

Presidential candidate Enéas Carneiro: Brazil must rise up against the IMF

The following is a slightly abridged version of the speech given by Dr. Enéas Ferreira Carneiro, Presidential candidate of the PRONA party, at the São Paulo City Council, in Brazil, on Aug. 13, 1998.

. . . I would like to address a specific issue, which is the risk that our country is running. A moment ago, you were given an extremely clear explanation, in English, and also translated with precision into our language, by Prof. Helga Zepp-LaRouche, who gave you a panoramic view of what I call “the planetary financial catastrophe,” which is sending us constant signals here, and about which the world media are trying to concoct explanations, as if we were all facing a minor event, a temporary phenomenon, when, on the contrary, we are all—at least for those of us who have even a modicum of awareness of what is happening—on the brink of a world cataclysm.

What is happening, gentlemen, is that fabulous fortunes are being moved every day, at the speed of light, from one point on the planet to another. It is as if we are all on a gigantic billiard table, only the billiard balls are fortunes, travelling from one corner to another without any apparent control. I say apparent, because this demonic process which is occurring is being controlled from behind the scenes by extremely powerful individuals who don’t show their faces.

Here, in this phenomenon, in which \$3 trillion—nearly half the U.S. GNP—circulates daily, here you have the *raison d’être* behind everything that is happening in Brazil, in Argentina, in Malaysia, and in those countries across the planet which can’t manage to stay on their feet.

What is going on, gentlemen, is that in this international circuit of false money, there is, in fact, only 2-3% of it which corresponds to commercial and industrial transactions. Barely 2 to 3%! The rest is pure fiction, a fantasy.

But behind this fantasy, the world megaspeculators who pull the strings, attract those fortunes to themselves, bankrupt nations, destroy the economies of those countries, and, acting surreptitiously, sneakily, furtively, behind the scenes, they seize and appropriate the real wealth of those countries, among which our Brazil is, sadly, included.

This is the way for you to understand how, from one day to the next, the Companhia Vale do Rio Doce was handed over. . . . Why such interest by the government, in privatizing from one moment to the next? And the putrid,

rotten Brazilian press, saying: Vale is going to be more profitable, Vale will yield profits. But what those gentlemen, the owners of the communications media, don’t say, is that what was being carried out was a crime against the nation, that patrimony worth trillions of dollars was handed over for just \$3.338 billion, when just one year before that, the International Nickel Company had bought a deposit on the Labrador Peninsula, for \$3 billion. Just one deposit!

And are you aware of what was handed over, what was donated with Vale de Rio Doce? It was a treasure: 37 billion tons of iron ore alone; enough iron for 500 years, for half a millennium! If no one knows, if no economist can know what the price of an ounce of gold will be two weeks from now, how can the price of iron 500 years from now be known? Iron for 500 years was handed over. And besides the iron, the wealth of Vale’s subsoil included titanium, a first-class metal, the metal of the next century; silica, which is used, for example, in desalination vessels.

At this point, you might say, what difference does that make for Brazil? We have potable water. Yes, but the United States is already desalinating seawater. It is also fundamental for other activities. The niobium we have in Brazil represents more than 98% of the world’s wealth in niobium, sold abroad at the price of bananas. Brazil’s quartz has an impurity grade of only 10^{-11} . Manganese, mountains, millions of tons of manganese were taken, and are today in Pennsylvania, and are part of the strategic reserves of the United States. . . .

Gentlemen, the price at which Vale was sold doesn’t amount to 0.2% of its true value. A crime against the nation was committed. The railroads, the ships, the entire industrial structure of Vale went for nothing. All the legal actions taken, including by ourselves, against His Excellency, the President of the Republic, were shelved.

And more recently, we all saw how the backbone of the entire country’s communications, Telebras and Embratel, were handed over, donated. . . .

