

World Bank's faction in Brazil on the outs

by Robyn Quijano

One month after the Brazilian government floated a World Bank-designed population-control program, President José Sarney was to strike out in a new direction, declaring a debt moratorium, and insisting on imposing morality on economics. The population program, seen as a great victory by Brazil's oligarchy and its creditors, faded into the background on Feb. 20, as the battle to impose a sane international economic system that would allow growth of economies and populations took center stage.

Since then, the World Bank, instrumental in imposing forced sterilization and other population-control programs worldwide, has declared war on Brazil, cutting off all loans. Inside President Sarney's cabinet, the battle rages on between those dedicated to the World Bank's agenda on the one side, and Finance Minister Dilson Funaro and a group of dedicated nation-builders, on the other. The latter grouping, influenced more by the Catholic Church than by the powerful Brazilian oligarchy, is dedicated to manufacturing more hats instead of cutting off heads, to use an image Pope Paul VI made famous 20 years ago, as he organized around the perspective of his famous encyclical *Populorum Progressio*.

It was no secret to anyone that Brazil's population-control proposal was a refinancing condition imposed by the World Bank and the international banks. The Catholic Church protested the new measures, and it was rumored in the press that the Church was told that the measures would not be adopted, but that the announcement was essential to hold off the creditors.

On Jan. 27, the Secretary General of the National Conference of Bishops of Brazil, Luciano Méndez de Almeida, criticized the conditions imposed by the World Bank and the IMF, in the context of making public the just-released document of the Pontifical Commission, *Justitia et Pax*, on an ethical approach to the debt crisis. Hitting the creditor institutions, he warned: "This help costs so dearly that a poor nation indebts itself to pay the debt, and receives in return a handful of birth control pills."

Helio Jaguaribe, member of the Club of Rome, dedicated to the neo-malthusian principles of the World Bank, had welcomed the population control plan: "I



Brazilian Finance Minister Dilson Funaro (left) replied angrily to the World Bank's demand for more austerity: "I don't agree." Here he is shown during a visit to Washington, D.C., with soccer player Pelé.

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received the news with great satisfaction, since there is no doubt that elevated demographic rates make development difficult." Jaguaribe commands great support within the Brazilian Foreign Ministry, and is actively trying to sabotage the Sarney government's new policy, population before debt. Jaguaribe elaborated a plan, Brazil 2000, modeled on the genocide scheme Global 2000, written by the Carter State Department.

There was support for the population plan within Sarney's cabinet, and there continues to be lobbying for the imposition of a World Bank-approved internal program by Planning Minister Sayad. Sarney's Minister of Education backed the World Bank scheme: "It is impossible to diminish poverty without diminishing population growth." The Minister of the Interior, Ronald Costa Couto said, "the great majority of the poor, 60% of the population, is not controlling its birthrate. Hence the wealth the country produces isn't sufficient to finance three million new inhabitants a year."

But Brazil, larger than the continental United States, with only 140 million inhabitants, is a totally underpopulated nation. Its power on the continent lies in the size of its economy and its population, and the potential of its internal market. Its problem is lack of sufficient development, a deficiency built into the debt trap, the illegitimate billions that have been sucked out of the developing sector through wild interest rates and illicit commissions over the past years.

"The looting and bloodletting of our wealth" must be stopped, the moderate wing of the Brazilian labor movement, the General Confederation of Labor testified March 9 before Sen. Bill Bradley's Senate subcommittee in Washington. "Brazil has already paid \$153 billion in debt service during

the past 17 years," the union spokesman pointed out. "Despite this, the debt has grown from \$5.3 billion in 1970 to \$108 billion now."

The World Bank declared warfare on Brazil March 5, as part of an escalation of reprisals for having suspended debt payments. At a Washington luncheon, World Bank president Barber Conable said the World Bank would cut off new loans until Brazil agreed to go back to starving its population to keep up interest payments. Conable said that Finance Minister "Funaro knows very well what to do. We had a long talk on that last week."

Funaro, in Rome at the time, shot back angrily, "I don't agree." He canceled a trip to Brazil by World Bank officials headed by Bank vice president Ernest Stern. Said Funaro: "We just made a violent adjustment" in November, which brought riots. "There is no way we will accept a recession."

Funaro told Italian Treasury Minister Gorla the big policy changes were needed, not by Brazil, but by the World Bank and the International Monetary Fund. "They are organizations already left behind by the world's evolution," Funaro remarked.

Official Washington remains deaf to Funaro's explanation that Brazil can keep growing only if it is given relief from debt payments. Brazil has paid \$24 billion in debt service in the past two years, but has received only \$2 billion in new loans. Funaro insists, "Brazil believes new paths to solve the crisis must be sought. Until now paths have been proposed for living with the crisis; but we want to find a path that will enable us to get out of the crisis."

And the crisis will certainly not be solved by "a handful of birth control pills."