

this is how the great nations developed. They did not first create the human resources. They did not first create the science nor the technology. Rather, science and technology were the result of effort, of daring, of audacity, in overcoming phases in their progress and development. This is what we are doing in our country. . . .

CAP: U.S. Workers' Input Critical

On April 16 in a greeting to the Venezuelan delegation at the annual Inter-American Workers Organization (ORIT) conference in Mexico, Perez called on U.S. workers to join Latin American Workers in supporting the New International Economic Order. Excerpts of that letter are reprinted below.

America requires the combative presence of its democratic regional organizations of workers with dramatic urgency. The solidarity of the workers in the northern hemisphere with those of Latin America, in the long struggle to obtain better trade relations which contribute to the well-being of the Latin American masses, is an indispensable and necessary contribution we expect from the organized workers of the US. . . .

American workers are expecting this meeting in Mexico (annual meeting of the Regional Inter-American Workers Organization) to be the starting point towards a new combative presence of ORIT in the problems which move our hemisphere and the world. The achievement of an equitable and balanced new world economic order, which makes the well-being of workers of the developing

world possible. . . should be the undeniable and unitary banner of the democratic labor movement of America.

The organized action of the workers of the hemisphere can be the indispensable and necessary link to open the path to international justice which will make the economic, political and social rights of workers effective. . . .

'Oil Is An Instrument'

The following excerpts from an interview with President Perez in the French magazine, Vogue, were printed in the Caracas daily El Nacional on April 14:

. . . . Saudia Arabia and Venezuela believe that oil is an instrument of negotiation for the creation of a new world economic order, and has permitted that the industrialized nations sit down face to face with the developing countries in the North-South Conference in Paris. . . .

Our aspiration (from the Paris North-South talks) is that Europe, which has its own interests and has invested with responsibility on a world scale, does not align its points of view with the rest of the powers, but on the contrary that it contributes to the creation of the new world economic order that the Third World nations are trying to establish. . . . That they try to convince the industrialized nations of its validity. . . .

Without a doubt, the presence of the 'Concorde' in Venezuela is important, and from what I have learned of its success, I am sure that it will contribute to stimulate tourism from Venezuela to France and from France to Venezuela. . . .

Plan Alvorada: Chase Manhattan's Program For Ruling Brazil

BRAZIL

Brazilian President Ernesto Geisel ordered a series of constitutional reforms April 15 designed to ensure the unchallenged political rule of the military government and its political arm, the Arena Party, by emasculating the nation's legal opposition. The package of so-called reforms was imposed by executive fiat after the April suspension of the Brazilian Congress and decrees that governors will be elected next year in easily controlled "indirect elections" and that only a simple congressional majority will be needed to effect changes in Brazil's constitution.

The political decrees overturn Geisel's own policy of gradual political "decompression" and end any chance for gains by the Movimento Democratico Brasileiro (MDB) politicians, gains predicted for the 1978 elections. More important, the decrees mark the consolidation of political and military control of Brazil by the extreme fascist wing of the military — the so-called Medici faction. The Medicistas, the military clique that ruled Brazil from 1969-74 during the height of Rockefeller's "Brazilian economic miracle," are known as the "ultra-hardliners." They are Nazis, committed to domestic genocide and foreign expansion, who see themselves as the vanguard fighters in an anti-communist World War III.

The *New York Times* would have its readership believe that last week's anti-democratic measures are a product, not of Medici pressure, but of Geisel's personal dictatorial initiatives. This week *the Times* characterized Geisel

as much more "dictatorial" than his predecessor Garastazu Medici, under whose regime torture and roving death squads were an everyday occurrence. The truth is quite the opposite.

The political death of the legal opposition and the effective Medici takeover in Brazil, was scripted in detail by David Rockefeller's Chase Manhattan Bank, one of the major holders of Brazil's \$30 billion foreign debt. The so-called political reforms were imposed by Geisel, only after lengthy discussions with the Brazilian National Security Council and banking sector and are nothing but a revised edition of the blueprint handed the president by Chase Manhattan and its Brazilian subsidiary, Banco Lar Brasileiro, three months ago. The intent of the Chase-Banco Lar proposals is to ensure that there would be no political threat to the implementation of Wall Street's program for collecting Brazil's foreign debt.