We face colossal risks

I am giving you just a faint idea, a succinct view of the colossal risk that we are all running. Yes, don’t think that we, in our suits and ties, are not running any risk. We are all running risks. The poor face the risk of becoming poorer, more miserable. Those who have no special training, which is the majority of the population, will be unemployed. Of



Brazilian Presidential candidate Dr. Enéas Carneiro, speaking at the São Paulo City Council, where he received an award designating him an honorary citizen of São Paulo.

course, the fittest may survive, but they survive running the risk of being eliminated—for a shoe, for a tie. Because we are creating an enormous legion of desperate, starving people, who will do anything to survive, and it is natural that they do so.

But I wanted to tell you that, a little while back, I prepared an analysis, which I put in our book, *National Project for 1998*, on the financial reality of the country. Gentlemen, it is terrible. The so-called public debt, which are the bonds, the paper that the government issues to get money, that debt has reached \$200 billion. I'll say it slowly: \$200 billion! . . .

If you add up the debts of the country's states, from Acre to Rio Grande do Sul, which total around \$100 billion, and add it to the \$200 billion we mentioned, you have \$300 billion. If you now take the foreign debt, as presented by the Central Bank most professionally, you find that they sordidly say that the Treasury debt is only \$65 billion, of which a large part has been rescheduled. They say: "The other \$135 billion is actually private debt. The Treasury is not responsible." That is what they say, but it is a lie. The Treasury is not technically responsible, but the Central Bank is the one entitled to transform reals [Brazil's currency] into dollars.

If we were to be hit, from one moment to the next, by what

has hit our brothers in the countries in Asia, who were obeying the IMF [International Monetary Fund] to the letter—if from one moment to the next, what happened to them were to happen to us—gentlemen, there would be no dollars. Imagine a citizen, any one of you, the owner of a company, perhaps, who has earned dollars abroad. He brings these dollars back and he is required to turn them over to the Central Bank, to exchange them for reals. With the reals, this gentleman carries out his business; but at a certain point he will say: "I don't want any more of this; I want my dollars." Imagine 100, 200, 500 persons demanding dollars. There are no dollars. Then, what happens in all these countries, is that the IMF comes and says, "No, you have to have dollars. For us to be able to lend you dollars, you have to, first of all, privatize everything."

What does privatization mean? It means: Hand everything over. Why do they want us to privatize? Why do they want it so badly? Because what is being privatized is real wealth. Minerals are wealth, not colored paper or computer bytes. That is not wealth. Wealth is minerals, taken from the subsoil. Wealth is potable water. Wealth is the jungle. *Wealth is our people*, the poor Brazilian. But, according to the IMF's rules, people are worthless.

The truth is that the IMF is only one institution. So let's stop talking only about the IMF, because it is another simplification. There are a series of institutions: the IMF, the World Bank, the World Trade Organization—these institutions are part of a complete system that we call the international financial system. That is where the rules are set. The fact is, that there are powerful organizations ruling everything. For example, the so-called Inter-American Dialogue, which issued a terrible document where they forecast all of this. After that came the "Washington Consensus." . . .

I told UPI that we have \$200 billion in domestic federal government debt. We have \$100 billion more in public debt of the states; that makes \$300 billion. We have \$200 billion in foreign debt. Gentlemen, the total is \$500 billion. That is, half a trillion dollars. This is an astronomical figure. None of us has any idea of what a trillion is. . . .

If any of us wanted to count to a trillion—now don't be frightened, a trillion is just a million millions. Now, if any of you would like to count, one by one—don't be frightened—but without doing anything else, without eating any food, without taking out any time for physiological necessities of any kind, by merely counting, any one of us would take 20,000 years to count to a trillion. Anyone who wants to, can try it. Well, gentlemen, this is the situation in our country. . . .

So you might ask: What is the cost of all of this? The debt is there, right? But, what is the point of vulnerability of that astronomical debt, with its variable interest rates, the very high interest rates of the domestic debt, and the only slightly lower rates for the foreign debt? This calculation was done very carefully: We pay in interest—and I can prove it—a little more than \$5 billion per month; \$5.3 billion, to be precise.

But, the government's income is about \$10 billion, and we are paying \$5 billion. Therefore, gentlemen, we are paying in interest half of everything that comes in through taxes and so on.

There is no way out, gentlemen. Anyone in the audience who has a company, whether small or large, knows that it is impossible to continue this way. You can't improvise your way out. If things continue like this, Brazil is condemned to be a banana republic.

