

Report from Rio by Silvia Palacios and Lorenzo Carrasco

'The other guerrillas' of Brazil

*A closer look at the Project Democracy networks inside Brazil.
Part one of a three-part series.*

Running guns to Moscow's terrorist mullahs in Iran, and pretending that this activity could aid the "anti-communist" cause in Central America, is not the only example of how the U.S. secret government that Oliver North codenamed Project Democracy, is aiding the West's most bitter enemies.

In Brazil, Project Democracy is patronizing a "new right" which agrees on key policies with the country's pro-Marxist liberation theologians. Not only do "right-wingers" Congressman Afif Domingos and Liberal Party politician Alvaro Vale agree with the insurgent priests Leonardo Boff and Fray Betto on singing hosannas to Moscow's *glasnost* and *perestroika*; the apparent ideological discrepancies between the two camps vanish in their common drive to overthrow the sovereign state, Catholic Church, and armed forces of Brazil.

Domingos and Vale base their program on *The Other Path* (*El otro sendero*), the bible of "new right" movements across the continent. Written by Peru's Hernando de Soto, *The Other Path* argues that the solution to the economic crisis lies in legalizing the "informal economy," a sector which the book admits is usually called the black, or underground, economy.

It is no secret that dope-running is the number-one activity dominating this underground economy. Yet the book has been widely circulated, thanks to a multimillion-dollar campaign financed by David Rockefeller's Council of the Americas, and by the National Endowment for Democracy (NED), the public front for

North's Project Democracy.

In Brazil, the book will soon be released with the title *The Other Guerrillas*, by *O Globo* publishers.

Hernando de Soto, along with Peruvian novelist Mario Vargas Llosa—who wrote the prologue for *The Other Path*—are founders of the Institute for Freedom and Democracy (ILD) in Peru, the key NED/Project Democracy creation in Ibero-America. Aside from receiving big bucks from the NED, the ILD is a kind of "branch office" of the Mont Pelerin Society, which spreads the Milton Friedman brand of pro-drug economics.

The most important link to the ILD in Brazil is the so-called Liberal Institute, headquartered in the Rio de Janeiro offices of the company ECISA. ECISA's owner, Donald Steward, Jr., is a founder and president of the Liberal Institute, and one of the three Brazilian Mont Pelerin Society members. The Liberal Institute was founded in 1983, the same year that the NED was set up in the United States.

The Liberal Institute maintains close relations with the Brazilian Confederation of Trade Associations (CACB), which is linked to the Center for International Private Enterprise (CIPE), the business arm of the NED. The president of the CACB is a member of the Consulting Council of the Liberal Institute, led by economist Og Francisco Leme, who is vice-president of the Rio de Janeiro Trade Association and a collaborator of Peru's ILD. Various Liberal Institute publications are co-sponsored by the CACB.

Both the CACB and the Liberal

Institute have tried to not appear linked to the Liberal Party of Alvaro Vale. But in Peru, ILD directors affirm that their main contact inside Brazil is Vale's Liberal Party, whose posters adorn the ILD's walls in Lima.

Congressman Afif Domingos, although not an official member of the Liberal Institute, has defended all of its ideas, and at least two manifestos of his 1986 electoral campaign were drafted at the Liberal Institute. "We have nothing to do with the Liberal Party, but we recognize that Alvaro Vale and Afif Domingos have defended various of our theses," affirmed Donald Steward, Jr. in statements to the July 28, 1987 edition of *Jornal do Brasil*.

The secret of the ILD and its Brazilian cohorts, however, is proclaimed in De Soto's dedication of *The Other Path* "to my leftist friends, whose ideals I share." ILD leaders explain, this refers to De Soto's close friend and his children's godfather, Ibero-America's chief liberation theologian, Gustavo Gutiérrez. Gutiérrez is an intimate of Leonardo Boff and Friar Betto; all three are close friends of Fidel Castro.

Project Democracy's coordination with the liberationists goes back several years, as U.S. Project Democracy apologist Michael Novak explained in his 1986 book, *Will It Liberate?* Any differences in economic strategy between the followers of Adam Smith, and liberation theology "should not blind the unwary to a powerful unity of aim"; both agree on the 'option for the poor,' " Novak wrote.

Could there exist, then, a secret accord between Afif Domingos and Alvaro Vale, and Leonardo Boff, an agreement mediated perhaps by the Benedictine Order—Vale's spiritual guides, and the sponsors of the recent visit to Brazil of Nicaraguan liberationist Ernesto Cardenal?