

# Brazilian Senate Commission Hears EIR On Destruction by Foreign-Run NGOs

by Dennis Small

On May 22, *EIR*'s correspondent in Brazil, Lorenzo Carrasco, was the first witness called to testify before the Parliamentary Investigatory Commission (CPI) recently created by the Brazilian Senate to investigate the activities of the non-governmental organizations (NGOs) in Brazil.

Brazilian Congressional CPIs, as they are known, often involve more than informational hearings; they are empowered to carry out far-reaching investigations, should their members choose to do so. Leaders of the foreign-run NGOs operating in Brazil well remember, that only last year, a nationwide network of drug traffickers and their political patrons was broken up and its leaders packed off to jail, after a CPI investigation dug deeply into drug-trafficking in Brazil.

Introduced as the author of the just-published book, *The Green Mafia: Environmentalism at the Service of World Government* (he is, in reality, its co-author), Carrasco testified for four hours, during which he had the opportunity to lay out in great detail the hegemonic oligarchic strategy for which the NGOs function simply as the "shock-troops." Written in Portuguese, *The Green Mafia*, drew upon *EIR*'s long track record in exposing and combatting the oligarchy's environmentalist New World Order, he told the CPI.

"Our fight against the environmental utopia, which is nothing more than a warmed-over version of the Anglo-American oligarchy's Malthusian theses, began long ago. Thirty years ago, *EIR*'s founder, American economist Lyndon LaRouche, organized his political movement, and shortly afterward founded the magazine, as an international political force to combat the oligarchical project to plunge the world into a new Dark Age. The latter was to be achieved primarily by dismantling the post-World War II financial system, and reviving the utopia of a 'world government,' based on the old proposals of H.G. Wells and Bertrand Russell, ideologues of a rebirth of the British Empire, and on the geopolitical theories of Halford Mackinder, among others."

Carrasco situated the particular importance of the CPI's investigations into the NGOs' activities being undertaken as the world enters its gravest crisis, "characterized by the final phase of the world financial system's disintegration," on the one hand, and, on the other, "by the attempts of U.S. President

George W. Bush . . . to prop up the financial system by resorting to brute force and threats of military conflict," as seen, indeed, in "the savage pressures on Brazil to subordinate itself to the so-called Free Trade Area of the Americas (FTAA), through which the country's sovereignty would be effectively limited."

## Three Bombshells

In his opening, prepared statement (see *Documentation*), Carrasco dropped three political bombshells, which stunned the nine participating Senators, as well as the audience viewing the hearings on Senate Cable TV, which is broadcast nationally in Brazil:

1. Eighty-five percent of the financial resources of Brazilian NGOs come from *foreign* foundations, corporations, and governments—as does 51% of the budget of the Brazilian government's own Environment Ministry, Carrasco reported. "It is no mere coincidence that the same percentage of the ministry's budget is channelled to the payment of services provided by third parties or entities"—i.e., Brazilian NGOs—he noted.

The *EIR* correspondent went on to document the role of the Environment Ministry in stopping numerous energy and other infrastructure projects in Brazil, all under the guise of "protecting the environment." At that point, according to the daily *Senate Journal* of May 23, "The secretary of the CPI, Sen. Marluce Pinto (PMDB-Roraima), asked the witness to provide her with a detailed report on the resources received by the NGOs acting in Brazil. She also requested information regarding the ministry's budget, which Carrasco agreed to furnish."

2. These same foreign-funded NGOs stopped investments in hydroelectric projects in Brazil, which would have added up to 12,000 megawatts in new capacity, said Carrasco.

Brazil is currently facing an unprecedented energy crisis, as a result of a severe drought which is crippling 90% of Brazilian electricity, which is generated by hydroelectric plants. The government has announced plans to impose cutbacks of 20% on national electricity use, which was set to begin on June 1. Since the country's current capacity is

72,000 MW, every person in the Senate hearing room could quickly calculate that the NGO-sabotaged additional capacity was approximately equal to the 20% in forced cuts now politically and economically ravaging the country.

An angry Sen. Gilberto Mestrinho (PMDB-Amazonas) responded, according to the *Senate Journal*, that “with the current energy crisis, the NGOs got what they wanted: to stop the growth of Brazil.”

