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BRAZIL-US RELATIONS

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12 March 1973

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BRAZIL-U.S. RELATIONS

A MONOGRAPH

by

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ABSTRACT

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This paper addresses Brazil's drive toward becoming a world power, and how that struggle will affect her Latin American neighbors and the United States. The author attempts to predict Brazil's future relations with the United States by making an analysis of her recent history and of Brazil today. The paper includes an assessment of the current military political regime, the military and its role in government, Brazil's natural resources, the economy, and current plans and programs for social and economic development. The paper concludes that the military government will remain in power for at least five more years, that present economic policies will continue, and that social progress will move slowly. Brazil will seek a greater role in Latin American affairs, and will continue to strive to become a world power. Relations with the United States will be good, but Brazil will continue to assert a desire to be treated as a co-equal. Brazil will remain staunchly aligned with the West, and with the United States.

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BRAZIL-US RELATIONS

BRAZIL ON THE MOVE

Today one frequently reads about the remarkable progress being made in Brazil. In recent years that nation has often been referred to as the "Land of the Future," "A Potential World Power," "The Great Colossus to the South," "A New Japan," and many such flattering and suggestive titles. Brazil, a nation of great undeveloped potential, is undergoing one of the most rapid and dramatic transformations of any country in the world today. Having lain dormant for the century and a half since it gained independence, that Latin American giant has suddenly burst forth from its cocoon of underdevelopment to seek its place among the great powers of the world.

With its vast territory of over 3.2 million square miles and a population approaching 100 million, it is the fifth largest and the eighth most populous nation in the world. It is the third largest country in the Western Hemisphere, surpassed only by Canada and the United States. It occupies half the South American land mass, is larger than the Continental United States, and is larger than all of Europe, excluding the European part of the USSR.¹

And perhaps even more important than its size is its tremendous wealth of natural resources. Brazil holds 15 percent of the world's supply of iron ore, large deposits of bauxite, gold, nickel, diamonds, manganese and tin. Brazil has the world's most extensive river system, and more miles of navigable inland waterways than any other country.²

The country's hydroelectric potential is among the world's largest.³ Brazil is the world's principal coffee producer, currently exporting one-third of the world's total consumption.⁴

From the standpoint of size, population and natural resources, Brazil has the potential to break into the small clique of major world powers. And even more striking than the bare statistics of Brazil's wealth is the fact that now, at long last, something is being done to exploit her potential.⁵

Within the past decade, Brazil has virtually leaped from its position as a weak underdeveloped nation to one which competes with noteworthy distinction in the world economic arena. Since 1964, Brazil has doubled the output of steel, electricity, and cement; trebled automobile production; raised the value of exports by 250 percent, and more than doubled national savings. She averaged more than nine percent annual growth in the GNP during the past four years, gaining an estimated growth of 10 percent in 1972. In 1971, Brazil achieved an 11.3 percent increase--higher than any other nation in the world for that year. Brazil is presently exporting more manufactured products than all the other Latin American countries combined.⁶ Her exports, already worth \$3.5 billion annually (1972), are expected to exceed the \$5 billion mark by 1975.⁷

During this period Brazil has been staunchly anticommunist, and closely aligned with the West. She has assumed a leadership role on numerous Latin American issues in the International arena, and has provided foreign aid to some of her smaller neighbors.⁸ Trade

relations have been expanded in Europe, the Middle East, Africa, and the United States, as well as with her neighbors in Latin America.⁹

Many authorities predict that Brazil will achieve major power status within a decade or two. A number of recent articles by writers on the Latin American scene agree with Brazil's President Medici that Brazil will reach that goal by the turn of the century.¹⁰ In view of the current economic progress, the vast potential of the nation, and the vitality and drive of the people, one might conclude that Brazil is really on the move to becoming a great power. Whether Brazil achieves that high station to which she aspires no one can be certain, however, it seems certain that Brazilians are determined to give it a try. The results of that struggle are sure to impact, not just in Brazil, but throughout Latin America and the Western Hemisphere.