But even worse, in these people's ongoing diabolical project, they intend to fragment the national territory; to shatter our country; to tell the population: "Gentlemen," (this is, of course, usually said with a smile on their face), "we did what we could. It is impossible to control a country of this size. The realities of the north and of the south, of the southeast and of the northeast are so different, we have to break things up." And in the diabolical project of these people, the fragmentation of the national territory is already planned.

This is the national scenario which cannot be understood outside of the international scenario of which Helga spoke. In this situation which we all find ourselves in, of total submission to rules made abroad, from our viewpoint, there is but one answer: a total break. And this is what we are saying in the minuscule time slots we are granted on television. There is no other way: If a ship is sinking, taking on water, you have to jump, to leap from the ship.

There is no other way. There is no solution. The gentlemen say: "We are going to talk with the IMF." We gain nothing this way. Indonesia talked, and talked, and talked. A few days ago, in the newspapers, one of the economics ministers—I don't remember his name, because there are so many, and they change so often—said (if I'm not mistaken): "We must consult with society (poor society, which doesn't know what's going on), to levy another tax (yet one more), so that we can use the income for social services."

What cynicism! What falsehood! What hypocrisy! Of course, you have no reason to know this, but the truth is that the total taxes which Brazilians pay is much greater than ever paid before. It is nearly 31% of the GNP. . . .

We must stop exploitation

Gentlemen, my message is the same as it has been since I began in 1989: We must rise up against all this, we have to say enough to this exploitation. We have to have the courage to sit down at the table, in the international arena, and say: Yes, we are adults, we want to be respected. We don't want to make war against anybody. When I spoke about the atomic bomb, there was a hue and cry. Cynically, they even showed images of Hiroshima on television, and said that this is what I wanted for Brazil. What cynicism! They don't know what they are talking about.

I was in Hiroshima. I saw the exact place where the bomb fell. I am a doctor. Never, at any time, in the political

party we founded, have I ever defended abortion, the death penalty, any of this. Our background is humanistic. What I said, is that it is extremely unjust that half a dozen countries should hold all nuclear control, and prevent others from having it, while forcing leaders who are little more than puppets, to agree to sign treaties, the way that nuclear one was signed [by Brazil] after I spoke up. I spoke, and one or two weeks later, the treaty was signed. It was signed on July 2, and not before, as many people thought. Do you know why? Because if Japan had had the atomic bomb, the United States wouldn't have dropped the bomb there. To have the bomb, is not in order to drop it on anyone. It is in order to say: Leave us alone; respect us. It was a lie when His Excellency, the President of the Republic, said afterwards—he didn't mention my name, because my name causes chills—that to defend the bomb was a mistake, because we need to use that money for schools. What a lie! Why haven't they used the money for that so far?

We either have a nuclear submarine, as is now being built, and an atomic bomb, and have the conditions to maintain our views; or, soon enough, we will be at the gates of Hell.

It is sad to have to say this to our people. You, gentlemen, are a good representative group, because you are in a position to understand everything that I am saying, which is in fact not the case with the poor man who sweeps the floor. He doesn't even know what's happening. You have that responsibility.

In conclusion, and within my allotted time, I come to deliver a message from our party, a civic message. I repeat what I say everywhere: I am not asking for your vote. A vote is a matter of consciousness. A vote is an intimate, full conviction which is transmitted at the moment that the individual actually pulls the lever.

I only want to transmit a message, and the decision is yours. For centuries now, an avalanche of banality has been dumped on Brazilian society. The value placed on inequity has grown, while that of productive labor has diminished. We are living in an era which urgently requires an example that can kindle in people the flame of citizenship, and the love for our nation.

It is time for a policy truly oriented to the interests of the citizenry to emerge, and not a policy which is against them, where politicians always fight among themselves, in an offensive exchange of favors which always seeks to perpetuate their own interests, while the community sadly watches as its own dreams of building a free society for the future, vanish.

We are going to build the era of conviction, the era of respect, the era of decency, the era of dignity, the era of enthusiasm, the era of science, the era of knowledge, the era of freedom.

Thank you very much.