscure Wisconsin Project on Arms Control. Milhollin warned, "There is a dense network of relations between nuclear bomb builders in Iraq and Brazil." He demanded that the U.S. government stop the supercomputer sale. Milhollin asserts that Brazil "should be party to the Nuclear Non-Proliferation Treaty, have all of its nuclear activities under international inspection, and have a nuclear trade agreement with the U.S. Brazil fails on every count."

The conflict began three days later. Brazil's first reaction was soft. In an Aug. 3 interview in the daily *Folha de São Paulo*, Petrobrás President Luiz Octavio de Motta Veiga said, "The U.S. position of suspending oil purchases from Iraq is not the same as Brazil's."

Several Brazilian dailies reported pressures by U.S. Ambassador Richard Melton. Melton asked Brazil to take tough measures against Iraq. The daily *O Estado de São Paulo*

reported Aug. 8 that President Bush had sent a written personal appeal to President Collor in which he asked him to join the trade boycott against Iraq. According to *Folha* of Aug. 12, the note offered that, "if Brazil enforces the boycott of Iraq, George Bush would intercede with Venezuela, Ecuador, Saudi Arabia, and the United Arab Emirates for them to provide the country with oil."

On Aug. 8, *O Estado* reported President Collor's statements that "our dependency regarding Iraqi petroleum imports today is much less than it was last year; it seems that we even foresaw what would happen." For his part, the secretary general to the presidency, Marcos Coimbra, a career diplomat largely responsible for the current changes in Brazil's foreign policy, confirmed that the new government, long before the beginning of the conflict, had had the intention of putting an end to Brazil's special relationship with Iraq. He was reported in *O Estado* of Aug. 12 saying, "Despite our short time in the government, we were fast enough to anticipate this crisis, promoting changes in the profile of Brazilian foreign trade with the Middle Eastern countries. We increased our purchases from Iran and we fully revised our relations with Iraq."

The Brazilian government's final position was consummated when the United Nations Security Council approved, with no opposition, an economic embargo against Iraq. In a press conference, Brazilian Foreign Minister Francisco Rezek reported that "Brazil has no reason to act separately. Our bilateral commerce with Iraq is not big enough for us to hold a unique position." He also justified Brazil's position of going along with the Security Council, "even though it is a more severe position." He did so on the argument that Iraq's invasion of Kuwait was an "unusual" episode.

Superpower condominium calls the shots

Brazil's foreign policy dilemma was analyzed in a series of *O Estado* editorials July 31 to Aug. 5. The newspaper reported Foreign Minister Rezek's remarks in a July 23 speech at the Superior War College, that "while today's evident neo-détente between Washington and Moscow is being celebrated, we are still witnessing with uneasiness the superpowers' continued preference for dealing with questions relating to the world's security and strategic balance in an exclusionary bilateral manner—or, in the best of cases, through negotiations between military alliances."

O Estado assesses, "In the foreign minister's view, the superpowers, having divided up the world, decided that international cooperation would assure a tolerable level of poverty for the Third World." This analysis shows, on the one hand, that Itamaraty [Brazil's Foreign Ministry] is fully conscious of the world's new power axis and has even adopted the notion of a cynical superpower "condominium." On the other hand, there is a big gap between this understanding and the concrete actions it is taking in the Middle East, where Brazil has behaved in obedience to the very condominium it pur-

ports to condemn.

Consequences for the future

The current Brazilian government's actions in the Middle East are undermining the foreign policy independence which Brazil has practiced over the past 15 years. Its attempt to make Brazil part of the "North" is isolating it from the countries of the South. If Brazil discards its independent policy toward Africa and the Middle East, it would tend to be confined to a role in the Western Hemisphere under the tutelage of Washington's neocolonialist approach to the region.

The Brazilian government's enthusiastic embrace of President Bush's "Enterprise for the Americas" scheme for a hemispheric free market, underscores the country's foreign policy dependency, through its new, automatic alignment with the United States, with nothing in return. The U.S. economy is in too big trouble itself to give any real help to the recovery of the Ibero-American economies. On the contrary, the Bush administration will do everything in its power to prevent other developed countries—such as Japan—from helping the subcontinent, and will keep up pressures against Brazil's economic, social, and technological development.

The U.S. government is also likely to pressure, in the name of the world condominium, against the fields in which Brazil has made impressive advances in state-of-the-art technology in recent years. Brazil's autonomous nuclear program and aerospace are two such fields. Brazil's subservient diplomacy in the Middle East conflict can be expected to elicit a new round of pressures for it to sign the Nuclear Non-Proliferation Treaty and to cut the armed forces' R&D budgets to shreds.

The breaking of Brazil's special relationship with Iraq is being seen by Anglo-American strategic planners as an excellent opportunity to dismantle Brazil's military industry and armed forces, as per instructions from the Trilateral Commission for dismantling all Ibero-American armed forces. This strategy was outlined in a document entitled *Latin America at the Crossroads: A Challenge to the Trilateral Countries*, presented to the commission's April 21-22 meeting in Washington, D.C.

President Collor's sympathetic view of the environmentalist assault against national sovereignty will only serve to give that issue greater visibility in the area of foreign relations. Debt-for-nature deals can be expected to proliferate. *Jornal do Brasil* reported Aug. 12 that environmentalist entities have formed consortia for debt-for-nature conversions run by foreign banks, in flagrant violation of Brazilian sovereignty.

To summarize, the new Brazilian foreign policy orientation could make the country pay a very high price. It subjects it to the world condominium's decisions; it renounces autonomous technological development; and it accepts foreign interference in strictly national matters.