

### *Britain's "Spoiler" Options*

With Turbay's victory this week considered "unquestionable" within the Liberal Party leadership, Lleras & Co. are scrambling to ready their "spoiler" options. At this point, the 68-year old Lleras himself has no hope of gaining the Presidency and can only devote his waning influence to splitting the Liberal Party in an attempt to sabotage Turbay's chances in the June elections. To that end, Lleras and his forces have already raised a hue and cry over vote fraud allegedly perpetrated by Turbay's supporters in the primary, and hints have begun to emerge in the international press that Lleras may throw his faction's support to Conservative Presidential candidate Belisario Betancur.

Meanwhile, Alvaro Gomez Hurtado, head of the most reactionary wing of the Conservative Party and chief

sponsor of Belisario's candidacy, is planning to come out on top no matter what scenario triumphs. Belisario's victory at the polls would give Gomez a clear hand in the next government, but Gomez is determined to have a stranglehold on Turbay in the more likely eventuality of a Liberal victory in June. Through his control over a substantial section of the military, including Armed Forces commander Camacho Leyva, Gomez has successfully blackmailed the outgoing administration of Lopez Michelson into yielding much of his power under threat of a coup. Unless Turbay rapidly mobilizes an antifascist alliance of forces against such blackmail attempts, he will be vulnerable to the same "National Front" pressures aimed at sabotaging his plans for a party of the government.

## World Bank Seeks Fragmentation of Brazilian State Sector

Brazilian military and civilian nationalists will have to abandon their hopes of building their country into a world industrial power by the end of the century if the recommendations in a confidential World Bank report are implemented. Yet, General J.B. Figueiredo, who will become president of Brazil in March, 1979, is already acting to follow the World Bank mandate. Brazil is quietly slowing down what the World Bank calls "over-ambitious programs" including its nuclear energy program, the centerpiece of future industrial development. Instead, following Figueiredo's state policy emphasis on the agricultural sector, the country is shifting towards flooding the world with agricultural exports to keep up with debt payments.

### BRAZIL

The annual World Bank report on Brazil, leaked Jan. 22 in the daily *O Estado de Sao Paulo*, plots the course of the Brazilian economy from now until 1985 based solely on the criteria of what would permit it to meet scheduled debt obligations. "If imports can be held within reasonable limits, and if export volume can be expanded by 12 percent per year in real terms, then there is a good prospect of having a positive trade balance of \$800 million in 1980," says the report.

"In the long run the world market perspectives are extremely favorable for some of the major commodities exported by Brazil, especially sugar, soy beans and derivatives, corn, and iron ore," the World Bank forecasts. It predicts that Brazil could churn out \$8.8 billion worth of soy alone in 1985, which would be worth enough to give the country a trade surplus of almost \$5 billion. These figures which the Bank itself admits are "optimistic," are probably little more than a pleasing fairy tale to lure Brazilians into being obedient to bank dictates that they dismantle the centralized public sector

apparatus, implement austerity, and hold the lid on popular pressures for survival-level living standards. There are presently no indications that the world market could absorb such a flood of Brazilian agricultural goods.

"There are clear signs of difficulties in overall fiscal performance," the World Bank complains. "Many autonomous agencies and public enterprises seem to have embarked on investment programs which are overly ambitious within the context of the revenue limitations of the public sector and have run up heavy debts... It appears that real levels of public investments increased during 1975 and 1976... despite serious balance of payments deficits and accelerating inflation... Some decentralized agencies faced big piles of unpaid bills all during 1976... At the end of 1976, the government recognized that the public sector was one of the most important causes of inflationary pressure and made the decision to reduce investment programs proposed for 1977 by public enterprises and autonomous agencies."

In order to guarantee that the "overly ambitious" development programs be guillotined on the basis of monetarist cost-effectiveness criteria, the World Bank demands the establishment of a body similar to the U.S. Government Accounting Office or New York City's Emergency Financial Control Board "to oversee the execution of public investments."

