

## Cardoso wins elections in Brazil . . . sort of

by Silvia Palacios and Lorenzo Carrasco

Although the world financial crisis hit Brazil with gale force just weeks before the Oct. 4 Presidential elections, President Fernando Henrique Cardoso managed to win reelection. And yet, no one is celebrating his victory, given the climate of uncertainty as to what the coming weeks will bring. In fact, the country is gripped by a sense of hopelessness and apathy.

The domestic and foreign press, as well as the major institutions of public opinion, including television, created great expectations that at the conclusion of the election, President Cardoso's unequivocal victory would give him the power and the mandate necessary to impose an economic package of draconian cutbacks, as demanded by the international financial centers. Those expectations vanished the next morning, like so many drunken dreams, when Cardoso's reelection could not be confirmed during the vote count. Indeed, Cardoso's victory could not be announced until 48 hours later, while bankers and finance ministers of the Group of Seven (G-7), meeting in New York, chewed their nails over whether one of their favorite peons of globalism would remain in power in Brazil.

Although Cardoso did not have to face a second round of voting, which would have proven a bankers' nightmare, neither did he receive the mandate for enforcing the International Monetary Fund (IMF) genocide, which the bankers had hoped for. All of this now leaves the famous \$30 billion rescue package for Brazil up in the air. The IMF has not officially announced the package, nor has Brazil asked for it, but it is already becoming known as the world's first virtual aid package, a purely spiritual consolation to the high priests of liberalism. It is based on pure subjectivity, since if the crisis in Brazil explodes, the \$30 billion will prove useless.

Cardoso's margin of victory over his challengers was minuscule. He won 53% of the approximately 35 million valid

votes cast, 500,000 votes *less* than the combined total of invalid votes, blank votes, and abstentions! Since the votes of all the opposition candidates combined totalled a little less than one-third of all the eligible voters, the fact is that Cardoso was elected by less than one-third of the electorate, who didn't necessarily support him and perhaps only voted for him out of fear of a victory by Luís Inácio "Lula" da Silva, the candidate of the Workers Party (PT), which is a member of the narco-terrorist São Paulo Forum. Da Silva won second place in the elections, with 31.7%, a significant increase over his votes in the 1994 Presidential election.

Third-place candidate Ciro Gomes took 11%; his candidacy was deliberately promoted by the political establishment as a means of containing the protest vote, which it was assumed would go to Dr. Enéas Carneiro. Dr. Enéas took fourth place, with 2% of the vote. As he himself charged, the three other main candidates—Cardoso, Da Silva, and Ciro Gomes—all belonged to the Washington, D.C.-based Inter-American Dialogue, which promotes drug legalization, and which is the chosen instrument of the British banking oligarchy for destabilizing Ibero-America and imposing its economic designs.

### Discontent surfaces

What is reflected by this vote is nationwide discontent, which is only kept under wraps on a day-to-day basis by the dictatorship of the communications media. This discontent can clearly be seen in the fact that Cardoso lost in the majority of the nation's main cities, and that several of his main political allies ran the risk of losing the governorships of Brazil's most important states, such as São Paulo, Minas Gerais, Rio de Janeiro, Rio Grande do Sul, as well as the capital of Brasília, where a runoff election became necessary. This post is

so important that, until now, it has been impossible for Cardoso to announce any concrete austerity measure that his second Presidency could definitively commit to, causing growing anxiety among the bankers.

Within this environment of protest, it is worth noting the elections in *Río Grande do Sul*, the state with the most political and historic tradition, where the policies of globalization have had a devastating effect on agriculture and industry, and where, on the other hand, the Landless Movement (MST), encouraged by Cardoso's government itself, has sown terrible fears and insecurity among the region's producers. President Cardoso was soundly defeated in the capital of this state, as he was in the interior of the state which, despite its more conservative tradition, ironically voted this time for the PT candidate, whose base includes the MST.

