

EIR Science & Technology

World Bank devastates the Amazon jungle

The labor-intensive, export-oriented agriculture programs of the international financial oligarchy and its Brazilian partners are leading to genocide. Lorenzo Carrasco reports.

World Bank bureaucrats habitually wash their hands of the provably genocidal consequences of the economic policies they impose on Third World nations. That is exactly what they did when they got caught in the act by Brazilian satellite survey experts. The specialists at the National Institute of Space Research (INPE) found that during 1987 alone, more than 8 million hectares of virgin jungle had been devastated, primarily by World Bank-sponsored settlement programs.

Since the mid-1960s, the World Bank has foisted on the Third World "development" programs based on the intensive use of labor. Their premeditated intention is to "recycle" "excess" population toward zones where survival is difficult, thus aiding their global goal of population reduction.

Due to such genocidal policies, millions of Brazilians struggle for survival in the disease-ridden Amazonian jungle. We shall show that the World Bank intended from the word "go" to eliminate populations.

To accuse the World Bank of ongoing genocide of millions of people does not remove the share of blame which belongs to Brazilian authorities, especially those who saw in the World Bank programs a chance to put their geopolitical idiocies into practice. The 1970 National Integration Program (PIN) called for building a road system to open up a supposed "living space" in the Brazilian "heartland." Never did an obsession cost so much for so little economic benefit.

The international financial oligarchy, well represented by the World Bank, knew how to manipulate that political faction associated with President Emilio Medici's 1969-73 administration in order to get from it huge land grants and billions of dollars worth of tax breaks and subsidized loans.

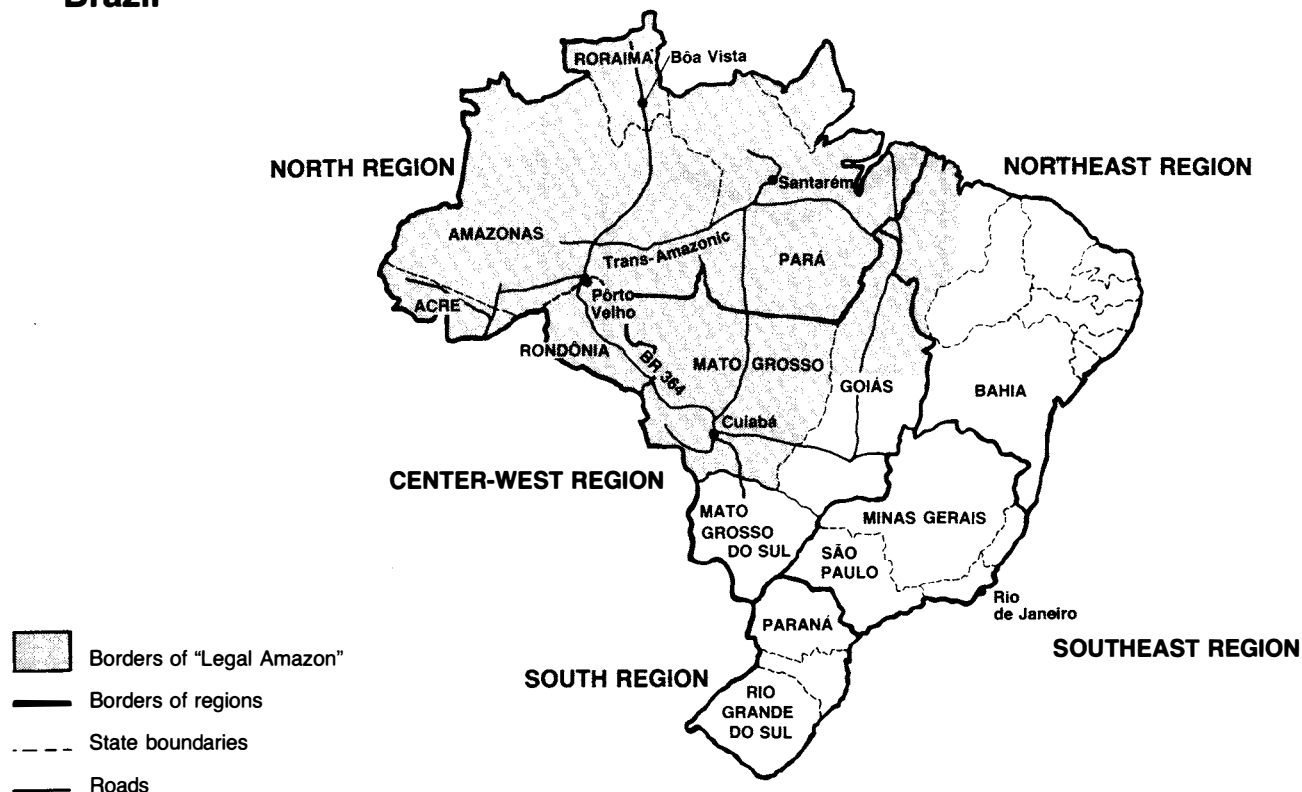
Today, that same financial oligarchy, headed by the English royal family, is running an international campaign which, on the pretext of the immense devastation, seeks to internationalize the Amazon, or, for the time being, limit Brazilian sovereignty over an area of more than 3 million square kilometers.

