
The Case of Brazil's Fabio Feldmann

'Debt-for-nature' swaps: usury disguised as ecology

by Lorenzo Carrasco

In August of this year, after this author presented detailed evidence to the Brazilian Congress on the Anglo-American plan to grab the resources of the Amazon—by force if necessary—under the guise of “protecting” the environment, one of the first individuals to publicly and hysterically attack the testimony was greenie Brazilian congressman Fabio Feldmann. This is not surprising, given Feldmann's active involvement and defense of the “debt-for-nature” and other environmental schemes heavily financed by U.S. and other international interests.

But Feldmann is not just your local environmental activist. He is intimately tied to the leading Anglo-American environmentalist groups, such as World Wide Fund for Nature (WWF), Amnesty International, Conservation International, World Resources Institute, Smithsonian Institution, and Friends of the Earth, whose boards of directors are all inter-linked. Feldmann is active in Brazil, which is high on the Anglo-American target list of nations to be destroyed. But the interests he represents are working in other Ibero-American and developing nations to use the debt-for-nature hoax as a vehicle for taking control of enormous tracts of land and natural resources, limiting national sovereignty, and demanding the destruction of institutions, such as the armed forces, which might oppose these policies. No government should be fooled by talk of “debt reduction” or “environmental protection.” As the information below documents, these organizations have only one goal in mind: maintaining usury to prop up the Anglo-American banking system, and destroying whatever nationalist resistance gets in their way.

According to Feldmann, his first contact with the ecology movement occurred in 1975, around discussions of Club of Rome theories. From that moment onward, he says, he became a fervent malthusian environmentalist, founding various organizations such as OIKOS and SOS Mata Atlantica, through which he would receive substantial financial contributions from, especially, U.S. organizations, which in turn passed on funds from the major financial institutions and foundations of the Anglo-American Establishment. His envi-

ronmentalist faith—inspired and renewed thanks to abundant and continuous financing—enabled Feldmann to have a hand in virtually every environmentalist campaign in Brazil, especially targeting the country's nuclear energy development programs.

Bankers dominate conservation groups

Especially noteworthy are Feldmann's relations with the twin institutions Conservation International—whose efforts are dedicated to promoting debt-for-nature swaps—and the World Resources Institute. WRI not only encourages debt-nature exchanges, but is also a key force behind efforts to establish a world system for monitoring the natural resources chosen as targets of the environmentalists. Feldmann is a member of CI's board of directors, along with other environmentalists such as Maria Tereza Jorge Padua of the Funatura Foundation, Roberto Klabin of the SOS Mata Atlantica Foundation (both endowed with abundant foreign funds), and Pablo Nogueira Neto. CI's board of directors includes, of course, important figures from the international creditor banks who hold the bulk of developing nations' debt. Such is the case, for example, with Francis X. Stankard, executive vice president of New York's Chase Manhattan Bank, and William D. Rogers, executive of the law firm Arnold and Porter—the same law firm that was hired by the former Brazilian government to advise it in debt negotiations with its international creditors.

Brazilian Sen. Fernando Henrique Cardoso joined with Feldmann, Nogueira Neto, and Jorge Padua in the WRI's most recent activities, endorsing its *Compact for a New World*, which links the preservation of the environment to demands for dismantling the armed forces of Ibero-America. Senator Cardoso is also a member of the Inter-American Dialogue, together with Victor Civita of the Abril publishing house and former U.S. Defense Secretary Robert McNamara. McNamara, whose latest policy recommendations include the conditioning of Third World loans to military budget cutbacks, is also a member of the board of WRI, along

with José Goldemberg, Brazil's education secretary and another strong advocate of debt-for-nature swaps.

Among the financial supporters of CI and WRI are a large number of the Anglo-American Establishment's premier companies, foundations, and banks. Chase Manhattan Bank, Exxon Corp., Ford Motor Co., Hewlett Packard Co., Arco Foundation, Chemical Bank, Citicorp, IBM, J. P. Morgan Guaranty Trust Co., Shearson Lehman, and Hutton, Inc., are some of them. Particularly noteworthy is the John D. and Catherine T. MacArthur Foundation of Chicago, which between 1987 and 1988 gave nearly \$3 million to CI and \$25 million to WRI, according to the Foundation Grants Index of 1990-91, which reports on the contributions of major U.S. foundations. The MacArthur Foundation, which has become a leading financier of environmental causes, also recently financed the study *The Military and Democracy: The Future of Civil Military Relations in Latin America* (see *EIR*, Jan. 11 and March 1, 1991), whose primary thesis is that the end of the Cold War has paved the way for dismantling the armed forces.

