

Brazil's President Cardoso fiddles, while the nation burns

by Lorenzo Carrasco

Since the late June rebellion of military police in the state of Minas Gerais, in the heart of Brazil, the situation in this country has become increasingly serious, to the point that it threatens to break out into a full-fledged institutional crisis. The June 25 edition of *Jornal do Brasil* described the developments in Minas Gerais as "one of the most serious military police rebellions since the 1964 coup d'état."

The conflict began with the march for wage hikes by some 3,000 CABOS, soldiers and military police sergeants, in the state capital of Belo Horizonte, a march which arrived at the offices of the state government. Throughout the march, the population greeted the marchers with enthusiasm and confetti. The protest swelled with 700 civilian police and prison guards, and other public officials, and the environment became more aggressive. "We did what we could, but we couldn't prevent people from expressing their indignation," said Nilton Moraes, president of Soldiers of Minas Gerais.

Under these conditions, state governor Eduardo Azeredo had to call on the Army, which sent more than 100 troops to protect the government offices. At the same time, those policemen who did not join the strike were deployed to repress their colleagues, which caused an exchange of gunfire that led to the death of one soldier. Only a miracle prevented a bloody confrontation with the Army. The next day, the governor decided to fully meet the demands of the police, putting a temporary end to the crisis.

A wave of strikes unleashed

These developments had a major impact on the nation, given that the military police of Minas Gerais have a reputation for their exemplary and disciplined behavior. What was unleashed in its wake was a wave of strikes and protests by military police in several Brazilian states, and there is unrest percolating within the Armed Forces. As of this writing, there have been demonstrations in São Paulo, Rio Grande do Sul, Para, Paraíba, Pernambuco, and Alagoas, but the situation is spreading rapidly across the country. After Minas Gerais, the most serious situation occurred on July 18 in the northeastern state of Alagoas, when military and civil police demonstrators, backed by the population and by other public

officials, threatened to take the state palace and legislative assembly by force of arms. After a firefight with Army forces, the crisis was calmed when the governor of Alagoas, Divaldo Suruay, decided to resign.

The situation must be blamed squarely on the deliberate policy of President Fernando Henrique Cardoso, to asphyxiate state finances, and to channel tax revenues instead to payment of a domestic and foreign debt which continues to balloon. Under this financial dictatorship, all resources from the privatizations of state patrimony and public concessions are being allocated to payment of domestic and foreign creditors. In this way, the country is being handed over, piece by piece, to the major mineral and financial consortiums, which are primarily concentrated in the British Commonwealth.

The hottest situation

As Lyndon LaRouche explained in a July 15 radio interview: "The situation in Brazil is, in terms of potential impact, the hottest strategic situation presently in the Western Hemisphere. What is it? Brazil is being targetted for a takeover of its raw materials assets by British interests, the same British interests which have raped Africa, that is, the raw materials cartels, the London strategic minerals cartel, and so forth, and the petroleum cartel, and it is targetted."

President Cardoso, LaRouche explained, "is a darling of the British, and has been fostering this takeover and *rape* of his own country, by these British interests that have looted, and are looting Africa. It's coming to a head."

But while his policy of "controlled fires" increasingly threatens to set the entire nation aflame, the President and his cabinet are concentrating on maintaining his international image as a statesman, a personal vanity which is being nurtured by those who control Cardoso.

It is not enough that Henry Kissinger has called Cardoso a "philosopher President," in an effort to turn him into Clinton's main interlocutor in Ibero-America. Now, Cardoso is readying himself to receive the title of "Sir" at the hands of Queen Elizabeth II, an event slated to occur during his state visit to England this coming December.

Capitalizing on the chaos

No one should think that this picture of public calamity surprises the Cardoso government. Indeed, he and his team know perfectly well that one of the consequences of their monetary and fiscal austerity must be generalized social convulsion. Their policy is to try to keep these pockets of social and political instability under control, manipulating one against the other to the benefit of the so-called “economic reforms,” which are in the final analysis, what is causing the social and institutional chaos in the first place. In sum, the policy is to control the chaos caused by the dismantling of the Brazilian state, in order to generate still worse chaos. The proposed solution offered the states is austerity, and still more austerity, and an auctioning of the remaining physical assets of those states.