The World Bank is so hypocritical as to push poor people into desperate deforestation of the Amazon by delaying and conditioning loans for hydroelectric and nuclear electric programs, in the name of protecting the environment. Rex Nazaré, president of the National Nuclear Energy Commission, protested in congressional testimony that the World Bank, the main opponent of nuclear energy in Brazil, was thus helping destroy the virgin forests of which it is the self-proclaimed savior.

Reductions in per capita electricity consumption during the past decade forced an increase in the use of firewood and charcoal for cooking. Although this is not the main cause of Amazonian deforestation, the lack of investment in electric supply, especially in the rural areas, necessarily will increase the rate of Amazonian devastation starting in 1991.

The World Bank's genocidal strategy began by promoting roads cutting across the Amazonian jungle. The Transamazonian Highway was built in the 1960s. It ties the Amazon to Brazil's Northeastern region. The Cuiabá-Pôrto Velho road (BR 364) linking the Center-West to Rondônia and Acre on the Peruvian border, was improved. In the 1970s, two new axes were built toward the North, from Cuiabá to Santarém and from Pôrto Velho to Bôa Vista. The strategy was to reserve 20 km swaths on each side of the road for new

Brazil



human settlements. As an integral part of its strategy, the World Bank sabotaged any more coherent and more economically promising development plan for the region. By ruling out building of waterborne transport systems and agro-industrial ports making intensive use of high technology, Brazil lost a great opportunity for accomplishing its old and great national dream of integrating the Amazon and La Plata River basins.

The road-building did not do so well at "recycling" the supposed "excess" population. The government planned to settle 70,000 families along the road between 1972 and 1974, but by 1980, only 5,700 families had been placed in an orderly fashion.

How the 'excess population' was created

The World Bank's genocidal strategy began succeeding at the end of the 1970s. The two oil shocks helped the World Bank promote home-grown "alternative fuel sources," a particularly perverse version of its "appropriate technology" schemes of the previous decade. The argument was quite simple: Brazil could devote some of the most fertile of its more than 8 million square miles of land to growing sugar cane to be distilled into alcohol to run automobiles. That would, in turn, oblige the displacement of rural manpower

toward the new areas of colonization. That is, one of the objectives was to create the population "surplus" needed to justify its previous programs. Thus, Pro-Alcohol was born.

