

Report from Rio by Silvia Palacios and Lorenzo Carrasco

Davos group schemes in Brazil

The real aim of the meeting was to force Brazil to open its banking system to the "globalism" of illicit finance.

On May 26 and 27, the Swiss Davos group—also called the Swiss-Moscow connection—held its second "round table" on the Brazilian economy in Rio de Janeiro. Before an elite of transnational entrepreneurs, financial oligarchs, and Brazilian businessmen, the Davos bankers pushed the policies of the Group of Seven meeting in Tokyo in May, and the "action program" adopted by the Trilateral Commission at its May 18 meeting in Spain: to set up a new "global" financial system that would wipe out the very concept of national sovereignty. The debt-for-equity scheme inspired by Henry Kissinger has been adopted as the spearhead of this "globalism," and was the central topic at the secretive seminar.

As defined by its president and founder, K. Schawab, the European Management Forum Foundation was set up at Davos in 1971 to embody the concept of a "global society." Schawab said that his private desire is to create a "global market economy." Schawab admitted in Rio that the only difference between the EMF Foundation and the Trilateral Commission is that "we speak of a global economy, with Ibero-America being the key."

The Davos group is an institution of the "Trust," the combination of Western oligarchist and Russian interests that goes back to the turn of this century, and flaunts its Russian connections: In "Davos '86," Soviet Premier Nikolai Ryzhkov appeared via satellite hook-up to answer questions from participants and debate world

economic issues with them.

The select membership list of the Davos group, 600 worldwide, includes financial institutions tied to the illegal drug trade, and the promoters of fanatical population reduction plans, especially against non-whites. Among them are S. W. Warburg of England (its spokesman in the Davos Group, P. S. Zuckerman, is the Warburg director for Africa, India, and Latin America); Nestlé food company; Morgan Stanley International; Reynolds Tobacco International; First National Bank of Boston, linked to massive drug-money laundering; British Petroleum Company; Federal Bank of the Middle East, whose Davos delegate, Keheyam Garo, represents Brazilian trade business interests in Cyprus; the Federation of Austrian Industrialists; Security Pacific Bank; and David Rockefeller's Chase Manhattan Bank, represented by Riordan Roett, political risk consultant for the Western Hemisphere.

The Brazilian co-sponsors of the Davos "round table," headed by Carlos Langoni, former president of the Brazilian central bank, are all notorious zealots of the proposal to trade debt for equity. Langoni & Co. were joined by the Brazilian representative of First National Bank of Boston, Henrique Campos Meirelles, who privately assures foreign investors that investing in Brazil carries no "political risk" whatsoever, since debt will be traded for assets. In public, he brags that over the past year his bank in Brazil conducted debt-equity conversions

to the tune of \$20 million, and this year plans at least another \$6 million.

The immense pressure of the Swiss banks has to do with more than the apparent volume of debt—\$100 billion worth plus \$11 billion in annual interest payments, of which at least \$2 billion could be converted into equity in Brazil. Rather, it is understood that the wholesale move to convert debt to equity would be decisive in destroying the legal barriers which prevent a free-wheeling traffic in international currencies through the Brazilian financial system.

The conversion of debt into equity implies overturning decrees of the central bank incorporated into the Foreign Investment Law, which, if abolished, would reduce the central bank to a collection agency for the foreign banks, at the mercy of foreign "investors" and the stock markets, which have already had unprecedented speculative surges. The package would also include the possibility of direct foreign investment in the stock markets, which would turn them into vast centers of speculation and "laundries" of dirty money from a variety of illicit sources.

In short, the Davos group and their Brazilian friends want to integrate Brazil fully into the "globalism" of illicit finance.

This also explains the sudden appearance in Brazil of the Hong Kong and Shanghai Bank, associated with a leading stock brokerage firm. "Brazil is going to get to know one of the greatest financial groups in the world," announced the huge advertisements in the Brazilian press. It would have been truer to say that Brazil was about to get to know one of the greatest drug-money laundromats in the world. The "Hong Shang" bank was exposed in the book *Dope, Inc.* for its historic role in profiting from the opium trade, continuing down to the present day.