

## Report from Rio by Silvia Palacios

### Bankers give Lula a new running mate

*Aloisio Mercadante, vice presidential candidate of the Workers Party, is "proletarian monetarism" in action.*

**T**he Brazilian Workers Party (PT), so far favored to win the October presidential elections, has completed a maneuver intended to strengthen the support already tendered the party by the international financial establishment, particularly by that faction represented by the Washington-based Inter-American Dialogue (IAD).

In the wake of a corruption scandal that has badly tarnished the party's facade of being "honest to a fault," and caused nervousness within the party's upper ranks, the party leadership has dumped Sen. José Paulo Bisolas, its vice presidential candidate, from the ticket headed by party leader Luís Inácio "Lula" da Silva.

Bisol is a degenerate, who is seeking to consecrate the "right" to homosexuality in the nation's Constitution; his removal is due to an attempt to retread Lula as a "moderate" candidate, rather than an extremist. Bisol's replacement, economist and congressman Aloisio Mercadante, is one of the bankers' highest-ranking flunkies inside Brazil.

Mercadante's nomination underscores the Workers Party's refurbished deal with the Inter-American Dialogue, an understanding which dates back to 1990, right after Lula joined the IAD. Mercadante's selection is also intended to respond to the sudden rise in the polls of Lula's main opponent, Fernando Henrique Cardoso, who on his own account has a longstanding, intimate relationship with the international banking community and is a founding member of

the Dialogue.

Mercadante represents an influential group within the party, and as such had been considered a likely finance minister in a Lula administration. Among the most significant proofs of his pro-banker *bona fides* is the fact that in his trips abroad to explain his party's program to the Anglo-American elite, he has been financed by Banco Garantia, one of the Brazilian banks most heavily involved in making a speculative killing in the financial derivatives market.

For example, Mercadante was financed by Banco Garantia on his trip to the United States earlier this year, when he visited the Rockefellers' Americas Society, among other forums.

It turns out that Banco Garantia is owned by Jorge P. Lemann, an Inter-American Dialogue member who happened to join at the same time as Lula, and who is a financier of the George Soros stripe, who prides himself on his relationships with neo-communist organizations and individuals, such as the pro-terrorist São Paulo Forum, which was founded at the instigation of the Cuban Communist Party, and to which Lula also belongs.

Mercadante is a prime representative of what might be called "proletarian monetarism," that is to say, a rather poorly disguised version of British liberalism; as an example of this, in December 1992, Mercadante, as a representative of the Workers Party, presented Brazilian President Itamar Franco the proposal to utilize a portion

of the nation's foreign exchange reserves to purchase U.S. government bonds, to be offered to Brazil's foreign creditor banks as guarantees for those banks' agreeing to lengthen the term of Brazil's debt.

Mercadante has also been charged with "moderating" the party's position concerning treatment of the foreign debt, eliminating the possibility of a debt moratorium, or any similar measure that might protect Brazilian sovereignty in the context of global financial collapse.

Beyond strengthening the PT's ties to the bankers, Mercadante's nomination also furthers another goal, which is to present a sufficiently moderate image that the powerful Brazilian military does not veto a Lula presidency. The idea is to try to show that the "Mensheviks" of the party have prevailed.

The PT seeks to play on the fact that Mercadante is the son of the distinguished Gen. Oswaldo Muniz Oliveira (ret.), ex-commander of the Superior War College, and thereby hope to open a channel to the military. This was recently exploited effectively by the PT leadership in a confrontation between the cabinet's military ministers and the judiciary, over the issue of military wages, in which Mercadante acted as negotiator between the Congress and the Army minister.

The PT is doing everything possible to woo the military to ensure that they won't block the PT from taking office. To this end, they have promised that under a Lula government, the high-tech programs pushed by the military would be further developed, or at least formally respected.

Such promises are hot air. The ties of Lula abroad to the IAD and the São Paulo Forum, and at home to the radicalized PT apparatus, reveal what his actual policy is toward the military: to eliminate it.