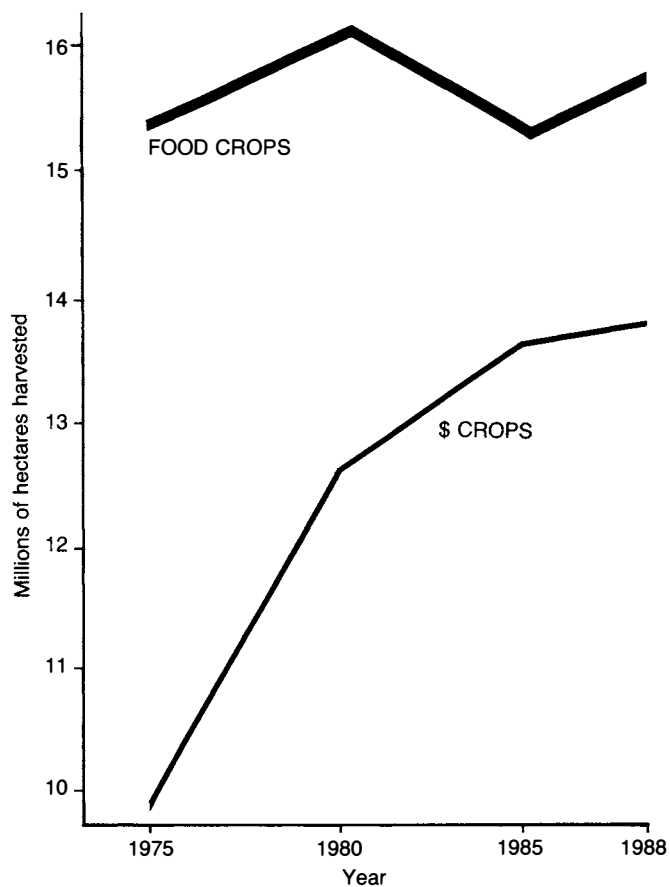
Pro-Alcohol, which would be beneficial only under temporary wartime conditions, had doubly disastrous effects: On the one hand, it deformed the national energy balance, increasing the inefficiency of the economy as a whole. This is expressed today in fuels in Brazil having to be sold at double their international prices, a major component of inflation. Ten billion dollars in capital, which should have been invested in productive industry and agro-industry, was wasted on the alcohol program. That resulted in a failure of Brazil to expand good job opportunities rapidly enough to employ its rapidly growing labor force.

On the other hand, and even more deadly, was the replacement of food crops for domestic consumption by feudal sugar plantations on the most fertile lands in the most densely populated regions of Brazil.

This coincided with a policy of giving preference to export agriculture with which to service the foreign debt, bloated, starting in 1979, by the impact of Paul Volcker's "revolutionary" interest rate hikes. Sugar cane and soybeans, primarily, began to systematically displace crops for domestic consumption. In the South and Southeast of Brazil, modern

FIGURE 1

Areas harvested for food crops vs. export crops, South and Southeast regions (developed area)



KEY, Figures 1-5

- Area harvested for crops oriented toward food consumed in Brazil (rice, beans, wheat, corn, and yuca)
- Area harvested for crops oriented toward export or use as fuel substitutes (soybeans, cotton, coffee, oranges, and sugar cane)

capital-intensive soybean production expelled labor which had been employed in traditional agriculture, much like the cotton revolution in the American South. The soy went to pay foreign debts and the profits from it went into money markets, not into reinvestments in local food production.

With the disappearance of agricultural employment opportunities and the reduction in food production per capita in the South and Southeastern regions, an expulsion of rural population toward the colonization zones was achieved, along with migration to the big cities, which would distend the immense shanty-towns of every middle-sized and large city in the country. Another part of this rural labor force remained as migrant workers in their native regions, the famous "cold lunchers," roving homeless families who go from field to

FIGURE 2

Areas harvested for food crops vs. export crops, state of São Paulo (most developed area)

