

## Report from Rio by Lorenzo Carrasco

### Weak presidency looms

*On Oct. 3, Brazilian voters are expected to shun Lula, and elect Fernando Henrique Cardoso—but will he be able to govern?*

**F**inance Minister Rubens Ricupero, an “ethical and devout” monetarist, has been catapulted out of office in Brazil in a pre-election scandal, but it doesn’t look likely to ruin the presidential chances of his ally Fernando Henrique Cardoso or to help his main rival, the Cuban-backed leftist “Lula.” Brazilian voters are cynical about both leading presidential contenders, and their unwillingness to address the crucial issues facing Brazil, and they have translated this into a large and growing “undecided” category in the electoral opinion polls.

Ricupero’s demise came after he spilled the beans on the fact that the Itamar Franco government was not acting impartially in the election campaign, and on his own “lack of scruples” in manipulating inflation figures to favor Fernando Henrique Cardoso’s chances. The finance minister’s private confidences ended up being broadcast nationwide due to a “technical accident” at a television studio.

If the incident was intended to collapse Cardoso’s candidacy or boost the ratings of Workers Party (PT) presidential candidate Luís Inacio “Lula” da Silva, it didn’t work.

Cardoso is being given some 42% of the vote in polls taken two weeks before the Oct. 3 elections, while his rival, Lula, continues to fall and is now given barely 20%. Both candidates belong to the Wall Street financiers’ Inter-American Dialogue, an outfit best known for advocating drug legalization throughout South America. But Cardoso is the choice of London and Wall Street’s banking

elites, while Lula is preferred by the Cuba-spawned São Paulo Forum,

If opinion polls mean anything, which is always doubtful, these ratings suggest that most Brazilians realize that the Lula-Cardoso show has been pre-arranged and that neither offers a serious option for the country. Indeed, a full 40% of the electorate told pollsters they were “undecided.”

Two factors give Cardoso the edge. Most Brazilians want no part of Lula’s candidacy, and of the chaos and violence scenario that a PT victory would ensure. Their current disgust can be compared to the 1989 presidential vote which put the corrupt Fernando Collor de Mello in the presidency, over Lula.

Second, many Brazilians are hypnotized by the short-term effects of the so-called *real* monetary plan, whose author is Fernando Henrique Cardoso. The plan offers the chimera of monetary stability, to a country subject to 70% monthly inflation rates. This has blinded people to the longer-term effects of recession, unemployment, and deindustrialization which Cardoso’s plan is buying them down the road.

Since voting is obligatory in Brazil, the interesting question is where the protest vote against this farcical “democratic” system is heading. This year, it is not expected to benefit Lula or the other “leftist” candidate, former Rio de Janeiro governor Leonel Brizola. These two together drew over 50% of the votes in the last presidential election. Instead, the 1994 protest vote is attracted toward the candidate of the Party of Reconstruc-

tion of the National Order (Prona), cardiologist Eneas Carneiro, whose vice presidential running-mate is Adm. Roberto Gama y Silva, a hard-line nationalist.

In the presidential debate, Carneiro proposed the necessity of adopting economic policies like those designed by the first Treasury Secretary of the United States, Alexander Hamilton, and praised France’s General Charles de Gaulle, who enacted such dirigist policies when he took power in France in 1958. Although his chances of winning are near-zero, Carneiro has a strong third place in the polls and may end up with more than 10% of the vote.

Lula’s coming defeat is likely to split his huge political machine beyond repair. The most radical wing, the Landless Movement (MST), will tend toward proto-terrorist actions, especially armed land invasions such as those they have already been carrying out in recent months.

Another wing of the PT, made up of social-democratic intellectuals such as Marco Aurelio Garcia and Francisco Welfort, are the ones who got Lula accepted into the Inter-American Dialogue. Welfort is very close to his fellow sociologist Henrique Cardoso. They will tend to gather around the future Cardoso government. This has already been pushed by São Paulo Cardinal Evaristo Arns, who promoted the early careers of both Cardoso and Lula during the years of military rule.

The absence of a program for developing Brazil’s physical economy, coupled with Cardoso’s insistence on upholding the British free-market model of “economic opening” and dismantling the state begun by the previous Collor government, could produce a rerun of the last two presidential terms. Both ended up being concluded by the vice presidents.