3. Roger W. Sant, the president of the U.S. energy giant AES — which only two weeks earlier had publicly threatened Brazil with the blackmail that it was halting \$2 billion in promised investment in energy plants in Brazil, until electricity prices were totally deregulated and allowed to rise sky-high, California-style — is also the head of the U.S. branch of the World Wide Fund for Nature (WWF). As Carrasco explained, the WWF, whose founder and honorary international president is Britain’s Prince Philip, is one of the controlling agencies directing the NGOs on behalf of “an extremely sophisticated operation, directly linked to the highest decision-making circles of the international oligarchy, organized around the leadership of the British and Dutch royal families.” Those circles are determined to stop Brazil’s development and destroy its sovereignty, he warned.

As Carrasco also reminded the Senators, the WWF had earlier this year tried to silence all opposition to its criminal policies, by filing a frivolous slander suit against the LaRouche organization in Brazil, the Ibero-American Solidarity Movement (MSIA). Caught flat-footed by Carrasco’s exposé before the Brazilian Senate’s CPI, the only response that WWF-Brazil could muster, according to *A Crítica*, a daily published out of Manaus, Amazonas, was that Carrasco was already being sued for slander — a lie, given that neither Carrasco nor *EIR* are included in the WWF’s suit.

Inside the Senate chamber, two or three Senators jumped to defend the WWF and the NGOs from the *EIR* correspondent’s withering attack, by trying to discredit *EIR* founder Lyndon LaRouche. Predictably, their questions about LaRouche’s jailing in the early 1990s, and slurs about his purported “anti-Semitism,” backfired: Carrasco was able to fully brief the Senators, and the national TV audience, on LaRouche’s unique forecast of the current global financial crisis, his proposals of how to solve it, and the reasons why the London and Wall Street financial crowd had LaRouche jailed on fraudulent charges concocted during the first Bush Administration.

## **Bush-Whacked**

The backdrop to the Carrasco testimony is an energy crisis which threatens to shatter Brazil. With a record-setting drought already forcing the government to order a 20% across-the-board cutback of electricity consumption in the most-populated three-quarters of the country from June 1 through November of this year, electricity use may be even further restricted, and the cutbacks may be extended beyond

November, if rains do not restore the water levels behind the dam reservoirs.

The impact of a sudden cut in energy usage in the Brazilian economy by one-fifth or more, is almost incalculable in its sum effect. First, is the obvious direct destruction of production. Some banks estimate that, for every 10% cut in energy, industrial production will fall by 7.7%. At that rate, even if the cuts do not go beyond 20%, Brazil is looking at a likely 15-16% plunge in industrial output, with attendant unemployment.

Squeezing already dry hydro projects for every drop of water for energy, also threatens other water-management uses, and can be expected to severely hurt agriculture, for example. This hits on top of an epidemic of hoof and mouth disease which is beginning to spread into Brazil from Argentina and Uruguay. Already, the southernmost state of Rio Grande do Sul has begun to vaccinate against the disease, and there is ill-concealed panic in the rest of the country over its expected advance.

Trying to avoid rationing by rolling blackouts, the government has adopted a crazy plan to force consumers to cut back use by imposing California-style increases in electricity prices, for those who fail to “conserve.” Households must reduce their electricity consumption by 20% from their average usage in May, June, and July 2000; industries, by 15-25%, depending on what industry they are. For now, there will be no general blackouts, and those who consume no more than 200 kilowatt-hours a month, will not pay a higher price. However, anyone consuming 201 to 500 kwh a month, will pay a 50% surcharge in their rates, and those consuming more than 500 kwh/month, a 200% surcharge. Financial incentives are offered to those who cut their consumption by more than 20%. Consumers who fail to reach the mandated cuts in July, however, will have their electricity cut off completely for three days, and repeat offenders will suffer six-day cuts!

Lawsuits against the plan have already been filed by everyone from homemaker associations to the Brazilian Lawyers Association. Labor unions, staring at mass firings, have announced protest actions. What form the social dislocations and consequent political explosions will take, cannot be predicted, but that they will occur, is a given.

Bush-linked U.S. energy giants, however, have positioned themselves to make a killing on this catastrophe. Brazil’s *Valor Economico* noted on May 28 that Enron and El Paso Energy are situated “to benefit greatly from the energy shortage ravaging Brazil,” when they start up two Brazilian thermal plants next September that will sell into the wholesale energy market. High profits from these plants are expected, *Valor* commented.

Under these circumstances, it is likely that explosions of popular rage at the devastation of their lives, may soon target these Bush-linked entities, and the Bush energy policies more broadly. It is also possible that blue-blood groups such as Prince Philip’s WWF, will also get their just deserts.