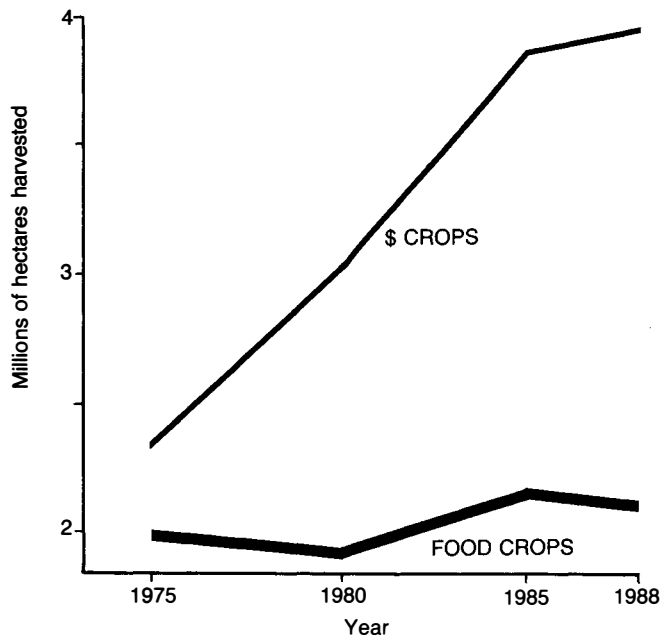


FIGURE 3

Areas harvested for food crops vs. export crops, Northeast region (the most impoverished area)

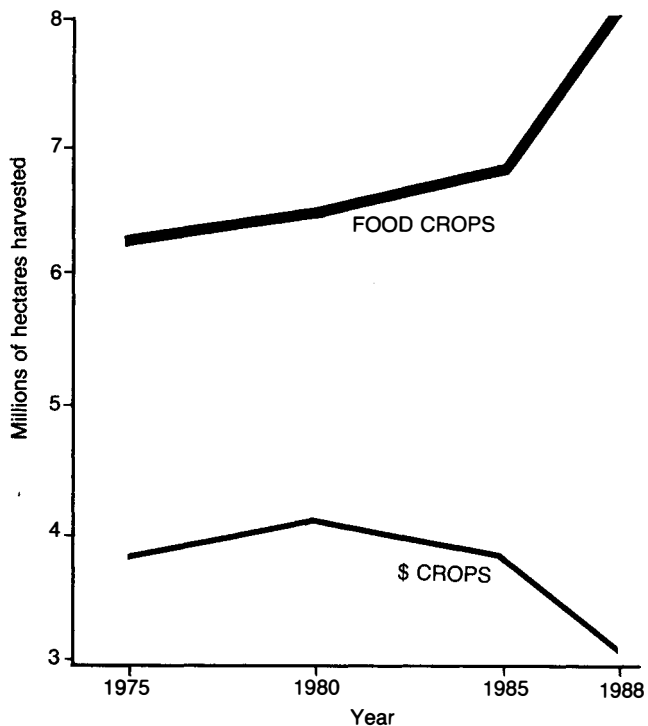
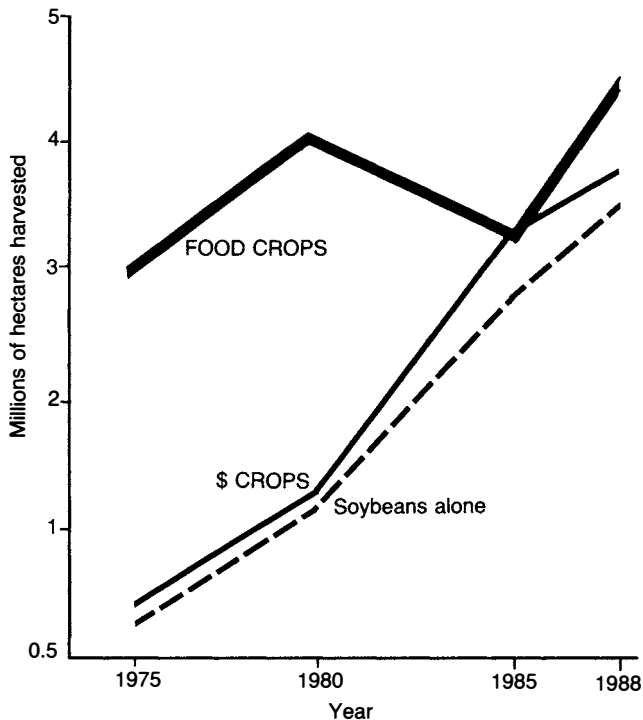


FIGURE 4

Areas harvested for food crops vs. export crops, Center-West region (southern edge Amazon Basin)



field seeking work and sustenance.

