

Civilian government at last

exporter. The second oil crisis of 1979-80 had sharply different effects. The increased cost of oil, together with the rise in international interest rates, made the Brazilian debt unmanageable and forced Brazil in 1982 to turn to the IMF and to accept a bridging loan of US\$1.5 billion from the United States Treasury. The stage seemed set for a resurgence of United States influence in Brazil, especially when the strong American dollar caused Brazilian exports to the United States to increase rapidly.

Just as its predecessor in 1964, this turning to the United States proved temporary, and it is unlikely to be repeated under the democracy. The Itamarati has remained true to its creed of avoiding close ties with any one developed state. This position will have popular support, since the Brazilian left is intensely suspicious of US motives and goals in Latin America, and sensitive to any real or apparent subordination of Brazilian policy to American. United States attempts to crush the Sandinista regime in Nicaragua will keep this sentiment alive; significantly, even under the military regime, Brazil extended export credits to Nicaragua. Other sources of conflict with the United States are not lacking, notably US efforts to protect their industries against Brazilian imports. Unsuccessful in stemming the import tide, these efforts are nonetheless a major irritant. Their inconsistency with Brazil's need to earn dollars to pay the US banks causes American declarations of solidarity and friendship to be received with caution even by Brazilians favorably disposed to the United States. The real possibility that Brazil will renew diplomatic ties with Cuba will not help matters.

Canadian involvement

This situation presents Canada with an opportunity and with a challenge. The 1970s were a banner decade for Canadian-Brazilian relations. Brazil was recognized as a priority area by the Canadian government. Trade increased steadily to reach CDN\$1 billion by 1980. Canadian investment in Brazil was substantial and — for the first time — diversified. Canadian banks, with loans to Brazil of some CDN\$6 billion, have an obvious stake in the country's future and have been active in the debt negotiations. Official contacts have also increased, with many ministerial visits and the establishment of a Joint Economic Commission. In recent years, Canadians for the first time have visited Brazil in considerable numbers, and a start has been made on Brazilian studies in Canadian universities.

Canada's *opportunity* is to build on this foundation. There is every reason to suppose that the new Brazilian government, concerned to diversify its economic and political ties as much as possible, will welcome Canada's efforts. The *challenge* is more subtle, since it involves a change in rooted habits of thought. Brazil must be seen as Canada's equal in world influence and as a country which has much to offer us. Although Brazil itself stresses its Third World status (for sound practical reasons), it is clearly a Third World country with a difference. It is unfortunate that the Canadian media, on the rare occasions when they pay attention to Brazil, unfailingly stress the poverty of much of the population. The poverty is real, and often terrible, but it is only one aspect of Brazilian reality. As such it is an inadequate basis for Canadian policy and Canadian attitudes. Perhaps most important, it is a problem which only the Brazilians can solve. Canada does not give governmental aid to Brazil, nor should it do so (although it supports non-governmental organizations working in Brazil). As equals Brazil and Canada can have a profitable and mutually rewarding relationship.

Good luck, Brazil

President Sarney is reported to be sleeping only three hours a night. It is easy to see why. Under the military Brazil became an industrialized and urbanized society, but at the cost of vast foreign indebtedness and of ignoring social injustices. Many of these social injustices were centuries old but had become less easy to endure in a world where everyone had access to television. The military took power believing that fiscal discipline and technical knowledge could put the economy to rights. Twenty-one years later the economy has problems on a scale unimaginable in 1964, and the military show every inclination to leave the civilians to grapple with them. The new government must try to pay the debts of all its predecessors, to the foreign banks and to the Brazilian people. This is a tall order, but in its favor is the remarkable stability and flexibility which Brazilian society has hitherto displayed. Most Brazilians want democracy to work, but for many of them, democracy means the possibility of social change rather than the rule of law, or of the rights of individuals and minorities, or of a government accountable to the legislature and the voters. The government's challenge is to create a democracy which can be all these at once. □