Plan Alvorada

In late January, and almost at the same time as the inauguration of U.S. President James Carter, Banco Lar Brasileiro drafted a document and presented it to President Geisel, Justice Minister and Medici ally Falcao, top Geisel advisor General Golbery do Couto e Silva, and another unidentified top-level government official. The draft proposed a six-point program of constitutional reforms — purportedly to help establish a "strong democracy, consistent with the present world reality" — that would guarantee the Arena party victories in the 1978 gubernatorial and senatorial elections.

Substantial excerpts of the 12-page Banco Lar report — later dubbed "Plan Alvorada" (the name of the presidential palace — were subsequently leaked by the pro-industrialist daily *Folha do Sao Paulo* March 10. *Folha* named Banco Lar administrative council director, Jorge Oscar de Melo Flores, as the principal architect of the paper, and reported that it was issued in the name of the entire Brazilian banking community. Melo Flores is well known as a key thinktanker involved in U.S.-funded counterinsurgency operations that paved the way for the overthrow of elected president Joao Goulart in 1964.

Plan Alvorado featured an extensive analysis of the substantial MDB gains in the fall 1976 municipal elections, and warned Geisel that he should make use of the reigns of power to make absolutely sure that the military government — and the ruling Arena Party — would not lose the 1978 elections. Geisel must act "now," the plan stressed, to implement the Chase-Banco Lar six-point constitutional reform package while "the government still has a majority in the federal Congress."

The measures included the "definite implementation of indirect elections" for governors and senators and constitutional revisions that would pave the way for the eventual "dissolution" of the two existing parties in favor of "others... created to replace them, changing the present status quo which more and more tends to favor the opposition. Although the latter revision was not implemented, the British Weekly *Economist* reported this week that it is rumored that Geisel will focus on precisely such an overhaul of the party structure when his presidential term ends next year.

To tighten up top-down control, and at the same time restrict the power of the office of the presidency, the Banco Lar proposed the creation of a new National Security Council composed of former presidents, that would act as a "moderating power" between the presidency, the Congress, and other civilian layers. Notably, Garastazu Medici is the only living ex-president in Brazil eligible to sit on such a council.

The bank's plans leveled severe criticism at the government's "delay for almost two years in adopting cuts in investments and federal government expenses" as welfare, the government's failure to root out "corruption" in both the private and public sectors — an implicit attack on the nationalist-controlled state sector of the economy. Targeting the growing anti-monetarist, nationalist opposition in the industrialist and military layers, Banco Lar demanded that the government purge "from key (government) positions... incapable people... or creators of blocks against the government's general policy."

Two weeks after the presentation of Plan Alvorada, Industry Minister Severo Gomes, the leading cabinet spokesman for the pro-industry forces, was forced to resign under direct pressure from ex-president Medici. The purge of Severo Gomes, an outspoken critic of the Wall Street policies of "economic loliberalism" imposed to guarantee Brazil's scheduled debt payments, was followed by a show of strength of the Medici faction which forced a wave of "cassations" — the elimination for 10 years of all political rights — of leading MDB politicians.

Aid from Carter

The Carter Administration's "human rights" crusade bolstered the Medici bid for increasing power over government policymaking. Emboldened by the illusion of backing from Carter, the MDB pressed their demands for further liberalization and for direct elections in 1978. This provided a pretext for Medici pressure on Geisel not to concede to Carter's human rights proclamations, under threat of a possible coup d'etat.

The confrontation scenario built up to a peak around the issue of the government's judicial reform bill, scheduled for congressional vote at the end of March. The MDB, whose vote was needed to provide the two-thirds necessary to pass this constitutional amendment, refused to support the bill without significant concessions — concessions the government was not willing to make. Congress vetoed the bill, and the government, true to its warning, suspended Congress April 1.

A week later, after meetings with the National Security Council and banking community representatives — including Banco Lar's Melo Flores — Geisel imposed the political reforms first proposed by Chase Manhattan Bank.

The measures were not passed without some resistance from within the military, as the week-long delay in announcing the decree indicates. To sweeten the bitter pill for the population, the executive added legislation granting 30-day worker vacations and controlling housing rental rates.