The Bank demands a free hand for the austerity hounds by replacing procedures which permit the funding of long-term projects to completion with a zero base budgeting system: "In Brazil the technique of tying budget allocations to specific purposes has been extensively used to assure a continuous flow of resources to large infrastructure programs and other public sectors... This practice introduces a considerable rigidity of allocation of public resources to the various sectors... It is a cause of increasing government expenditures. At the same time, it leaves little margin for financing new programs through existing budgetary resources."

The World Bank report also rails against "excessive fiscal centralization" and demands that revenue sources now controlled by the central government be handed over to state and local authorities. The purpose of the anticentralist recommendations, which are identical to those made to — and rejected by — Mexico, is to destroy the federal government's ability to plan in terms of large capital-intensive programs. The bankrupt state governments would be unlikely to cooperate on long-term high-technology programs such as the nuclear energy industry. On the contrary, they provide easy targets for World Bank President Robert McNamara's favorite slave-labor programs, which do not require any costly machinery imports.

The World Bank's "reforms" are just part of a monetarist campaign to wipe out nationalist tendencies entrenched in the state industries, the military, and even

in part of the private sector, who fight for advanced technology symbolized by the nuclear cycle being provided by the Federal Republic of Germany, against monetarist efforts to slow down funding. They will oppose the World Bank's rapid devaluation and free trade dictates, which would divert manufactures from the Brazilian population into export markets while hampering further industrialization.

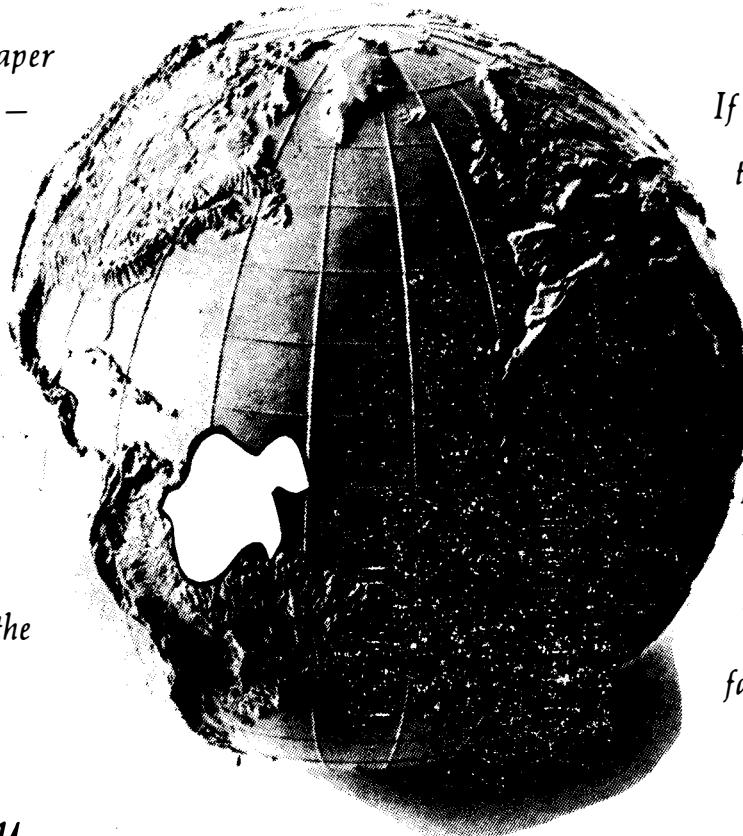
The World Bank is so obsessed with stamping out even the illusion of progress that it complains that rapid industrial growth associated with the Schachtian looting operation of the 1967-73 "Brazilian Miracle... established great confidence in the long-term growth potential of the country, which has made it difficult to adjust to the necessity of moderating the growth rate as a means of combating the balance of payments and inflation problems Brazil faces today."