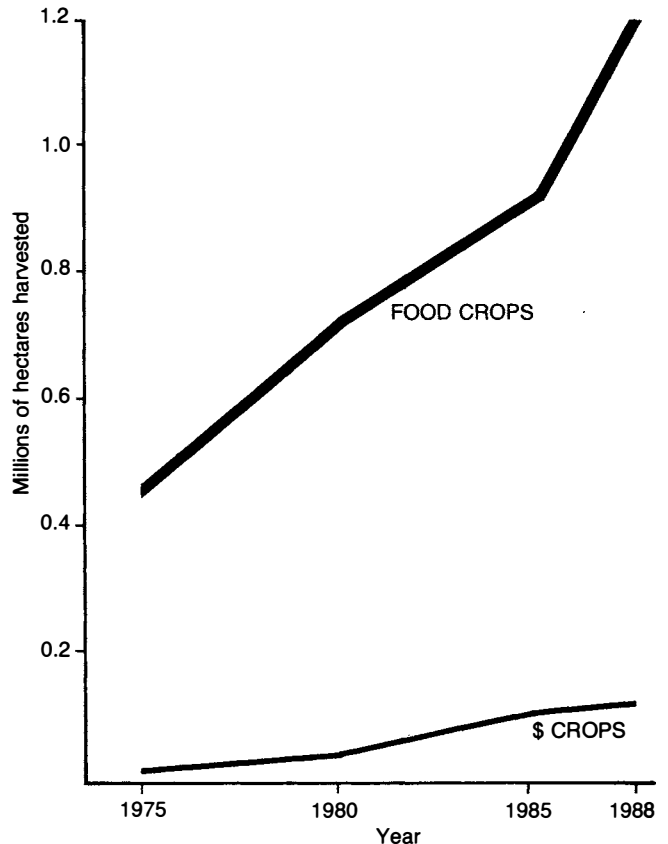
We depict this process by analyzing figures from the past 13 years. First, we divide the harvested area in two: the part growing sugar cane and export-oriented crops (cotton, coffee, oranges, and soybeans), and the part growing crops primarily consumed locally (rice, beans, yuca, corn, and wheat). We analyze the relationship between these two parts in the several regions of the country; and then we compare the results with the migratory flows among the regions.

We see in **Figure 1** that in the Southern and Southeastern regions where the most fertile lands and, also, the majority of the population, is concentrated (see **Table 1**), there was a drastic change in the structure of production. Between 1975 and 1988, the area used to produce local food crops remained virtually unchanged, at about 15 million hectares, while the area used for sugar cane and export crops increased by nearly 4 million hectares, from 9.9 to 13.7 million. Much of the increase was in soybean plantings in the states of Parana and Rio Grande do Sul. The case of São Paulo (shown in **Figure 2**) was even more serious. "Energy" and export crops increased 70% there. Of this 1.6 million hectare increase, sugar cane was responsible for 1.1 million. The reduction of arable lands destined to food production caused 2.4 million people to be expelled from these two regions (see **Table 2**).

This agricultural policy in the South and Southeastern

FIGURE 5

Areas harvested for food crops vs. export crops, Northern region (Amazon core)



regions accelerated the opening of new lands in the contiguous Center-West region, a large part of them within the area designated at the "Legal Amazon." (See shaded area on map.) As can be seen in **Figure 4**, by 1975 more than 3 million hectares, mainly in Mato Grosso do Sul state, were planted for food. In that year, a small area of export crops appeared. Today, Mato Grosso do Sul, Mato Grosso, and Goias are little by little being turned into immense soy plantations. The total area harvested today is about 8.5 million hectares, of which only 2 million are in the relatively most fertile state of the region, Mato Grosso do Sul; the other 6.5 million hectares have largely come from deforesting virgin jungle.

