

Report from Rio by Geraldo Lino

Collor's ship is sinking

Even Fidel Castro, worried about the "health" of Brazilian democracy, has asked the left to help bail.

The velocity with which Brazilian President Fernando Collor de Mello's political status is sinking as a result of the scandal implicating him in shady deals with his former campaign treasurer, businessman Paulo Cesar Farias, is surpassing the Brazilian and Anglo-American oligarchies' ability to distract public attention from the profound political and economic crisis engulfing the country.

This is evident from the fleeting propagandistic impact of two major events planned to try to afford some kind of stability to the government and to the "anti-inflationary" economic policy of Finance Minister Marcilio Marques Moreira. Although it has failed to reduce inflation from current levels of 20-25% monthly, and has caused enormous damage to the economy's remaining productive sectors, Marques's policy has proved extremely lucrative to speculators and usurers.

On July 8, in São Paulo, more than 1,200 businessmen attended a luncheon held to support the finance minister, for the explicit purpose of trying to keep the government's economic policy separate from the political crisis. The following day, Collor announced that the government had signed a debt "agreement" with its creditor banks. Nonetheless, within a day or two, the publicity gained from these events was eclipsed by the deepening scandal which has become known as "Collorgate."

One of the major foci of the Parliamentary Commission of Inquiry (CPI) investigating the Farias case is the origin of the funds deposited into the ac-

count of Collor's private secretary, Ana Acioli, appointed by Collor to handle all of his personal expenses. On July 21, the central bank handed over to the CPI hundreds of documents which revealed that a large number of deposits made to the accounts of Acioli and members of the President's family, including his wife Rosane, came from Paulo Cesar Farias and individuals linked to his companies.

Under the weight of such evidence, leaders of the CPI called a meeting with respected Congressman Ulysses Guimaraes of the PMDB party who, upon leaving, remarked that "things look black. . . . The President's situation has become complicated." PMDB Sen. Pedro Simon, who sits on the CPI, told *Jornal do Brasil* that proof of Collor's direct involvement with Farias now permits discussion of impeachment proceedings against the President.

The accumulated evidence against Collor is causing the country's elites to seriously consider removing him. According to the July 23 *Folha de São Paulo*, a group of leaders from major political parties, including the pro-government PFL, is already organizing a coalition for the purpose of convincing Collor to resign, rather than putting the country through the trauma of a lengthy impeachment process.

On the previous day, the president of the prominent Editora Abril, Roberto Civita, who also belongs to a Washington-based think-tank, the Inter-American Dialogue, had pointed to the existence of "more than suffi-

cient indications" for opening impeachment proceedings.

Some sectors of the establishment, however, particularly those more closely tied to financial speculation, have indicated that, despite everything, they prefer to keep Collor in power. Their fear is that if Vice President Itamar Franco, whom they consider a "dyed in the wool nationalist," were to succeed Collor, he would alter key aspects of existing economic policy.

Aside from the financial oligarchies, an eventual Collor exit from office would leave a number of other political "shipwrecks," among them Bahia Gov. Antonio Carlos Magalhaes and Rio Gov. Leonel Brizola. These are Collor's most vehement ostensible defenders, but also candidates to succeed him, as well as the representatives of the coalition of political forces mobilized to defend the "stability of Brazilian democracy," or, put more accurately, the continuity of the International Monetary Fund's economic policies.

Magalhaes represents the oligarchies of the country's rural north, and is directly tied into Henry Kissinger's interests. Brizola is the principal liaison to the European social democracy in Brazil and, apparently, is now opening up a channel of communication with Cuba's Fidel Castro. According to *Correio Brasiliense* of July 28, Castro sent a message to Brizola, backing Collor and calling on the Brazilian left to also support the President. Should Collor fall, Castro warned, this could cause a "domino effect" which might bring down Ibero-America's other weakened democracies. Hence, the strategic importance of Brazil for the health of the new world order is such that, once more, we find Castro and his "cordial enemy" in Washington in the same trench.