The course which Brazil pursues, and her success or failure will undoubtedly have a significant impact upon relations with the United States. The purpose of this paper is to assess the probable course of events for the coming decade and to determine their impact upon relations between Brazil and the United States. Since it is the governmental leadership which holds the key to stability or to any form of consistency in the country, it will be that element upon which the primary focus of this paper is made.

Brazil-US relations will be patently dependent upon what happens in Brazil. Thus two assessments are needed--first, what will Brazil do, and second, how will Brazil's actions impact upon the US.

BEFORE THE COUP

In large measure, Brazil's recent prosperity can be attributed to the efforts of the authoritarian military political regime that assumed control of the government in 1964.¹¹ The take-over occurred when the ineffective, corrupt, and left-leaning regime of President Joao Goulart was ousted by a military coup.

The intervention of the military had been preceded by a particularly devastating crisis which had brought the country to the edge of bankruptcy. The economy had been so undermined that a recovery seemed virtually impossible without drastic government intervention and new management. Inflation was completely out of control, rocketing to above the annual rate of 140 percent during the first quarter of 1964. The country's per capita income declined and domestic capital fled abroad in response to erratic government policies, while domestic production stagnated.

Goulart's tenure was marked by recurring political crises centering mainly on his alleged sympathies for communism. Conservatives and the military considered his policies too far left; middle-of-the-road Brazilians were alienated by his inability to halt the chaos in government and to check inflation--the cost of living rose 300 percent during his 31 months in office; and liberals were disgusted by the open corruption of the government, which extended all the way up to the president himself.¹²

Commenting on this period, an American economist wrote:

In the past nine years, one president of Brazil nearly spent the country into bankruptcy, his erratic successor resigned after seven months in office, and the next man did his best to deliver the nation to communism and corruption, before the military threw him out. Brazil's economy naturally remained in a state of chaos and its political life was a bruising free for all.¹³

THE MILITARY TAKE-OVER

Even with this setting, there was a reluctance on the part of the military to take over the government from the properly constituted authority. The military traditionally considered themselves to be the protectors of the constitution, and historically demonstrated extreme loyalty to this trust. Even the military anthem includes the words "We are the guardians of the Nation."¹⁴ Therefore, only by rationalizing that the constitution was threatened did they find justification in removing Goulart. Goulart himself provided the threat when he repeatedly criticized the constitution, claiming that it was archaic and obsolete.¹⁵

Even so, it was not until Goulart's policies threatened the discipline and internal security of the military that they reached a decision to take action against the regime. When he offered amnesty to a group of sailors and marines who had refused to obey the orders of their superiors, the military promptly moved to oust him from the seat of power.¹⁶

Since the armed forces deposed Emperor Dom Pedro II in 1889, they have served as the final arbiter of all major political disputes.

Seven times since, they have resorted to direct military intervention to change governments; however, the overthrow of President Goulart in 1964 initiated the first period of military rule in the history of the republic.¹⁷ It is in this regard that history does not provide an indication of what can be expected of the military government in Brazil's future.

Historically, the armed forces have evaluated the action of any regime in the light of their own interpretation of what was needed to protect the constitution and preserve democratic institutions. When the regime was found wanting, they issued a warning in which the threat of armed intervention was implicit. Political leaders usually conceded promptly for they were aware that the military possessed the strength to impose its desires.¹⁸

In all previous cases of military intervention, the military promptly returned control of the government to civil authorities.¹⁹ In the past, the military felt neither the urge nor the ability to play a greater role in government affairs. Two significant considerations played an important part in changing the attitude which resulted in an increased role in government for the military. First, was the military's sense of responsibility to the nation, and second, a realization that the government could do much more for the good of the nation. In the first consideration, a view of how Brazilians esteem their military is pertinent; in the second, the influence of the West, and, in particular the United States, played a noteworthy role.²⁰

A NEW ROLE FOR THE MILITARY

The changing role of the military in the political institution is explained by Alfred Stepan in his "The Military in Politics--- Changing Patterns in Brazil:"

The maintenance of a boundary to the military's role in the political system---limiting them to removing a president---had always meant that major participants in the political system were free to continue to operate after such a removal.