### For a handful of dollars

Beyond the results themselves, the 1998 elections mark an inflection point. First, because they occurred just at the point that the international financial crisis arrived in Brazil with all its intensity, putting the entire world financial system in check. Witnesses to this were the meetings of the G-7 and of the IMF themselves, where the the agendas of every individual at those meetings were focussed, on the one hand, on trying to sweep the crisis under rug, and on the other, on trying to scrape together, from the garbage heaps of the dying financial system, a \$30 billion rescue package for Brazil. This handful of dollars is laughable in comparison to the half-trillion dollars of foreign debt that Brazil owes, which includes the growing mountain of dollar-denominated domestic treasury bonds. And, one could easily add to this picture the national banking system, which is crumbling under the weight of more than \$350 billion in unpayable loans.

As stated in an editorial in the early October issue of *Solidaridad Iberoamericana*, the newspaper of the LaRouche co-thinker group, the Ibero-American Solidarity Movement, reproduced Oct. 7 in the *Río Grande do Sul* edition of *Gazeta Mercantil*, "the horrible face of the pestilence of usury hides, on the one hand, behind the dark cloak of multimillion-dollar electoral propaganda, and on the other, among the nominally more educated social layers, who are starting to see glimpses of the chaos that is coming, but who prefer to flee from reality, and to accept instead the rose-colored world offered them by the media and by the economic soothsayers."

The editorial continues: "It is the portrait, magnificently portrayed by Bocaccio in his *Decameron*, of a decadent nobility which entertains itself in its salons with various vanities, including the most obscene, while turning their backs on the Dantesque reality of the Black Plague knocking at the doors of their rich palaces. So, too, acts the gambler-President Fernando Henrique Cardoso, who in his infantile vanity, not only exempts himself from any responsibility for the financial crisis, alleging the inevitability of globalization, but who now clings to the belief that his G-7 friends, among them the IMF's

Michel Camdessus or brothel-keeper George Soros, will save him so that he can remain in power. What will such vanity be worth, when in the end we will hear him offering 'my kingdom for a handful of dollars?'"

Although President Cardoso has committed himself to enforcing a brutal fiscal reform program to try to reduce the government deficit, he has not been able to announce any concrete measures, and here he appears to be losing ground. His last two pronouncements, made on the request of the IMF to try to "calm market jitters," were a compendium of generalities, facilitated by his academic training, and intended to reconcile the inevitability of globalization with the need for a new Bretton Woods system, of which he expects to end up the author.

### The MST plague

Second, the Brazilian elections marked the beginning of a phase of overt terror by the self-described Landless Movement. There have been scores of assaults on food trucks in the northeast of the country, and the dynamiting of major electrical towers, in the style of Peru's Shining Path, in the state of Paraná, in the area of influence of the so-called "Independent Republic of the Puntal de Paranapanema."

The election results, and the electoral wins of the Workers Party, will surely encourage the terrorist leaders of the MST to move forward with their strategy of irregular warfare against the country's economic infrastructure. This picture was confirmed by comments by the MST leader in the northeast, Jaime Amorim, in an interview with *Veja* magazine published on Oct. 7. Asked about the possibilities of armed struggle in the country, Amorim revealed that the MST has "hundreds of centers, with the autonomy to decide when, where, and how to act. . . . If necessary, [the strategy] can be changed in mid-battle [and] only examined later. The movement has grown. It is no longer possible to hear everyone out every time we need to act. . . . [The Mexican terrorists in] Chiapas became a reference, only when they turned to armed struggle."

Third, the 1998 elections are an epilogue to the farce of so-called liberal democracy, imposed in the Ibero-American Southern Cone in the beginning of the 1980s as a precondition for intensified economic looting by the IMF. The election unveiled a rotting political corpse, which is only tolerated because of the tyranny of the banks and of the media. Any attempt to prop up this rotting corpse must drive Brazil and all its potential, into a scenario of chaos and social disintegration in the immediate period ahead.

Any real solution to this crisis necessarily requires the reemergence of the sovereign nation-state, protectionism for industry and agriculture, and expanding the internal market. It also implies, in one form or another, a break with the existing institutional framework, which is only maintained to perpetuate the looting of the country's economic wealth and to preserve the absurd privileges of a decrepit national oligarchy.