As for population flows, by 1985, the Center-West region managed to absorb 1.2 million inhabitants more than its natural population growth rate. But in the last few years, in parallel with the growth of export crop areas, the tendency is for that region to begin to generate its own "excess" population, expelling it deeper into the Amazon, into the Northern region.

In the Northeast, which also suffered the impact of Pro-Alcohol, which brought more than 1 million hectares under sugar cane cultivation, export crops have not managed to

TABLE 1

Population growth by regions (millions)

REGIONS	1975	1980			1985			1988		
	Real	Real	Natural	Migration	Real	Natural	Migration	Real	Natural	Migration
South & S.E.	64.5	72.2	72.9	-0.7	74.8	81.7	-1.9	84.9	87.3	-2.4
Northeast	32.0	35.5	36.2	-0.7	39.0	40.6	-1.6	41.3	43.2	-1.9
Center-West	6.5	7.7	7.3	+0.4	9.2	8.0	+1.2	9.8		+1.5
North	4.2	6.0	4.7	+1.3	7.6	5.3	+2.3	8.4	5.6	+2.8
All Brazil	107.0	121.1	121.1	0	135.6	135.6	0	144.4	144.4	0

This table compares the actual population of each region (the first column for each year) with the natural population growth (second column). The difference (shown in the third column) is total migration since 1975. Negative figures show emigration from the region. All numbers are millions of inhabitants.

TABLE 2

LANDSAT surveys of forest clearing in the Brazilian Amazon

State or territory	Its area (Sq. Km.)	Percent of state or territory classified as cleared			
		By 1975	By 1978	By 1980	By 1988
Amapá	140,275	0.1	0.1	0.1	0.4
Pará	1,248,042	0.7	0.8	2.7	9.6
Roraima	230,104	0.0	0.1	0.1	1.4
Maranhão	257,451	1.1	2.8	4.1	19.7
Goiás	285,793	1.2	3.6	4.0	11.6
Acre	152,589	0.0	1.6	3.0	12.8
Rondônia	243,044	0.3	1.7	3.1	23.7
Mato Grosso	881,901	1.1	3.2	6.1	23.7
Amazonas	1,567,125	0.1	0.1	0.2	6.0
Legal Amazon (Total)	5,005,425	0.6	1.5	2.5	12.0

Source: "The World Bank, Government Policies and Deforestation in Brazil's Amazon Region," based on data from Philip Fearnside and Brazilian Institute for Forestry Development.

replace food crops, although food production has scarcely increased at the same rate as population. There has also been emigration from that region to the border areas, especially the north of the Amazon.

To sum up, the agricultural policy adopted to reduce food production, generated the "excess" population avidly sought by the World Bank. During the past 13 years alone, more than 4 million people were forced to migrate, especially to the states of Rondônia and Pará, without counting those who migrated to urban slums and live under similarly miserable conditions.

Once these requisites were created, the World Bank launched a new phase in its genocidal strategy. In 1981, it financed the development of the Northwest Pole, a settlement program in the state of Rondônia and the western part of Mato Grosso, a 410,000 square kilometer area. From that moment, emigration to Rondônia grew exponentially. From

1980 to 1983, there arrived 65,000 migrants per year; from 1984-86, the rate was 160,000 annually; and it is even higher in the last two years. The state's population grew 17% annually to reach 1.2 million inhabitants in 1987.

The World Bank's genocidal intentions were newly exposed when it "solved" the apparent demographic explosion created by International Monetary Fund-World Bank policies which tended to make even existing populations redundant by reducing the size of the lots given each emigrant, so as to accommodate more families in the same area, which means a death sentence. Given the extremely low productivity of the soils in the region, each family, to subsist, must burn down a new area every year and abandon it two years later, after destroying its capacity to grow crops. Some of this land is still good enough to serve as cattle pastures. The immense Amazon burnings reported by the INPE for the year 1987—20 million hectares—are mostly in the settlement belts along

the roads.

The landless peasant families who, to their misfortune, emigrate to regions like Rondônia, are turned into a human wave which advances, destroying virgin jungle in a predatory process in search of their survival, under subhuman conditions.

