

Privatization campaign sparks civil-military opposition in Brazil

by Silvia Palacios and Lorenzo Carrasco

President Fernando Collor de Mello's trip to the United States in the middle of June marks a watershed in the institutional life of Brazil. The drastic demands made by Washington and the docility displayed by Brasilia in accepting them, succeeded in creating, as a reaction, the embryo of an emerging national movement, based on an alliance of civilians and military men against the Anglo-American colonial "new order" led by George Bush. "The United States not only wants to conquer the country, but to rape it," a high-level official of the Superior War College, the doctrinal center of the Brazilian Armed Forces, commented to *EIR*, referring to the arrogant attitude of U.S. authorities toward a country whose territory is equal in size to the continental United States.

The newly emerging alignments were evident in the testimony June 5 of Air Force Minister Brig. Socrates Monteiro before the Defense Commission of the Chamber of Deputies, and what resulted from it. On that occasion, the minister made adamantly clear that the Brazilian Armed Forces are not interested in any new military accord with the United States, since what is intended by the accord is to place Brazil's scientific and technological development under U.S. tutelage. Therefore, under current conditions, the Brazilian Air Force prefers Soviet offers to launch Brazilian satellites, since the Soviets—unlike the U.S.—are willing to provide Brazil with technology it needs for future launches of its own, as well as make operational the launch platform at Alcantara, an exceptional site located in the extreme north of Brazil which, because of its proximity to the equator, is one of the best places to launch satellites in the world.

In concluding his congressional testimony, the minister also warned that "very powerful nations have focused their economic interests on that still unexplored region [the Amazon]—on the pretext of the ecology cause—seeking to internationalize that area through a hardline demonstration of the interventionism of earlier times."

The repercussions of the minister's testimony were evident in a June 6 article published in *Folha de São Paulo* signed by Carrion Junior, a federal deputy for the PDT party and member of the House's Defense Commission. Without mincing words, the congressman launched a harsh attack against the proposals to reestablish a military accord with

the United States. "The Pax Americana which they seek to impose over our continent would establish absolute subservience in the military realm, transforming our Armed Forces into mere repressive internal police forces, modeled on the state police forces, and which has as its backdrop a more ambitious population, cultural, technological and geographic project to limit all autonomous national development."

The article by Dep. Carrion Junior, continued: "Today, as has already happened in Argentina, our technology for combat vehicles will be exchanged for NATO scrap iron; our submarine project will be frozen; our dreams of autonomy in satellite launches, forgotten. Either we react as a nation, or we will be inexorably incorporated, beginning with the Amazon itself, as an insignificant and innocuous appendage of a new world order, a supplier of raw materials, cheap labor, and a geographic area for the expansion of interests of other nations. Brazil does not deserve this fate."

Even more categorically against a possible military accord with the United States, was the editorial of the newspaper *Ombro a Ombro*, which represents patriotic military sectors (see *Documentation*).

The 'Mineiro' factor

Another crucial event which helped bring about a convergence of civilian and military interests, was the startup of the program to privatize state companies, under pressure of the International Monetary Fund and the creditor banks. The program was launched with the sale of the Usiminas steel company, which the government is offering at bargain basement prices. The privatization of Usiminas, the largest and most modern iron and steel plant in Ibero-America, is clearly detrimental to the national patrimony: They intend to sell it for somewhat less than \$1.5 billion, when it would cost \$8 billion to install a similar plant. This is made even worse by the fact that the government is willing to accept devalued foreign debt paper in exchange for it, as per the plan of Kissinger Associates.

This is viewed as a decision by the Collor government in Brasilia to deliberately insult the nationalist forces in Brazil who created and now support Usiminas, and similar state sector heavy industrial projects. It appears that Brasilia's

strategy is to be confrontational at the outset, and neutralize possible opposition from the powerful political group based in the state of Minas Gerais, where Usiminas is located, the idea being to make it that much easier to privatize oil, telecommunications, and electrical energy sectors down the line—as the man responsible for the privatization program, Eduardo Modiano, president of the National Bank for Economic and Social Development, confessed to *EIR* recently. The “Mineiro group” (based in the state of Minas Gerais) is a power bloc, composed of both civilians and military men, tied to the large state sector companies and projects which drove Brazil’s growth at rates of 10% annually during the 1970s. The attack on Usiminas, therefore, is consciously aimed at demolishing the spinal cord of nationalist resistance.

