

policies in order to deal with such a delicate economic situation. Inflation has now been reduced somewhat to 90-95 percent on an annual basis. In addition recent balance of trade deficits have been turned around - in 1981 the trade surplus was US \$1.2 billion, the largest in Brazilian history.

Foreign Policy

In matters of foreign policy, Brazil has sought to follow a more independent line of conduct during the seventies. Although it is pro-West, Brazil avoids getting involved in rivalries between the two superpowers. In recent years, Brazil has shown greater interest in and sensitivity toward Africa and it has endeavoured to improve its relations with its Latin American neighbours.

By adopting a peaceful attitude and giving priority to economic development, Brazil exerts a moderating influence in international relations.