

Report from Rio by Silvia Palacios

Project Democracy gang in Brasilia

Brazil has its own "secret government" working to undermine economic sovereignty—and guess who's protecting it?

The Brazilian connection to the Irangate scandal has been uncovered by *EIR* in the operations of a secretive group around the National Constituent Assembly, where a new Brazilian Constitution is in the making. The cited group is plotting to write *out* of the new Constitution the state monopolies over petroleum and other natural resources which are the pillar of Brazilian economic sovereignty.

Since the fall of Finance Minister Dilson Funaro in April, Brazil's anti-nationalists have sped up their efforts to abolish the large state companies. Their special target is the oil company Petrobras, symbol of Brazilian nationalism. Their sponsors are none other than the "Project Democracy" crowd around Col. Oliver North, formerly of the U.S. National Security Council, who ran a parallel government to impose their totalitarian vision of "democracy" on the world.

According to a report in *Jornal do Brasil* of May 27, a group of ultra-liberals has been secretly meeting to discuss plans for de-nationalizing oil, in a sumptuous palace in Brasilia made available by the Confederation of Brazilian Commercial Associations (CACB). Among the group, to mention a few, were Liberal Party deputy Afif Domingos, PDS deputy Amaral Neto, senator Roberto Campos, and representatives of former Finance Minister Delfim Netto.

As it turns out, the CACB, chaired by businessman Amaury Temporal, is the Brazilian arm of Project Democracy's "private enterprise" mouthpiece, the Center for International Pri-

vate Enterprise (CIPE). CIPE is funded by the U.S. Chamber of Commerce and National Endowment for Democracy—the public front for North's Project Democracy!

The links between CACB and CIPE are overt. In a Feb. 4, 1987 bulletin of CIPE, the institute admits to having helped sponsor at least two seminars in Brazil, which have served both as a channel for the International Monetary Fund's "free enterprise" prescriptions, and to recruit followers to Project Democracy.

The CIPE bulletin stated that CACB will direct "explanatory sessions on the legislative process, legislative cycle, organizing program and regulatory lobbying. Since Brazil's Constitution is still in its formative process, CACB views these seminars as a timely way to demonstrate the value of private sector participation in the legislative process."

A powerful group has been gathering around the institution of the CACB since before the 1986 elections, with an eye to gaining seats in the Constituent Assembly. One important figure in this group is Congressman Afif Domingos, former president of the São Paulo Commercial Association, whose Liberal Party is closely linked to the Peruvian Institute for Liberty and Democracy (ILD), a key Project Democracy thinktank in South America.

Then, of course, there is Congressman Delfim Netto, admirer of Hitler's finance minister Hjalmar Schacht, who as Brazil's finance minister during 1983-84, handed the

country over to the foreign creditors. Netto's technocrats are now re-taking the finance ministry under Funaro's successor Bresser.

Also forming part of the group around CACB is the National Banking Federation, which orchestrated the rebellion against a government decree to lower the high interest rates strangling the productive sector; and the Brazilian Rural Society, headed by Flavio Tavares, which in turn shelters the Rural Democratic Union (UDR). The UDR functions as a private army of the latifundists against agrarian reform, and receives financing from the fanatical Nazi sect Tradition, Family and Property (TFP).

The case of Sen. Roberto Campos—without question, the leading light of the CACB group—is the most illustrative of the kind of political network that created the Project Democracy monstrosity in the first place. Campos was Planning Minister in 1964-67, an ultra-liberal from the school of Milton Friedman and Friedrich von Hayek. Before that, he was a communist from the school of 1920s Soviet leader Nikolai Bukharin. In his "anti-communist" conversion, Campos abandoned neither Karl Marx nor his hatred for the nation-building policies of the French 17th-century statesman Colbert, often called mercantilism.

In an interview with *Playboy*, Campos says: "Best was the interpretation of the historic evolution of the economy . . . that vision of Marx is dramatically correct." Attacking Colbert as an influence which must be destroyed, Campos called mercantilism "a residue of colonial traditions from Spanish and Portuguese culture, both mercantilist in nature, which stipulate a high level of state intervention, of protectionism. This is the unfortunate tradition of Latin America."