

Brazilian Monetarists Oust Pro-Growth Minister Of Industry

The sudden ouster of Industry and Commerce Minister Severo Gomes from the Brazilian cabinet Feb. 8 leaves the Brazilian nationalist industrial and military forces without a voice in the government. Brazil's political economy is now under the control of monetarist Finance Minister Henrique Simonsen in alliance with the hard-line fascist military clique of ex-president (1969-74) Garastazu Médici.

Severo Gomes was knocked out of the ministry by a political time-bomb set off by the sudden conversion to "democracy" by right-wing businessman Jose Papa Jr. Papa's destabilizing move was termed "curious" by the First National Bank of Boston. The Brazilian weekly *Opinao* reported in connection with the affair that Papa "recently spent two weeks on the farm of the President of the United States, Jimmy Carter."

Back in January, Severo had roundly criticized Finance Minister Simonsen's vaunted economic liberalism as totalitarian. Simonsen's office had been strangling credits in industry and choking off production for the internal market by means of dictatorial decrees without consulting with the nation's industrialists. He was obsessed with meeting payments on Brazil's \$33 to \$40 million debt, while Severo argued for preserving industrial growth even at the expense of debt rescheduling.

Among other things, Severo called for "a government of participation, not of suppression," in line with his general demand for more business participation in the government.

Shortly after Severo's January statements, the reactionary Papa, who for 13 years has been a supporter of the government's authoritarian repression, suddenly transformed himself into a ultra-democrat and called for an end to the dictatorial principles on which the so-called national security regime of President Geisel was founded. The ultra-reactionary Sao Paulo newspaper *O Estado* and the pro-Carter *Jornal do Brasil* then

obligingly splashed Papa's Feb. 2 remarks across the front pages and editorially linked Papa's outburst to Severo.

In the next week, given this publicity, there was a flood of calls for "democratization" — the largest reaction of its kind since the 1974 coup. In this context the Medici fascists had little trouble convincing Geisel that Severo was no longer a useful asset in broadening the base of support for the Geisel regime but was a dangerous "subversive."

Under pressure, Severo resigned Feb. 8. Writing in the *Financial Times* of London Feb. 15, David White noted that Severo's "remarks might have produced no reaction, had not the chairman of the Sao Paulo Commercial Federation, Sr. Jose Papa Junior, latched onto them." And according to the British newsletter *Latin America*, immediately after entangling Severo, Papa quietly "explained himself to" General Figueiredo, the hard-line head of the repressive forces of the government.

Papa, who escaped unscathed from this fling with democracy, was named "Man of the Year, 1976" by the Brazilian-American Chamber of Commerce, an outfit run by the U.S. banks and multinational corporations which have long sought to undermine the nationalist and state sector interest Severo Gomes represents.

Simonsen's banker protege, Calmon de Sá, was immediately named to replace Severo — thus the financier faction laid down the law to the Brazilian industrialists. The editorials from the *Folha Sao Paulo*, translated below offer the lucid answer of the industrialists, state sector managers, and pro-development military factions to this monetarist coup.

Folha, which represents the voice of Brazil's pro-growth industrialists, repeatedly sought to differentiate Severo from born-again "democrat" Papa. At the height of the controversy, *Folha* published a blistering parody of Jimmy Carter's moralistic promises, translated below.

Severo's Ouster: A Victory For Speculative Capitalism?

The following op-ed article by Folha de Sao Paulo's Rio news analyst appeared Feb. 10 under the title "Victors and Vanquished."

After Severo's resignation was achieved, (Finance) Minister Somonsen issued his verdict "sotto voce" in the best operatic style, "There have been neither victors nor vanquished."

...There were victors and vanquished, dead and wounded, losses and damages, found and lost — and many.

Leading the list of the victors is the finance minister himself, the enemy in body and soul of former industry and commerce minister Severo Gomes, not only in the government agencies in which they worked but also in daily life. Another winner is former banker Calmon di Sá, who took Severo's place. Also victorious is the tendency to place maximum value on the financial system — so-called speculative capitalism — to the detriment of productive capitalism.

If before (the ouster of Severo) the Ministry was more one of industry than of commerce, now it will be neither....

The victors are those who label "communists" any person who is more enlightened and anyone with greater social consciousness. All the hard-line and recalcitrant types ended up winning. All those who consider intelligence, culture, and courage as baggage which shouldn't be carried in public life are now rubbing their hands with joy. The entire Médici group is exultant...The powerful international groups were the victors...

Among the long list of the defeated appears the thesis of expanding the internal market to avoid foreign dependency and smash abysmal income differences. Here, too, among the defeated are the small and medium businessmen, the people who thought of Severo as the good conscience of the government. The proposal for a more politically reasonable and more socially modern national life was defeated. The fragile bridge built between the nation and government was broken with the sudden dismissal of the one person who understood our collective aspirations....

Those who thought of this creative and superior opposition as an escape valve in a country without debates have been defeated. Now the government is monolithic; the independent and questioning voices are silenced, as are reasonable criticism and healthy doubts.

In the euphoria and grandiosity of his triumph, Simonson couldn't discern that — once again — the country is divided.

The Government has Chosen Its Weapon

An editorial in Folha de Sao Paulo Feb. 11 reviewed the "bleak political party situation" to show the worthlessness of the political channels that the government told angry industrialists they should use to make their opinions heard. Folha's conclusion is excerpted below:

Once more the facts disprove the leftist vision that our governments are formed to serve as "gendarmarie" obedient to the demands of the "bourgeoisie." On the contrary, the present economic crisis has widened the distance between the entrepreneur and the governors, the holders of state power.

Once again the government now faces a climax of political difficulties. The growth of material difficulties, engendered by the fuel crisis and the structural faults of our economic and social system, are finally hitting the business class — as they have already strongly afflicted the working and middle classes.