Among significant groupings of military officers . . . was the belief that there were some key political actors, both civilian and military, who were either so corrupt or so sympathetic to Communism that they were illegitimate participants in the system and had to be removed from politics semi-permanently. This could only be done if the military themselves had a strong role in the government and so could execute these purges.

An even more basic feeling was that the economic and political systems were so profoundly disturbed that radical changes were necessary. These changes, it was believed, could only be accomplished by a military role in which many of the normal constitutional privileges were suspended long enough for restructuring to be completed.²¹

The military is a highly respected profession in Brazil. Most Brazilians are proud of their defense establishment. The prestige of the officer corps results, in part from the fact that most officers by virtue of birth already possess the credentials of social status, and also in part, from the simple fact that their contribution to the security and well-being of the nation is appreciated.²²

Brazilians have a deep-rooted, long-standing pride in their military. In 1654, at the time Portugal regained independence from Spain, she was too weak to move against the Dutch who had invaded

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Brazilians have a deep-rooted, long-standing pride in their military. In 1654, at the time Portugal regained independence from Spain, she was too weak to move against the Dutch who had invaded

Brazil. With no desire to delay, waiting for help from Portugal, the Brazilian colonists organized their first military unit and drove the Dutch from the country. Their pride was rekindled during World War II when only Brazil, among the Latin American nations, provided ground forces to fight in Europe alongside the Allies. Fighting in Italy, they acquitted themselves with distinction, winning the accolades of Allied Commanders, and receiving the surrender of an entire German Division.²³

The military's performance on the domestic side also gains the support and approval of the people. Basic military policy and strategy are oriented internally--to providing national security rather than to fighting outside the nation's borders. The military plays an important role in Brazil's economic development by means of many factories, plants, shipyards, and similar facilities which it operates. In this manner the military provides work for a sizeable number of civilian employees throughout the country. The view that national security and economic development are closely related undoubtedly accounts for the fact that most important state corporations and development agencies in Brazil today are in the charge of senior military officers.²⁴

The military also plays a high visibility role in Civic action; men in uniform build roads, bridges, railways, dams, reservoirs, and power stations and carry out other projects to expand existing or to create new opportunities for economic expansion. Engineers and medical personnel work in villages on small community welfare and

development programs, while the Air Force delivers mail and provides air service to remote areas. For these many services to their country, and because of their attitude toward the task, the military has long been held in high esteem by the people of Brazil.²⁵

WESTERN INFLUENCE

In World War I, Brazil participated on the side of the allies by providing naval support to patrolling the west African coast. During World War II, a 25,000 man Prazilian Expeditionary Force (FEB) fought alongside the United States forces in Italy. Although Brazil did not participate in the Korean conflict, army units were dispatched to the Suez area and to the Congo under United Nations auspices, and army units participated with other Inter-American Peace Forces in the Dominican Republic in 1965. During the Viet Nam conflict, Brazil provided a medical team and supplies to support the US war effort, becoming the only Latin American nation to contribute to the US effort.²⁵

In addition to the wartime associations, Brazilian officers regularly attended (and still attend) senior command and staff level service schools in the United States.