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THURSDAY, JANUARY 11, 1978

LEADING U.S. BUSINESS DAILY CALLS FOR CUTOFF OF NUCLEAR COOPERATION WITH INDIA

JAN. 11 - THE WALL STREET JOURNAL, A LEADING U.S. BUSINESS DAILY, RAN A MAJOR EDITORIAL TODAY CALLING ON THE CARTER ADMINISTRATION TO CUTOFF NUCLEAR COOPERATION WITH INDIA. THE "OPEN MIKE" INCIDENT AND ABOVE ALL HIS COSMETIC CONCESSION THAT HE WOULD AUTHORIZE SUPPLY OF ONE SHIPMENT OF ENRICHED URANIUM TO INDIA, THE JOURNAL STATES, "SO WHILE THERE ARE AT LEAST SOME ARGUMENTS FOR ENDING NUCLEAR COOPERATION, THERE ARE BETTER ARGUMENTS DID AFTER THE INDIAN EXPLOSION." THE JOURNAL CONCLUDES "IT IS EASY ENOUGH TO BELIEVE THAT MR. CARTER AND BLUNTLY AS THE CANADIANS IS IN ADDITION SO CONFUSED HE THINKS A LETTER WILL KEEP HIS HAND, PERHAPS IT WAS NOT THE HEAVY WATER SHIPMENT, BUT ON THE OTHER TO THE OPEN MIKE. PERHAPS THE CANDIDATE CARTER WHO WERE INTENDED TO OVERHEAR TO TELL US A LIE WAS USING THE PLOY TO MISLEAD THE AMERICAN PEOPLE."

## WHAT IS REALLY GOING ON?

WHILE THE DUST HAS NOT YET SETTLED ON THE CARTER TRIP, BRITISH PRIME MINISTER JAMES CALLAGHAN HAS ARRIVED IN INDIA TO SUPPOSEDLY EVOLVE THE COMPROMISE FORMULA TO BRING INDIA INTO AN ACCEPTABLE STATUS ON THE NON-PROLIFERATION QUESTION. WHILE THE U.S. STATE DEPARTMENT TODAY ADAMANTLY DENIED ANY TRUTH TO THE STORY THAT CALLAGHAN "HAS SUCCEEDED WHERE CARTER HAS FAILED," AS PRESENTED BY THE LONDON TIMES, THE CALLAGHAN TRIP HAS OBTAINING TWO GOALS. ONE IS TO ARRIVE AT A COMPROMISE AGREEMENT WITHOUT TOTALLY DISCLOSING DETAILS AT THIS TIME. TODAY'S SECRET "PRORISES AND PLEDGES" TO PAKISTAN WHERE HE WOULD USE THESE ASSURANCES TO PRESS THAT COUNTRY TO AGREE TO NEW RESTRICTIONS AND SAFEGUARDS ON ITS CONTRACTED FRENCH NUCLEAR REPROCESSING PLANT. CALLAGHAN ARRIVED IN PAKISTAN JAN. 11, ONE DAY AFTER THE NEW YORK TIMES ANNOUNCED THAT FRANCE HAS REQUESTED THE PAKISTANIS CONSIDER ALTERATIONS IN CURRENT CONTRACTS.

## MIDWEST COLD FREEZES OHIO COAL STOCKPILES

JAN. 11 - AS THE NATIONAL STRIKE OF U.S. COAL MINER AND COAL-HANDLING MACHINERY, A SPOKESMAN FOR THE ELECTRIC UTILITY TOLD THIS NEWS SERVICE THAT CUSTOMERS HAVE BEEN ASKED TO VOLUNTARILY CUT BY THAT THEY REGARD THE SITUATION AS "CRITICAL." THE UTILITY AFFECTED ALL EXPECT TO HAVE TO A DAY, HOWEVER A SECOND COLD FREEZE IS PRE-ALTERNATIVE USED LAST WINTER DURING STRIKE IN FRESH COAL TO REPLACE FROZEN COAL. THE OHIO STATE ENERGY OFFICE DURING TV COAL DELIVERIES TO RESIDENTIAL USERS

A SPOKESMAN FOR THE U.S. DEPARTMENT WILL DO NOTHING IN THE PRESENT SITUATION. HE ADDED THAT PRODUCED BY THE ONGOING STRIKE AND UNTIL THEN THE GOVERNMENT CONSERVATIVE BRITISH FIRING OPPOSITION TOM KING, BRITISH GOVERNMENT HIS D OF

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