In this context, the resignation of Sr. Severo Gomez symbolically shows that the government has now chosen its weapon.

Jimmy's New Metamorphosis

The following excerpts are from an op-ed article by Arquimedes Leite in Folha de Sao Paulo Feb. 6 entitled "BORN AGAIN."

These days it's no longer news that Jimmy lives in a cycle of periodic spiritual rebirths. The phenomenon is preceded by astounding intensification of his ego appetite. He devours administrations and positions whole during that frenetic intensification of his psychic metabolism. His permanently kindled smile burns with a continuous fire of optimism and omnipotence with which he constructs a cocoon of unreality.

The voracious preaching of the larval stage serves for Jimmy to store up the material and energy needed to build his cocoon. Once the cocoon is built, his activities die down until they completely cease. Inside, Jimmy undergoes fantastic metamorphosis. His entire personality structure goes through a transformation. When he emerges from the cocoon, Jimmy is completely new, in shape and color, and has entirely shed his old identity, including beliefs and promises.

The last larval phase of Jimmy coincided with the presidential campaign in which he voraciously consumed millions of dollars and excreted a trillion promises. Now, comfortably cocooned in the White House, Jimmy is passing through a new metamorphosis....

The most difficult of his rebirths was his first. "My name, as everybody knows, should have been James, but I preferred to take the affectionate diminutive form of Jimmy, since I didn't feel myself. To tell the truth, I'm certain that I'm really the identical twin of myself, as a matter of fact, the youngest of the two."

"Jimmy," I interrupted, "be careful with that red button of the atomic arsenal. Don't move. I'm gonna jump a jet now and tomorrow I'll be there to continue our rap. Until then, keep cool...."

I heard Jimmy exhale and I could imagine that smile that he learned from "Jaws." "I don't think I'm crazy or that I don't know my identity. I know very well. I know that it isn't mine; it's my younger twin brother. Let me continue my explanation.

"The spermatazoid which carried my genes suffered a

breakdown of its navigational system and ended up disappearing in the scatological cavities of my mother. The mission was carried out by the sperm behind it. Because of this, I had to go through intrauterine metamorphosis without defining my identity; was I me or was I my brother?"

Carter's 'Intentions Are Hardly Peaceful'

The following excerpts are taken from an article written by the Brazilian political scientist Theotonio dos Santos and published in the Mexican daily El Sol Feb. 15.

Carter's international policy takes its inspiration from the conceptions of the Trilateral Commission, created in 1973 by David Rockefeller....

In spite of what the State Department says about the "impressive" positive results of the vice president's trip, the facts indicate that the much hoped for trilateral unity cannot be achieved now, and that the general crisis which capitalism is experiencing accentuates inter-imperialist rivalries....The pressures which the United States will have to bring to bear to achieve its objectives could obtain immediate results, but they cannot substantially change the basic situation. Thus, Carter's Trilateral strategy does nothing more than add still another element of conflict to the many difficulties we have analyzed in his (foreign) and domestic policies.

The fact that Carter has begun to test the North American security systems reveals that his intentions are hardly peaceful. The psychological threat of a major

confrontation which the Soviet Union could be the unifying element that the present situation cannot achieve. Beginning on the ideological plane around a handful of "dissidents" in the socialist camp, the confrontation could assume a more open and dangerous character for world peace.

As we have indicated earlier, it would not be the first time that liberal language serves as a cover for adventurist militarist policies. In the end, it was Democratic administrations that brought the U.S. into the Korean and Vietnam wars, without even counting the adventure of the Bay of Pigs invasion, the military coups in Brazil and Indonesia, and other such demonstrations of military adventurism. Carter's trilateral wilfulness will be the source of many conflicts, and his desire to present a unified and developed capitalist world to the Soviet Union and the Third World must come into direct contradiction with his peaceful political speech. This otherwise pacifist language is always impregnated with a moralist, threatening, and arrogant tone.

Carter's 'Feelers' To Cuba: Step-By-Step To Confrontation

United States businessmen are unduly optimistic that trade relations with Cuba will be resumed soon after an expected move by the Carter Administration to lift the 15-year ban on direct trade with Fidel Castro's government. For months now American businessmen dealing in foods, pharmaceuticals, machinery and sugar among other items, have been ignoring the travel ban to discreetly visit Cuba to investigate trade possibilities. Cuban imports of U.S. goods could be expected to equal \$450-\$500 million in the first year of trade, rapidly approaching the century's peak figure of \$547 million in 1958, the year before the Cuban Revolution.

But the fact is, U.S. business interests are in for a rude disappointment, because the current "overtures" by the Carter Administration are in bad faith, part of what high level sources in Washington described this week as an "Egypt strategy" designed to woo the Cubans away from their close relations with the Soviet Union — as the U.S. at least temporarily succeeded in doing with Egyptian

President Anwar Sadat. Carter is prepared to offer Cuba a substantial trade and aid package, according to the same sources, to compete with the nearly \$2 million a day in aid now received from the Soviet Union. But Fidel Castro is not Anwar Sadat, and socialist Cuba is not "Bonapartist" Egypt.

The actually bellicose nature of the Carter "feelers" has been obvious since the outlines of the Carter strategy were first published last December in the so-called Linowitz Report, prepared by the Council on U.S.-Latin American Relations. The report ties potential "concessions" by the U.S. in negotiations for the normalization of relations with Cuba to reciprocal actions by the Cuban government which are completely inimical to the established socialist policy of Cuba. Cuba, unlike Egypt, has consolidated a socialist revolution and is firmly committed to cooperation with socialist countries and Third World national liberation movements. Cuba has even taken steps recently to strengthen its economic and