

Cardoso's government crumbles, as civil war threatens Brazil

by Silvia Palacios and Lorenzo Carrasco

The threat of starvation of 10 million Brazilians, due to the El Niño-caused drought in Brazil's northeast, could prove the last straw in unleashing growing nationwide fury against the government of President Fernando Henrique Cardoso.

The underlying cause is not the cyclical climatic conditions, but rather the calloused attitude of the government, which chose to ignore the alarming reports of scientists from the National Institute of Space Research and from the Brazilian Agricultural Research Company, which eight months ago warned the government and national Congress of the coming crisis, at a time when it would still have been possible to take emergency preparedness measures.

This has revealed the immoral and perverse nature of the Cardoso government, whose sole concern has been to meet — and surpass — the demands of the international financial oligarchy and speculators, to maintain a constant flow of hot money into the country, and thereby avoid the appearance of economic collapse and national financial bankruptcy. And to what purpose? The re-election of President Cardoso in October, which until recently was virtually unanimously considered a “done deal.”

The world financial crisis which erupted last October was the first arrow in the heart of this re-election project, which showed the vulnerability of the regime and of its monetary program. The cost of recovering so-called international credibility and of reestablishing a flow of capital, has been gigantic, because of the rapid rise in interest rates, which is causing ever higher rates of bankruptcy and the highest unemployment ever.

Since then, the President's popularity — measured in gold, because \$500 million is the government's annual budget for propaganda — has fallen more than 10 points, to less than 30%. The result is that the election will not be decided on a first round of voting.

In addition, the government is worried that the Workers Party (PT), the loyal opposition which, along with the Cuban Communist Party, created the São Paulo Forum (a continent-wide narco-terrorist apparatus), is bogged down with internal problems, which has caused it to fall in the polls to approximately 18% of the vote. This is making it harder for the PT to fulfill its established, agreed-upon role as the “sparring partner” for the government, and is threatening to shatter political control over the country.

In contrast, the only Presidential candidacy which is growing is that of the nationalist Dr. Eneas Carneiro, which, despite the lack of a political machine, is already attracting 12% of the Presidential vote, according to pollsters. What terrorizes the Presidential palace at Planalto, is that the growing discontent in the country could lead to a dramatic growth of support for Dr. Eneas's candidacy. (See *EIR*, May 1, 1998, p. 22, for a report on Eneas's endorsement of Lyndon LaRouche's proposal for a New Bretton Woods system.)

The unpredictability of the electoral situation opens up a range of previously unimagined possibilities, such as the oligarchy's attempts to resurrect former President Fernando Collor de Mello from the political trash heap. Collor is currently prevented by the Federal Supreme Court from participating in the election. Others have suggested that the Brazilian Democracy Movement Party revise its plan to support Cardoso's re-election, and instead launch its own candidate in next June's convention.

'Low-intensity civil war'

But, the deterioration of the socio-economic situation in the country goes far beyond the electoral arena. The destruction of industry and agriculture, and direct and indirect unemployment, which have left more than half of the working-age population of the country with incomes below subsistence levels and 80% of the other half either saddled with overdue debts or in outright bankruptcy, have created a situation of social decay that could, in the short term, lead Brazil into chaos and disintegration.

This degree of crisis has been reached not only because of Cardoso's neo-liberal (free-trade) economic policies, but also because, from the viewpoint of the “fascism with a democratic face” strategy preferred by the Cardoso administration, it has proven “cheaper,” as a social policy, to support terrorist organizations such as the Landless Movement (MST) and the network of non-governmental organizations (NGOs) that surround it, than to invest in creating decent jobs through development of economic infrastructure, education, and public health. This has created a Frankenstein's monster of insurrectionist forces which today threaten the entire structure of the nation-state. While the President and of his wife, Ruth Cardoso, are distributing emergency food baskets to the MST, and permitting land invasions and the proliferation of NGO