

Shevardnadze in Brazil for big mineral grab

by Robyn Quijano

Soviet Foreign Minister Eduard Shevardnadze is on a ten-day tour of South America's Southern Cone. The high-profile purpose of the tour is to show extreme empathy with the continent's debt problem, make official the details of Mikhail Gorbachov's 1988 tour of the region, and involve Ibero-America in the fight against the U.S. Strategic Defense Initiative. But above all, and more quietly, Russia is moving in for one of the biggest mineral grabs of the decade.

According to an article by Sergio Danilo in the Oct. 2 edition of Brazil's *Gazeta Mercantil*, "The Soviet government is interested in establishing an industrial pole of small and medium enterprises in Brazil. . . . This information was provided to this journal by an aide to Soviet Foreign Minister Eduard Shevardnadze. . . . The Soviets want to raise their production of aluminum, wolframite, molybdenum, and import a great part of those minerals, as well as increasing purchases of tin and its alloys in the international market to guarantee by 1990 the production of 1.9 million tons of non-ferrous metals. . . . The Soviets want to increase their relations with the CVRD, the Brazilian state enterprise . . . the greatest iron [ore] producer and exporter in the world, in order to raise the U.S.S.R.'s efficiency and quality of mineral reserves considered strategic for its military program, denominated radio frequency, and being implemented by Marshal Nikolai Ogarkov. Brazil, in possessing cesium ore, a fuel for missiles and substance for the nuclear area, niobium for semiconductors, quartz for the optics area, bauxite and galium for metals, tantalum and lithium ores, is considered the main Soviet ally in the furnishing of these strategic raw materials."

Danilo adds, "The U.S.S.R. could transfer machines and equipment to the Brazilian mining companies with 10-year financing, two years' grace, and interest of 5-6.5% per year and also buy the raw materials needed for industrial production in the U.S.S.R. during each five-year period." This is all part of the *glasnost* policy, of massive increase in industrial production by 1990, he reports.

The Russians had done their homework on Brazil. In the August 1987 issue of their journal *América Latina*, an article on "Potential Resources of Brazil," by Nikolai Kalashnikov, the scientific secretary of the Soviet Latin American Institute, details Brazil's mineral wealth which includes 17.5% of the

capitalist world's iron reserves, 72.5% of its rutile (titanium dioxide), 80.7% of its beryllium, 29.2% of its apatite, 11.8% of its bauxite, 6.5% of its gold, 6.3% of its asbestos, and 1.8% of its manganese. It is among the five capitalist states with the greatest reserves of pit-coal, uranium, and tin, and in the world's top 10 in reserves of chromium, nickel-copper, molybdenum, vanadium, tantalate, fluorite, diamonds, and potassium salts.

The Russians have been on a diplomatic offensive for months in Ibero-America which has already netted an official invitation for Gorbachov from Peru and Brazil, a May visit to Moscow of Brazilian President José Sarney, and dozens of ministerial level visits. The offensive started over a year ago with Fidel Castro's proposal that the U.S. offer debt relief by canceling much of the unpayable debt and bailing out the banks with money cut out of the U.S. defense budget, particularly the SDI.

Gorbachov is carrying forward the ruse, noting in a letter that Shevardnadze presented to President Sarney that the debt is "a veritable tumor." The Soviet foreign minister said that his country and Brazil have identical views on the linkage between disarmament and development, and mooted a development fund with monies diverted from arms. .

On Oct. 1, Shevardnadze also delivered a letter from Gorbachov to Argentine President Raúl Alfonsín, which talked of arms reduction as the key to solving the debt problem. Shevardnadze told the Argentine parliament that "we must end the arms race and take advantage of those resources for development purposes," and specifically attacked "attempts to militarize space," the Russian description of the SDI.

The Soviets have studied the tension points between the U.S. and Ibero-America, and rubbed them in at every chance. An easy one was supporting the Argentines' rights to the Malvinas Islands. When the U.S. backed Britain in the 1982 war, in violation of the Monroe Doctrine, U.S. Latin American relations reached a low point, and have been going downhill ever since.

Soviet trade agreements signed in Brasilia include joint ventures in metallurgy, energy, chemicals, communications, oil extraction, irrigation, civil construction, and consulting services. Shevardnadze told the press his country was offering Brazil and Argentina "fruitful cooperation in the science and peaceful utilization of nuclear energy." They also signed an agreement to produce insulin. In 1985 U.S. Treasury Undersecretary Tim McNamar threatened debtor countries with an insulin cut-off, if they reneged on debt payments.

The *Sunday Times* of London Sept. 27, in a feature entitled, "Russia moves to woo Brazil and Argentina," reminds that, "the ever-heavier debt burden is provoking an anti-American nationalism in both countries, and leading weak governments towards desperate measures." Moscow will give "sympathy and support" for the symbolic "debtors' club," the *Times* notes.