The imprint of the US military can also be seen in the influential Escola Superior De Guerra (ESG)--the Brazilian Superior War College--organized in 1949 in the image of the US Army War College and the Industrial College of the Armed Forces in Washington. This school, with a US liaison officer on the faculty, is the government's "think-tank" and is responsible for the development of many of the plans being

implemented on the national level by the present government. During the academic year, each class tours the US as a guest of the US government, visiting major military and industrial complexes. These visits usually include a short meeting with the president of the United States.²⁶

Further evidence of such a pro-US attitude on the part of a large number of Brazilians was expressed in a statement made by Foreign Minister Magalhaes in a major foreign policy speech in November 1966 when he hailed the United States as the "Unquestionable leader of the Free World" and the "principal guardian of the values of our civilization." He pointed out that the United States was Brazil's best customer, largest investor, and foremost source of technical knowledge.²⁷

Thus, at least in part from their association with the United States, the military gained appreciation of the need for stability and planning in their own government. This awareness, combined with increased confidence in their ability to participate in the political arena, prompted them to try their hand in politics.

THE MILITARY GOVERNMENT

Since the military takeover in 1964, the nation has made remarkably consistent and even spectacular progress, especially in the development of its economy. By placing competent, talented, and dedicated men in positions of responsibility in the government, and by rigidly adhering to plans and programs, generally in line with

those developed at the ESG, the government was able to achieve a rate of development that merited world-wide attention.²⁸ These talented men, often called "technocrats," are not inhibited by political affiliations and diversions of interest which might be experienced under many forms of government.²⁹ Additionally, many military officers hold positions of high responsibility in government, especially in heading the most important state corporations and development agencies.³⁰

When the military took over, they promised, among other things, to return the government to civilian control as soon as feasible. They emphasized, however, that there were many problem areas to correct, and many ineffectives to be rooted out of the system before they would release control. Thus far, although they have faithfully kept most other promises, the military still holds the reins of government. The third president since the coup is still in office, and like his predecessors, is a four-star general.³¹

In analyzing the performance of these officers in a political leadership role, one cannot escape the impact of the ESG upon the military government. Even as early as 1963, the mission of that school was to prepare "civilians and military to perform executive and advisory functions especially in those organs responsible for the formulation, development, planning, and execution of the politics of national security." Enrollment in the school included a high proportion of civilians, many coming from positions of high responsibility in all walks of life, including government service. Attendance by such officials as congressmen, judges, ministers; and professionals

that included doctors, lawyers, economists, writers, and the clergy, effectively spread the influence of the school.³²

The aim of the school was not only to train the military but to train those who would influence the government. The three military presidents have either been closely associated with the ESG or have adhered closely to the ideology espoused by the school. Four basic concepts central to the first of the military administrations, were included in a paper prepared by the ESG in 1971. These concepts reflect the ideology currently espoused by the ESG. The first idea is that security and economic development are closely related, and therefore the armed forces should take a direct interest in economic policy. The second is that foreign capital and technology are essential to the development of Brazil. Thirdly, the ESG is a leading proponent of counter-insurgency theory in Brazil and takes a very hard line on communism. Lastly, the ESG is an advocate of "tutelage democracy" therefore is committed to the idea of an eventual return to a constitutional system of government.³³

The continuing importance of the ESG in shaping military attitudes toward development strategy cannot be underestimated. Undoubtedly the influence of the ESG, combined with the Brazilian Expeditionary Force experience common to a large number of the members of the first post-coup regime was responsible for the intimate relationship of that regime with the United States, and a liberal view on foreign investments. The first military president was General Castelo Branco, Chief of the General Staff of the Army. He was a widely respected officer

held in high esteem because of his excellent combat record, his academic achievements, and his record of abstention from partisan politics. He was the highly decorated operations officer of the Brazilian Expeditionary Force, had graduated first in his class at two Brazilian service schools and was a graduate of the General Staff School in France. He had been closely associated with the ESG prior to the coup.³⁴

POLITICAL HOUSECLEANING

Upon assuming control of the government, the military began what they referred to as ridding the country of corrupt and subversive elements. This process amounted to arrest, banishment; removal from office, or deprivation of political rights, to include voting and holding office, of persons who had been influential in the leftist nationalist movement, or who were considered unfriendly to the military government.³⁵ These actions supported the ESG fundamental view of national security--the rational maximizing of the output of the economy and the minimizing of all sources of disunity within the country.³⁶