Bank would hold territory as collateral

The banks' "ecological" interests lie in the fact that, if debt-for-nature exchanges were to be implemented on a large scale, it would permit the swapping of devalued and unpayable debt holdings—"rotted paper," as they are known in Brazil—for set-aside, "preserved" territory rich in natural resources. Although the oligarchical financial interests would not—at least, initially—have direct access to such resources, the "preserved" land would nonetheless practically serve as a guarantee for bank stock- and title-holders. Thus, WRI president Gus Speth advocates the creation of a World Conservation Bank (WCB) as a kind of centralized compensatory agency for all debt-for-nature transactions.

This scheme of the banks—using conservationist causes to shore up their bad credit ratings—stood exposed during the deliberations of the Fourth World Wilderness Congress held Sept. 13-18, 1987, in Denver, Colorado. There, 2,000 ecologists of every stripe rubbed shoulders with the elite of the Anglo-American Establishment. Participants included then-U.S. Treasury Secretary James Baker III, bankers David Rockefeller and Baron Edmund Rothschild, and Gro Harlem Brundtland, prime minister of Norway and president of the World Commission on the Environment, whose study *Our Common Future* is serving as the basis for the preparations of the Eco-92 conference in Brazil next year. Brazil's delegates included environmentalist José Pedro de Oliveira Costa, then a government official and an intimate of the bankers' schemes plotted at this meeting (see *Documentation*).

Rockefeller, Rothschild call the shots

In an interview published in the December 1987 edition of the financial magazine *Moneychanger*, the host of the

Fourth World Wilderness Congress, businessman George W. Hunt, revealed some of the hidden goings-on of the Congress. "London banker Baron Edmund de Rothschild was personally conducting the monetary matters and creation of this World Conservation Bank, in the company of I. Michael Sweatmann of the Royal Bank of Canada. These two were like Siamese twins, and that's why I say that it appears they were running the monetary side of this conference. . . . David Rockefeller was also there and gave a speech on Sunday." Hunt continues: "On Sunday afternoon, I had lunch with Michael Sweatman and with Mr. and Mrs. Rothschild, and I was able to ask them how this [WCB] was going to continue to operate. . . . They're planning on refinancing, debt swapping (for assets) one trillion dollars of Third World debt into this new World Conservation Bank."

To achieve this, it becomes equally necessary to establish a world monitoring system for potentially "conservable" natural resources. Hunt reveals that governments "would offer land titles to a World Wilderness Land Inventory Trust." In fact, creating an inventory of "conservable" natural resources

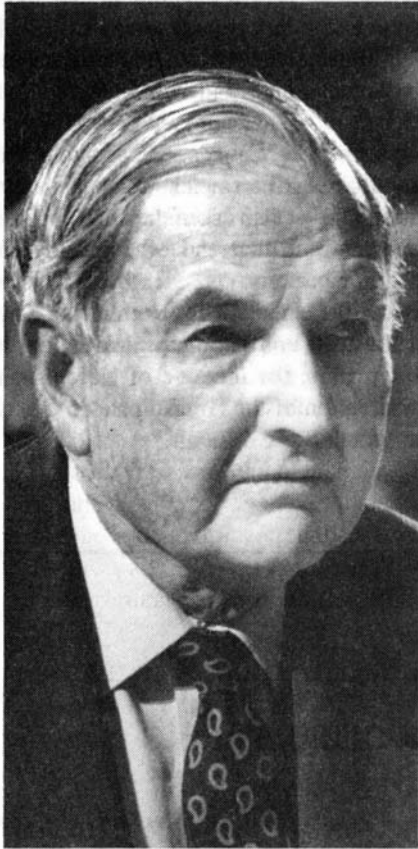
Eco-fascists propose world conservation bank

The following are excerpts from a document entitled "World Conservation Bank," published by the secretariat of the Fourth World Wilderness Congress.

The World Conservation Bank would finance, either directly, or through co-financing, projects to:

- 1) prepare, develop, and implement national conservation strategies by developing sector countries;
- 2) acquire/rent environmentally important lands for preservation of biological diversity and river basins;
- 3) management and conservation of selected areas.

Plans were proposed for the WCB to act as an intermediary between certain developing countries and multilateral or private banks, to transfer specific debts to the WCB, substituting "doubtful" loans on the banks' books for a new loan to the WCB. And, in exchange for the reduction of its credit obligations (debts), the debtor country would transfer to the WCB the "equivalent value" of assets in natural resources. Or else the debts of the developing countries under foreign assistance programs, which have little hope of being paid, could be retained inside the country and applied to conservation, reforestation, or rural agricultural projects through the intermediation of the WCB.



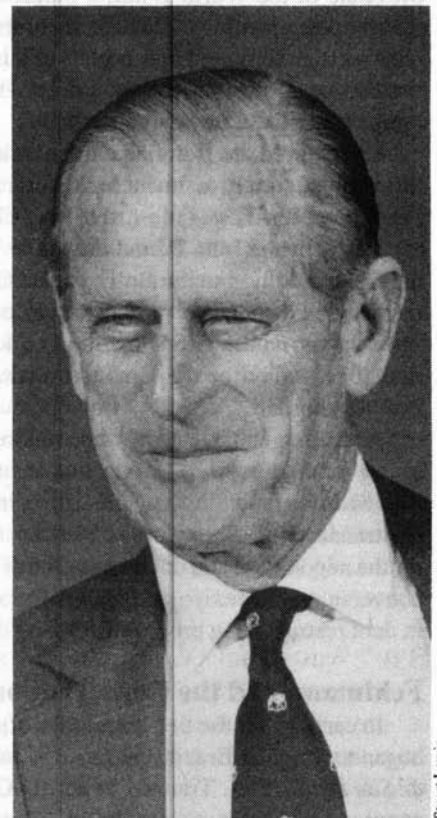
Stuart Lewis

David Rockefeller: called the shots at 1987 World Wilderness Congress where debt-for-resources scam was planned.



Stuart Lewis

James Baker III: in on the plot to force Third World nations to swap land for debt from the outset.



Stuart Lewis

Prince Philip: The Queen of England's consort invited Feldmann to London to "study ways of expanding" the WWF's activities in Brazil.

is one of the express functions of WRI, to which Canadian banker Michael Sweatman belongs. The *Financial Times* of Sept. 19, 1987 also reported on the Denver ecology summit: "One of the major objectives of the Congress was the creation of a program and a World Conservation Bank, presented by Michael Sweatman, executive committee member of the Congress. The international banking program would establish large conservation projects in developing countries where the environment is threatened. Mr. Sweatman's program is intended to help the developing countries to obtain financing to establish national conservation strategies and to facilitate massive Third World debt swaps for conservation projects in those countries."

Clearly, implementation of this neo-colonial scheme to save the banks from ruin, by handing them control over the natural resources in broad regions of the planet, requires establishment of a system of limited sovereignties. Thus, the dismantling of military institutions in those Third World countries targeted for "conservation" is urged, as in the WRI's *Compact for a New World* proposal to link the environment to the dismantling of the Ibero-American militaries,

a campaign launched in 1987 by the Inter-American Dialogue and coinciding with the Fourth World Wilderness Congress.

U.S. Congress jumps on the bandwagon

One month after the Denver meeting ended, U.S. Sen. John Chaffee (R-R.I.), a member of the Senate Finance Committee, introduced bill S. 1781 (corresponding to H.R. 3466 in the House), which granted a tax deduction to banks which would "donate" Third World debt to a conservationist group. In his presentation to the Senate, Chaffee reported that "Conservation International has agreed to buy \$650,000 of Bolivian debt from the banks, at a discount price of \$100,000. In exchange for amortizing the debt, Bolivia agreed to preserve 3.7 million acres of jungle and prairie as an animal reserve." Chaffee also mentioned the arrangement by the World Wildlife Fund, predecessor to the World Wide Fund for Nature, to buy \$270,000 worth of Costa Rican foreign debt, on the government's pledge to buy 40,000 acres for a national park. Senator Chaffee said that "such debt-for-nature exchanges won support through a June 25, 1987 letter by Treasury Secretary James Baker to Thomas Lovejoy, executive vice

president of the World Wildlife Fund. Secretary Baker said that the agreements would encourage the debt-equity swaps which his government was urging as a means for alleviating the burden of the Third World debt. He estimated that the public cost would be 'insignificant.'

CI acquired the Bolivian debt in an operation carried out through Citicorp Investment bank, with funds donated by the Frank Weeden Foundation, the Pew Charitable Trust, and especially by the John D. and Catherine T. MacArthur Foundation. In addition to the Bolivian and Costa Rican projects, members of the CI have publicly revealed that they are studying debt-for-nature swaps involving a \$100 million transaction for a region of the Brazilian Pantanal adjacent to the Bolivian border.

According to CI, the debt-conversion program is headed by Deborah Burand, a lawyer linked to the New York law firm Sherman and Sterling, specialists in international financial transactions. Sherman and Sterling is already responsible for the negotiation and documentation of some 20 debt-equity conversions in Mexico and Chile. Burand also participated in debt restructuring programs for Brazil and Argentina.

Feldmann and the Conservation Foundation

In early 1988, the first emissaries of debt-nature schemes began to arrive in Brazil. On Jan. 13, according to *O Estado de São Paulo*, Sen. Timothy Wirth (D-Colo.) headed a U.S. congressional delegation to Brazil. "Senator Wirth's proposal coincided with one presented by Funatura president Maria Tereza Padua, to the congressmen. . . . 'The creditor banks of the country could form a pool and buy 30% of the Amazon . . . through debt conversion,' proposed Maria Tereza Padua."

O Estado de São Paulo reported March 4 on the visit of "Thomas Lovejoy, of the Smithsonian Institution . . . author of the idea of converting the foreign debt of underdeveloped countries into programs to defend the environment." Lovejoy explained that he was in search of "a Brazilian foundation that could, according to him, redistribute the money to non-governmental conservationist organizations." On April 13, *Jornal de Brasil* reported that "American ecological organizations like Conservation International and The Nature Conservancy are seeking interlocutors in Brazil . . . to negotiate a swap arrangement of Brazilian foreign debt for Brazilian environmental patrimony."

Fear of nationalist backlash

The U.S. environmental organizations did not take long in finding Congressman Feldmann, with his nose ever alert to the smell of foreign funds. In March 1989, Feldmann addressed a Washington press conference organized by WWF, at which he presented the idea of forming a multinational "green bloc" of congressmen for "defense of the environment." During this trip, according to the March 17, 1989 *Jornal de Brasil*, the congressman appealed to American

congressmen to moderate their pressure tactics against Brazil, initiated in response to the unfortunate assassination of ecology activist Chico Mendes. Feldmann was well aware that such pressures were beginning to provoke a nationalist reaction.

During the press conference, WWF's vice president for international programs Russel Mittermeier—also president of Conservation International—"also asked the journalists to tone down their criticisms of Brazil and of the Brazilian government on the ecology question. . . . 'If the criticisms continue in the same tone, the Brazilian government is going to be put up against the wall and nationalism is going to worsen.' . . . For Mittermeier, the increase of nationalism will tend to make preservation of the Amazon and contacts with environmentalist groups more difficult."

WCB will 'sweeten' banks' balance sheets

The following are excerpts from an interview with the official host of the Fourth World Wilderness Congress, George W. Hunt, published originally in the December 1987 edition of the magazine Moneychanger, under the title: "Fourth World Wilderness Congress: International Banking Cartel to Collateralize 30% Earth's Land Surface."

Moneychanger: Let me see if I understand. A World Conservation Bank will be set up and into a trust will be vested title to 30% of the world's land surface. . . . Against this the WCB will issue loans to various countries to buy—

Hunt: No, no, no. they could issue loans, but I'm just talking specifically about currencies. They can create currencies for in-country use.

Moneychanger: Well, that's issuing loans. It's the same thing. They will loan money for certain specified purposes to these countries. Now am I to assume that say, for example, Brazil puts up the Amazon Basin, and they get credited a certain amount? Then there's a certain amount of loans they can draw down against that "deposit," so to speak?

Hunt: How it will work I'm not sure. . . . *But*, there could be a gradual loan swap for Brazil, taking them out of their old loans and putting them into a new WCB loan,

On March 31, 1989, Feldmann again presented a visiting delegation of U.S. senators with "the idea of an international green front and of a planetary policy for the environment." The delegation was made up of Sens. John Chafee, Steve Symms (R-Id.), Arlen Specter (R-Penn.), and Dale Bumpers (D-Ark.). Their visit was for the explicit purpose of convincing the Brazilian government of the "advantages" of swapping debt for nature.

On April 7, 1990, *Gazeta Mercantil* reported that "non-governmental American institutions MacArthur Foundation and Conservation International . . . are present in Brazil, financing the conservation projects of SOS Mata Atlantica, in São Paulo." And on June 15, *Gazeta Mercantil* published an article under the headline, "\$80 Million to Conserve the Forests." The article read in part:

which will then sweeten the loan on Chase Manhattan's balance sheet, and will take it out of non-accrual and put it back into the healthy loan column once again. . . .

Moneychanger: But what's really happened is that the Brazilians will have given up title to millions of acres of land and in exchange Chase Manhattan will get its loan to Brazil paid off by the WCB.

Hunt: You got it.

Moneychanger: I got it.

Hunt: I believe that World Bank loans, as they stand now, are not collateralized. Now they're entering into a new era of loan collateralization. They're saying, okay, the next step is that we want collateral, so that when we loan-swap this debt, and we're going to own the Amazon if you default. Remember, as the Brazilian [José Pedro de] Oliveira-Costa said, they're not going to be able to pay that off. That's why he couldn't sleep that night, because he knew that they were going to lose the Amazon (or whatever they put up as collateral).

Moneychanger: These are debt for equity swaps, which they've been talking about for several years. They're going to make their bad loans good by collateralizing them after the fact with all of this land, and somebody, somebody, *somebody*, is going to end up with title to *twelve and a half billion acres*. Is that right?

Hunt: That's right. The collateral behind whatever loans are in the WCB at the time, if the WCB goes belly up. There's a whole see-saw of things that are going to happen. They have multi-, multi-trillions of dollars upon which they can create currencies and loans, and they're going to begin to barter and countertrade and loan-swap. . . .

"A major portion of these funds will be destined to preservation of the Amazon jungle, says Peter Seligman, Conservation International's chairman of the board. We are going to seek out the funds, motivating individuals and institutions to back the project. In Brazil, coordination of the effort will be in the hands of federal congressman Fabio Feldmann and of Environment Secretary Pablo Nogueira Neto, in addition to the representatives of Conservation International in Belo Horizonte and the cooperation of businessman Roberto Klabin."

Finally, on Aug. 8, 1990, *Jornal de Brasil* reported that "the environmental groups are joined in a consortium . . . in search of foreign funds to get their projects off the ground. . . . 'We already have the guarantee of a \$5 million donation from American Express Bank,' said the president of Funatura Foundation, who returned last week from the United States."

Moneychanger: Are you familiar with the French hyperinflation during the French Revolution, 1792-1798?

Hunt: Oh, yeah, when they issued assignats!

Moneychanger: Do you know what the assignats were? They were the *assignments* of a mortgage on what were called the "national domains," and these were confiscated (mostly church) lands and properties. In other words, it was a scheme to *monetize* land. Now, what you have just described to me as the World Conservation Bank is a scheme to monetize land. . . .

[John Law] came up with a land monetization scheme and presented it to the Scottish parliament in about 1694. . . . But this is the same crooked scheme, and moreover it will function as a world central bank, and out of that world central bank there will grow a one-world fiat currency system at the same time. How will this project be put into effect? Will it be installed under the auspices of the United Nations?

Hunt: I think so. There was a United Nations World Commission on Environment and Development created in 1982 that published what's called the Brundtland Report, actually entitled *Our Common Future*. [Gro-Harlem Brundtland] was at the conference . . . and said the conditions are terrible. The U.N. then said, What do you recommend? And she said, I recommend a conservation bank. . . .

So not only do we have a bank forming as a result of the Brundtland Report, we also have a proposal for very harsh, quasi-spiritual ecological laws for "Mother Earth." You're going to have a "Mother Earth Comes First" mentality arising throughout the world as a result of this legislation. . . . It is already turning into a Mother Earth cult. The Brundtland Report is the precipitating event for putting the entire scheme into effect. . . .

According to *Jornal*, "the Brazilian environmentalist consortium is made up of the Institute of Amazon Studies, SOS Mata Atlantica, the Brazilian Foundation for the Conservation of Nature, the Pro-Nature Institute, Oikos . . . Biodiversitas, and others."

Feldmann judges the Brazilian nation

During this same period in 1990, *Jornal de Brasil* reported that "the only Brazilian especially invited to Washington to attend the launching of the action program of Conservation International was São Paulo congressman Fabio Feldmann, who expressed support for the work of the institution. When a journalist asked him a question about the Yanomamis [an Indian tribe living in the Amazon], Feldmann answered that he held the Brazilian government responsible for true genocide. He went so far as to say that Brazil should be brought before an International Court of Justice to answer for what has happened to the Roraima Indians."

Indeed, in October 1990, Feldmann served as a "prosecutor" against Brazil before the Permanent People's Court, presided over by Belgian Francis Rigaux, for supposed crimes of genocide against indigenous peoples. At Feldmann's side in the accusations against Brazil was Danielle Mitterrand, wife of the French President and one of the most active promoters, during the recent holocaust in Iraq, of the French call for creating a Kurdish enclave in northern Iraq, alleging "humanitarian reasons" in arguing for the limitation of sovereignty of that nation.

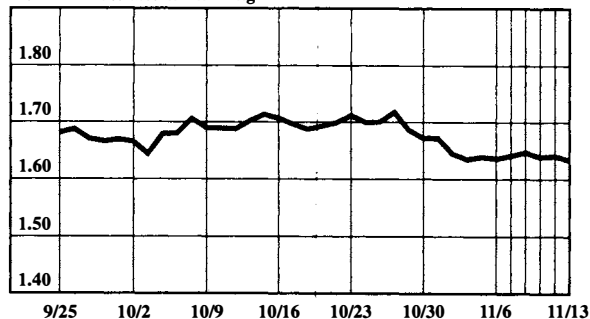
The May 23 *Gazeta Mercantil* reproduced an article from the London *Financial Times* which is an example of the implications for national sovereignty of these kinds of schemes. Entitled "Indians Propose Debt Conversion to Take Control of Their Lands," the article reports on a three-day meeting held in Iquitos, Peru, "called by the Coordinating Body of the Indigenous Peoples of the Amazon Basin (Coai-ca), which incorporates representative organizations of 220 indigenous nations from the five Amazon countries. The conference included the participation of such ecological groups as Greenpeace, World Wide Fund for Nature, National Wildlife Federation, Conservation International, and Friends of the Earth."

Such service to the international financial elites is not without its rewards. Congressman Feldmann's fight for Anglo-American environmentalist causes has won him a promotion in the world environmentalist hierarchy, as indicated by the fact that Britain's royal consort and head of the World Wide Fund for Nature, Prince Philip, has invited Feldmann, together with José Pedro de Oliveira Costa—the same who attended the 1987 Denver, Colorado summit which raised the idea of a World Conservation Bank—to Kew Gardens, London. The purpose of the invitation will be to allow him "to study ways of expanding the activities [of the WWF] in Brazil," according to the June 18 edition of *Correio Brasiliense*.

Currency Rates

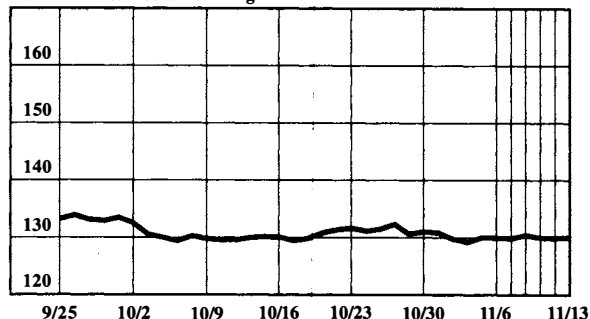
The dollar in deutschmarks

New York late afternoon fixing



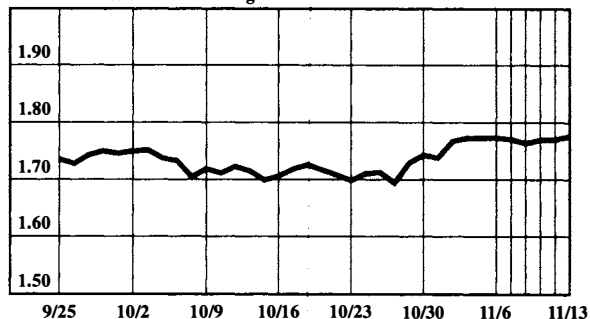
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