Thus, starting with the 1981 "success" of the Northwest Pole, the deforestation of the Amazon grew exponentially. Eight percent of the total deforestation, calculated at 60 million hectares, has taken place in the past seven years. By 1981, all the areas with soils adequate for farming had been occupied and there remained only poor lands which require costly investments in technology for their adequate use.

Cattle ranches have taken 8.4 million hectares of the deforested area; but many of today's pastures were first used to grow food crops. The total food area harvested in the border regions does not fully reflect the deforestation process, since it is an area which rapidly moves about. Thus, statistics on it do not correctly reflect deforestation. Most of the farm production is for the settler's own subsistence and not for market.

The solution to the problem

It is thus insane, as well as cynical, to blame the deforestation of the Amazon on a supposed "excess" population, as the World Bank tries to do in its recent reports.

The truth is that Brazil has the immediate capacity to bring 10 million fertile hectares in the South and Southeast which are now being misused to generate export revenue and alcohol into food production. That would solve in a single year the needs of more than 50 million Brazilians who live in or near absolute misery. That is where the way to put an end to the deforestation of the Amazon must begin.

The World Bank suggests ending the tax incentives and ending the subsidized loans and other privileges which have benefited almost exclusively land speculators. That would certainly help solve the problem. But only a change in the country's agricultural and financial policy, the expulsion of World Bank programs and IMF conditionalities, allied with rational use of Amazon land and resources based on a deep understanding of regional ecosystems and the most advanced technology available would bring salvation, not only for trees, but, above all, for millions of human lives.

Former official of IMF charges genocide

A former top official has charged the International Monetary Fund with Nuremberg crimes and bringing on a new dark age—precisely the charges *EIR* has been documenting for the past 15 years.

Native of Grenada and 12-year staff member of the International Monetary Fund, Davison L. Budhoo, charged in a 160-page open letter of resignation given to the press on Dec. 28, that the IMF has set itself up as a new nobility, lording it over the Third World and destroying it with its nostrums. "The charges that I make strike at the very soul of man and at his conscience," he wrote. "You know, when all the evidence is in, there are two types of questions that you and me and others like us will have to answer. The first is this: Will the world be content merely to brand our institution as among the most insidious enemies of mankind? Or will the heirs of those whom we have dismembered in our own peculiar Holocaust clamor for another Nuremberg?"

He speaks of "the total preoccupation of Fund people, and Fund-inspired people, with personal material gratification and with the lust for, and abuse of power placed so inadvertently, yet so completely, in their hands. It is the timeless story of human beings, faced with an exceptional opportunity to further the cause of mankind, turning around

and destroying everything worth preserving. . . . It is the timeless story of the descent of another century of history into hell. . . . I feel . . . terror at the sight of us doing things of Dracula that we so blithely do." He reviews the exorbitant salaries, well over \$100,000 a year, plus expense accounts, first class plane flights, staying in five-star hotels, what he calls "honey pot" that buys the silence of the staff members.

He spends the majority of the 160 pages on a very detailed case study of the Fund's destruction of the Caribbean nation of Trinidad and Tobago. "We manipulated, blatantly and systematically, certain key statistical indices so as to put ourselves in a position where we could make very false pronouncements about economic and financial performance of that country . . . [which meant] the country was repeatedly denied access to international commercial and official sources of financing that otherwise would have been readily available. . . . The staff has waged within the Fund an aggressive campaign of disinformation and derision about economic performance in Trinidad and Tobago. . . ."

He announced his resignation, saying, "Today I resigned . . . after 1,000 days of official Fund work in the field, hawking your medicine and your bag of tricks to governments and to peoples in Latin America and the Caribbean and Africa. To me resignation is a priceless liberation, for with it I have taken the first big step to that place where I may hope to wash my hands of what in my mind's eye is the blood of millions of poor and starving peoples. . . . The charges I make are not light charges—they are charges that touch at the very heart of Western society and Western morality and postwar inter-governmental institutionalism that have degenerated into fake and sham."