Questioned by the magazine *Terceiro Mundo* about the charges made by “the U.S. magazine *EIR*” that Kissinger Associates is behind the scheme to exchange devalued debt paper for stocks in state sector companies, the former Vice President of Brazil, Aureliano Chaves, one of the leaders of this Mineiro group, responded that if the “national project” presented by the Collor government is not a copy of these proposals, “this is very close to being true.”

The same “Mineiro factor” was evidence in recent statements by Vice President Itamar Franco, also of Minas Gerais, opposing the privatization of Usiminas, in open disagreement with President Collor. “I have my own ideas,” and the privatization “would harm the economy of my state,” he bluntly stated.

There are also signs of an emerging understanding between congressional opponents of Collor on the one hand, and the Brazilian military on the other. On June 12, the same day that Congress failed to support various projects whose approval President Collor planned to bring on his visit to Washington, the leaders of all the parties in Congress had a private dinner with the three military ministers. On the agenda at the dinner were the privatization program, the destruction of all protection for the computer industry, the question of military salaries, and Collor’s meeting with Bush. The congressmen emerged from the meeting enthusiastic about the response they received from the military men.

‘We are all Iraqis’

The spirit which characterizes the civic-military rapprochement is seen in an article by veteran journalist H. Alves in the magazine *Excelencia*. “The national interests of Brazil,” wrote the former deputy who was exiled under the military governments of the late 1960s and early 1970s, “demands a definitive and rapid reconciliation between the military and civilians. . . . Today the harshest enemy the 1964-84 period begin to meet and to recognize that they have more cause for understanding than for discord. . . . In Brasilia, an active duty senior officer explained his sentiments to me: ‘The bottom line is that we are all Iraqis.’ That is, that the world of the rich . . . decided to put us in our proper place,

even if they have to take recourse to surgical military interventions to do so.”

Commenting on U.S. pressures on Brazil around President Collor’s trip to Washington, Alves reported that the U.S. is trying to get Brazil to “sign the Nuclear Non-Proliferation Treaty; end the Navy nuclear program; sign a military accord with the U.S.; transform the arms industry into a subsidiary of the Anglo-American armaments complex; and adopt a more comprehensive attitude as regards the Amazon, ecology, and population control. The Brazilian Armed Forces, it is said, rejects this policy. On this basis alone they deserve the general support of the citizenry, particularly of those who criticized them or confronted them throughout the years of the military dictatorship.”

Documentation

Extracts from the editorial of the magazine Ombro a Ombro of June 1991 entitled “Brazil and the New TIAR.”

It should be said that the United States is not morally qualified to propose any military accord to us, since it was the pressures and the improper interference of the Jimmy Carter administration which, in 1977, led President Ernesto Geisel to revoke the then existing treaty. That decision favored the flourishing of the Brazilian defense industry and other advanced technology sectors, such as the autonomous nuclear program, sectors which owe little to their counterparts in the so-called First World and which, in the name of a supposed “modernity,” are now being considered as offerings before the altar of the “new world order.”

Nor is it fitting for Washington or its partners in the Socialist International to offer a new agreement on hemispheric security, since, in the same way, it was they who were the very ones who destroyed the schema of Inter-American Reciprocal Aid Treaty, or TIAR, during the Malvinas conflict of 1982, when they ostentatiously supported England in what was, in fact, the first demonstration of NATO out-of-area deployments, which they are today trying to institutionalize *de jure*, as was seen in the recent assembly of that body last May.

. . . Yes, we agree, with a new regional security order, but this should be linked to strict respect for the principles of national sovereignty, non-interference in the internal affairs of the different nations, and, above all, respect for human dignity, as was emphasized by his Holiness, Pope John Paul II, in the encyclical *Centesimus Annus*. . . . On the basis of such principles, a regional military agreement is perfectly compatible with an effective economic integration of the subcontinent, outside subservience to any power of the “new world order.”