

Report from Rio by Silvia Palacios

McNamara wins a round

Under pressure from the International Monetary Fund and World Bank, Congress reduced the military budget.

President Fernando Collor de Mello's government is fulfilling, step by step, the plan outlined by former U.S. Defense Secretary Robert McNamara to dismantle the Armed Forces of the developing sector nations, one of the central tenets of the Anglo-American establishment's "new order."

The influential newspaper of the country's capital, *Correio Brasileiro*, revealed in its Dec. 29 edition that the U.S. government, through the International Monetary Fund (IMF) and the World Bank, intervened in the last round of the government's deliberations on its 1992 military budget, to pressure the government to reduce these expenditures in next year's federal budget.

Military officials who participated in the elaboration of the budget, the paper added, charged that these multilateral agencies acted to prevent Brazil from appreciably raising its military investments up to \$9.8 billion, which would be a mere 5% of the federal budget. The IMF insisted that spending on the military not exceed 3.5% of the budget.

Acting as if funding military necessities were a crime, the United States intervened. Its threats were successful: In the last work week of December 1991, the Congress approved a 1992 federal budget which assigned the Armed Forces 3.65% of the budget.

The sum represents only 2% of Gross National Product, and is a reduction in real terms over Brazil's previous, already bare-bones, military budgets. According to a review of 1987 published by the specialized

magazine *Military Balance*, Brazil, with 3% of its GNP previously allotted to military expenditures, was one of the countries in the Americas which spends the least in this area, despite its continental dimensions and the fact that it has the largest population outside the United States.

The Brazilian Armed Forces have been fighting to preserve and strengthen the institution, especially in the face of the evident threat by the world eco-fascist lobby which seeks to force Brazil to hand over part of its sovereignty over the rich Amazon region. In the face of this situation, they had demanded an increase in the military budget as vital to simply maintain the force, let alone carry out the investments necessary for national security.

As *EIR* had reported in June 1991 that the new strategic doctrine elaborated by McNamara demands, amongst other things, a 25% reduction in military spending by Third World nations at a time when foreign pressures against any increase in the military budget began to be felt by President Collor's cabinet, Brazil's major newspapers responded by giving wide coverage to *EIR*'s press release on the McNamara doctrine.

But after the 1991 annual meeting of the IMF and World Bank in Bangkok in late September, the international financial institutions made clear to Brazil that adoption of the McNamara military doctrine had been made a condition for the promised renegotiation of the foreign debt.

The President's Secretary for Strategic Matters, Pedro Paulo Leoni

Ramos, in an interview given to *Folha de São Paulo* on Jan. 3, nervously denied reports that his ministry had ordered studies to analyze a possible reduction of the capabilities of the Armed Forces. *Folha* insisted, however, that its sources maintain the studies are going on.

The McNamara group, meanwhile, has been hyperactive in its pressure to guarantee that McNamara's plan be implemented in full. An obscure Brazilian professor, Dominicio Proença Jr., a member of London's International Institute of Strategic Studies previously only of note because of his efforts to spread the lie within military institutes that George Bush's "new world order" would not affect Brazil's sovereignty, has now been identified as one of McNamara's agents of influence on the ground in Brazil.

In an interview with Rio de Janeiro's *Tribuna da Imprensa* newspaper Dec. 30, Proença insisted that "it is worth emphasizing that military budgets, worldwide, are being cut by 25%." The paper identifies Proença as "one of the men whom former Secretary of Defense Robert McNamara is in the habit of consulting."

For his part, former Finance Minister Roberto Campos, an arch-liberal monetarist, joined the chorus on Dec. 17, suggesting slyly that "the money deployed for the construction of the nuclear submarine could be better used, for example, in investigating what threats we face."

On Dec. 17, *O Estado de São Paulo* published a long report entitled "The McNamara Doctrine gains innumerable adherents," which although it highly exaggerates the popularity attributed to the doctrine, does reflect the violent offensive against the Brazilian Armed Forces, and points to who cooked up the offensive in the first place: