

Report from Rio by Silvia Palacios

Collor touts 'social liberalism'

The Brazilian President is itching for left-wing allies to help him advance his "flea market" policies.

In a series of six articles in the Brazilian press, President Fernando Collor de Mello has launched what he is calling a "social-liberal program." Published in three papers Jan. 5-10, his proposal might be dismissed as just another of the President's marketing schemes, were it not for the fact that it reflects the problems which all the South American regimes—especially Brazil's—are having in imposing their economic "reforms" without provoking social explosions or strong institutional reactions which might reverse the policies and send their authors packing. So, Collor and friends are appealing to the "New Left" to help them create new institutions to enforce their plans.

Collor's first article asserts that "the time has come to institutionalize our reforms," and calls for an alliance with political forces of the center-left, which he calls "a dynamic center, equidistant from the exclusion of the right-wing and the archaic, centralizing, and dirigistic left wing."

The flowery prose builds up to a call for New Left and New Right to ally against the "dirigism of the productive state." The President admits that "we don't want to return to a utopian restoration of *laissez faire*. This has become impossible, since many aspects of modern economy and technology presuppose requirements of material infrastructure or professional training which are so costly and broad-ranging that only the state can supply them, directly or indirectly."

Nonetheless, "neo-liberal" debt

collection recipes (in the United States, the equivalent term might be "neo-conservative," as in the William F. Buckley crowd) with which Collor launched his government have already cost Brazil its vital nuclear energy program. Brazil imports 50% of the oil it consumes. Its capital goods industry, which is one of the things that defines an economy's progress, and which has always been a source of pride for Brazil, has also been badly hurt. Last December, the largest producer of electrical components went bankrupt, primarily because the government stopped investing in large energy infrastructure projects.

Collor's "social liberal" program really consists of various schemes to remove obstacles to Brazil's total submission to foreign creditor banks. While absolving the International Monetary Fund of its role in halting real development over the past decade, Collor has targeted the Armed Forces as well as the educated state sector elites, the "dirigists" who believe that private enterprise only thrives when the state makes it possible by doing what only governments can do—like building large-scale infrastructure. Alluding to the periods of military rule, when Brazil had its greatest rates of economic growth, Collor appeals to the left by saying that "authoritarian modernization promoted industrialization, but denied the masses the fruits of its progress: a decent living standard."

Collor de Mello is not the only South American leader wooing the left

to ensure continuation of the "flea-market" reforms, or to find a more palatable phrase than "neo-liberalism" to disguise the policy of giving away the country. In Argentina, French economist Guy Sorman, who is close to the Menem government's team of economic quacks, just wrote two articles for the daily *La Nación* promoting the same scheme. Ecstatic over former British Prime Minister Margaret Thatcher's populist style, Sorman calls for creating "popular liberalism," with "an authentic leftist party, like that of the Workers Party in Brazil" (the majority of which is controlled by Marxist "liberation theologians.")

No one should be surprised to find Thatcherites in bed with Marxists; their ideas all born of the same "mother": the Institute for Social Research, or Frankfurt School, created in the early 1920s to destroy the values of western Christian civilization, which spawned the New Left—and Collor's mentors.

On Jan. 9, the daily *O Globo* revealed that President Collor did not write the articles published under his name, but copied them from a text written at his request in 1990 by Brazilian diplomat and writer José Guilherme Merquior, an apologist for the Frankfurt School who has since died. In his book *Western Marxism*, Merquior admitted that several Frankfurt School projects were funded by sociologist Max Weber, who defended usury, hated state dirigism, and promoted the idea of the "efficient state" now embraced by almost all of Ibero-America's Presidents.

When Collor took office, Merquior was a candidate for foreign minister, backed by the ministry's ultra-"flea market" faction. He boasted of personal friendship with some of Ibero-America's most fervid flea-marketters, including Peruvian pornographer Mario Vargas Llosa.