These actions successfully eliminated organized political party opposition, however, the regime was threatened from the left in the form of student demonstrations, urban guerrilla insurgents, the Catholic left, and local resistance groups. These groups became very active during the latter part of the decade, and in September 1969, two of the bolder groups kidnapped the US ambassador and held him for

72 hours until he was ransomed by the release of 15 political prisoners.

With an acute awareness of the seriousness of the threat posed by the insurgents, and in line with ESG hard-line policy the Brazilian military and police forcefully committed their energy to destroying the threat.³⁷ So harsh were their actions, especially the alleged use of torture, that they were subjected to world-wide criticism for their methods. Although the government never admitted the use of torture, in late 1971, President Medici relieved the Air Minister and purged a number of officers who had become notorious advocates of the harsh "counter-terror" tactics.³⁸

Despite all the criticism, the harsh methods were effective. Demonstrations ceased when they were declared illegal in 1968. In late 1969, soon after the kidnapping of the ambassador, Carlos Marighella, the leader of the urban insurgent groups, was killed,³⁹ and by early 1973, virtually all vestiges of these elements had been eliminated.⁴⁰

At present, there appears to be virtually no threat to the Brazilian military regime, except possibly from within the military itself. In "A Survey of Brazil" September 1972, The Economist magazine commented on the security of the regime:

Revolution is not a prospect that need give anyone sleepless nights if either the guerillas or the Brazilian Communists are meant to bring it about. The only credible threat to the system, in the short term, comes from inside the system itself--from the 'young Turks,' within the officer corps attracted by the idea of a Peruvian-type solution. And it is well

worth remembering that the only serious attempt at a communist uprising in Brazilian history required the support of some isolated army units.⁴¹

THE DOMESTIC SCENE

Under the tutelage of the military government, Brazil's economic plan has been executed in much the same manner as a military operations order might have been. The Brazilian economic development model provides for development of the economy first, and the redistribution of wealth later. This is the reverse of generally accepted doctrine, as well as in contrast to actual practice of other developing nations. Delfim Neto, Brazil's brilliant Finance Minister, points out that the traditional methods of development is not suitable to apply to Brazil since, unlike the experience of already developed nations, Brazil has to cope with problems like technological dependency and the established dominance of the industrial countries. Brazil's recent development is a classic example of the successful application of the principles of the free market economy to the problems of a developing country.

On the domestic side, Brazil still has problems. The gap between the rich and the poor is wider than before, the population growth rate of 2.7 percent, although low compared to the 3.5 percent of Mexico, is still one of the highest in the world; unemployment is still high, inflation still runs at 20 percent, although this is livable by Latin American standards; and the rate of illiteracy remains above 35 percent, high by anyone's standards. These problems are being addressed by the government, but progress is slow. Lagging social development is the

price of putting economic development first among government priorities. Nevertheless, the government is attempting to elicit the support of industry, by tax incentives and other benefits, to assist in the solution of these problems.⁴²

Numerous internal development programs are under way, with the boldest and most dramatic being the construction of the 3000 mile Transamazonian Highway which will transit the country from east to west through the rich Amazon forest. This project promises to open up new frontiers, to facilitate exploitation of the natural resources of the interior, and to assist in the resettlement of thousands of the very poor from the arid, drought-stricken Northeast Region of Brazil.⁴³ This project has created such enthusiasm that thousands of students, who only three years ago were demonstrating against the government, are now actively participating in the work.⁴⁴ The military, with seven engineer battalions committed to the highway, is also making its contribution.⁴⁵

POLITICS

Political stability is patently essential to any kind of continued social and economic prosperity in Brazil. Probably the single most important question in Brazil's near future is that of succession to the presidency. When General Medici steps down in 1974, the question of succession will involve two basic issues: First, will Brazil continue with the same basic economic strategy or move towards greater "nationalism" stressing redistribution of wealth rather than continued

growth, and second, will the government be open to greater civilian participation or will the military rule continue. On the first issue, most observers agree that, so long as the country's industrial boom and the influx of foreign capital continue, present economic policies will prevail. On the second issue, the best guess is that the military will remain in power, at least until 1978. Brazilians can therefore look forward to the present combination of economic liberalism and an authoritarian style of politics for the next five years, with the likely trend to return to greater civilian participation before the end of the decade.

LATIN AMERICAN RELATIONS

With regard to matters outside her own borders, Brazil undoubtedly aspires to a greater role in Latin American affairs. She has already moved to fill the void created by the reduced role which the United States is playing in line with the Nixon Doctrine. Despite her own foreign debt of \$5.3 billion, Brazil is providing foreign aid to Bolivia, Paraguay, Uruguay and Guyana, with the largest single contribution being a \$15 million grant to Bolivia in 1972.⁴⁷ In the international arena, Brazil has become a self-appointed spokesman on a number of Latin American issues; having adopted the typical Latin American view on the 200 mile offshore jurisdiction issue, on the claim of unfair trade practices by developed nations, on nuclear proliferation in Latin America, and other lesser issues. Relations with her neighbors have been good except for minor conflict with

Argentina over Brazil's plan to construct a hydroelectric reservoir which would contain waters that the two countries share.⁴⁸ Brazil trades actively with her neighbors. In 1968, exports through the Latin American Free Trade Association (LAFTA) amounted to \$193 million, and imports were valued at \$277 million.⁴⁹ If there is apprehension about Brazil's intention to dominate South America, the primary objection would come from the other contender for that role: Argentina. That country, as was all of Latin America, was somewhat miffed when President Nixon commented in a toast to President Medici during his December 1971 visit to the White House: "As Brazil goes, so goes the rest of Latin America."⁵⁰ Although President Medici flatly denies any aspiration to dominate Latin America, Brazil's actions perhaps portend a fancy to become something more than just another fish in the Latin American pond.

RAPPORT WITH THE US

In 1823, President James Monroe proclaimed the Monroe Doctrine; in the same year, the United States recognized Brazil's independence from Portugal. Since that time the two nations have been closely allied, however, the character of the alliance has changed from time to time. During the 19th Century, the US attitude toward Brazil was basically paternalistic. Early in the 20th Century, this attitude gave way to one of active US intervention in Latin American affairs, including those of Brazil. The relationship was changed again in 1936 with President Franklin D. Roosevelt's Good Neighbor Policy. A close

alliance prevailed through World War II, and in 1947, the signing of the Rio Pact formally allied the two nations in a hemispheric treaty involving mutual defense. The Alliance for Progress, organized in 1961, was an outgrowth of Brazilian President Kubitschek's 1958 Operation Pan America--a plan to attack the social and economic ills of Latin America. This alliance has been, not only a boon to Latin American development, but also a bond between the US and those nations.⁵¹

Relations between Brazil and the United States worsened during the early sixties. President Goulart's (1961-1964) indirectly backed legislation to legalize the Brazilian Communist Party and his sympathies toward Cuba and the Soviet Union were in conflict with US interests. Perhaps this situation prompted the US in 1964 to welcome President Castelo Branco's military regime with open arms.

Despite US traditional distastes for military dictatorships, relationships advanced to a new high under the Branco regime. The economic policies of the United States and the military government proved to be complementary. The relaxation of the limitations of remittance of profits by foreign firms that had been imposed by Goulart, the opening of various areas of the national economy to foreign investments, and the signing of a bilateral investment guarantee treaty resulted in a sharply increased flow of private US capital to Brazil. The Branco government agreed to institute austerity measures for the control of inflation that had been recommended by the US and the US in turn increased its economic and military aid.⁵²

From the beginning of the Alliance for Progress, through the end of fiscal year 1971, the US contributed more than \$2 billion to the Brazilian development effort through the Food for Peace and the USAID programs. Loans and grants under the two programs were about \$125 million in 1971. In addition, the Export-Import Bank loaned almost half a billion dollars during the 1965-1971 period to support Brazilian industrial expansion. In early 1972, the Bank signed two more agreements totaling \$500 million for construction of Brazil's first nuclear power plant, and further expansion of the steel industry.⁵³

American industry has a heavy stake in Brazil. Its investment there is estimated at \$2 billion, accounting for 40 percent of all foreign investment in the country. The US is Brazil's largest customer, and Brazil ranks eleventh among US customers. Trade between Brazil and the US reached \$1850 million in 1971, with Brazil buying \$280 million more than it sold.⁵⁴

CONFLICT WITH THE US

Even with these many points of agreement, there have also been a number of points of conflict during the past nine years. The US has consistently endeavored to discourage the Latin American countries from spending money needed for economic development on sophisticated military equipment. Brazil, like some of the others, felt that this was a matter within her own prerogative, therefore proceeded to purchase from European markets equipment which the US refused to sell.⁵⁵ The results, not much to the US liking, was the loss of markets for

US producers, and the acquisition of European military equipment by Brazil.

In 1967 and 1968, the US attempted to restrict the export of Brazilian coffee to the US; this effort caused considerable consternation in Brazil, however the problem was ameliorated to some extent by negotiations that took place in 1969.⁵⁶ Potential conflict developed in 1971 and 1972 over Brazil's claim to jurisdiction over 200 miles off shore where US fishing boats were active. Agreement was reached in May 1972 which provided for the US to license 325 US shrimp boats to fish off the Brazilian coast, within certain limits. Thus the conflict experienced by the US with other Latin American nations over territorial fishing rights was averted.⁵⁷

In other areas, Brazil quarreled with the United States. On trade policies, she claimed that US policies were unfair to developing nations. On the Nuclear Nonproliferation Treaty, Brazil adamantly refused to sign the treaty, opposing both the United States and the Soviet Union.⁵⁸ Brazil claimed that the treaty was an effort by the major powers to close the door to any aspirant world power. Subsequently, however, in July 1972, Brazil did sign a treaty with the US agreeing to cooperate in finding peaceful uses for nuclear energy.⁵⁹

As Brazil's economic power grows, it is perhaps inevitable that US and Brazilian interests will collide at several points. That government's actions in both political and economic negotiations are aimed at being treated as a co-equal by the US and other major powers. It appears that the issues of potential disagreement are not those which

will bring about a conflict of ideologies, but are more in the nature of an assertion of independence.

LOOKING AHEAD--RELATIONS WITH THE US

One may therefore conclude that the present authoritarian military government will remain in power for at least five years, and may survive until the end of the decade. A military officer will be elected in 1974 for a four-year term; he might be replaced by a civilian president in 1978. The government is stable--the only noteworthy threat comes from within the military--and this is not a serious threat. Economic prosperity will likely continue, and social programs will move slowly--hopefully forward. Development of the interior and exploitation of natural resources will continue at a rapid pace. Brazil will strive for a greater leadership role in Latin American affairs, and will not lose sight of that goal to which all Brazilians aspire--becoming a great nation and a major world power. Few nations in the world today are moving faster in that direction than Brazil. The government will continue present foreign policies, asserting her independence at every opportunity, emphasizing the desire to be treated as an equal by the United States, and as the number-one power in Latin America. A certain amount of disagreement and conflict of interests between Brazil and the United States during the next decade is inevitable, however, it is a good bet that the two countries will remain very much the same as

during the past century and a half--good friends during peacetime--
and comrades-in-arms in war.

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