Before analyzing the behavior of the Cardoso government regarding the military police upsurge, it is worth noting the government’s attitude toward the agricultural crisis, which was provoked by Cardoso’s so-called “Real Plan” of 1995. The “caravan of trucks,” the protesting farmers who travelled more than 2,500 kilometers to the capital city, was scorned, while the leaders of the pro-terrorist Landless Movement (MST) were received by the government and encouraged, as a form of threat to the farmers. From that moment onward, the MST took the government’s attitude as a green light for it to launch massive land invasions throughout the country, to the point that the President himself was forced to try to rein the MST in, to avoid civil war in the interior of the country.

It is this same perfidious attitude that we see once again on the part of the Cardoso government toward the Minas Gerais military police crisis. Both sides were armed, the governor was holed up in his palace and surrounded by the Army, and President Cardoso’s recommendation during a trip to New York City was to refuse to negotiate with the protesters, under any circumstances.

As we have repeatedly exposed in these pages, the policy of the Cardoso cabinet is to provide brazen support for the international human rights mafia, which has the military police in the gunights of its well-financed campaigns. Through such support, the Cardoso government is in reality seeking the weakening of its own Armed Forces, which, through successive confrontations with the military police, will lose any ability to command them, as has historically occurred in moments of crisis or internal convulsions. At the same time, the Armed Forces are being made to assume public security functions, diverting them from their primary responsibility as guardians of territorial integrity and national sovereignty.

President Cardoso is thus fulfilling to the letter the proposal of the bankers’ think-tank, the Inter-American Dialogue (of which he is a founding member), namely, to convert the Armed Forces into a kind of national guard, far

from their historic mandate as the final bulwark of national defense.

Institutional crisis

President Cardoso’s plot did not proceed as planned in Minas Gerais, primarily because Governor Azeredo, a political ally of the President, in an act of common sense, agreed to the demands of the military police. His decision provoked a confrontation with the federal government. Minas Gerais Finance Secretary João Haroldo Lima, in an interview with *Gazeta Mercantil* of July 11, responded to possible reprisals by the Cardoso administration, with a virtual revolt against the federal government: “How many times must the life of the country suffer risks which were not foreseen by technocrats? We are not voluntarily opting to disobey any kind of [fiscal] clause, but at the moment when it became evident that it was impossible to fulfill, the government of Minas took a sovereign decision. We are therefore not going to discuss the point further. We are absolutely aware of our responsibilities, but what occurred was reality.”

In the interview, João Haroldo called the attitude of Cardoso’s economic cabinet “intolerant and superficial. This kind of vision, so common in Brasilia, must be fought. These individuals have no idea of the difficulties the states face. . . . It would be good for these jerks in Brasilia, who place bets on the states, to learn this. . . . This is the problem; often, the political agenda and socio-economic developments trample our plans.”

On July 16, *Gazeta Mercantil* reported more statements by João Haroldo: “The states haven’t the means to achieve financial balance. With the crisis of the military police and its spread to other units of the federation, the picture is worsening.” We can see by this reaction of the Minas Gerais government that the rupture of the federated system as a consequence of Cardoso’s fiscal dictatorship is advancing.

The respected journalist Carlos Chaga, in his July 10 column in *Tribuna de Imprensa*, explained: “As things are now going, the situation will become generalized, to the point that, in order to survive, the majority of the population will have to oppose the current institutions. . . . The reaction of the civil and military police throughout the country is just one more reflection of this dead-end street which the elites insist on following, like ostriches with their heads in the sand in the middle of a storm. They are not going to be able to remain that way, especially if we transfer the situation from the level of individuals to the level of nations.”

And what is President Cardoso doing? According to the July 7 *Folha de São Paulo*, Cardoso is spending a great deal of time studying the proper etiquette for receiving his title from the Queen: “Since he needs to arrive with everything on the tip of his tongue—from the historic details to other details—in case the Queen should converse on the subject, the President has begun a phase of studies. He is receiving

weekly ‘papers’ on ceremonial matters, which he is reading and re-reading with his advisers.”

That he will be the first sitting President in the history of Ibero-America to receive the coveted title from the fawners and flatterers of the British Empire, is totally merited. In his rapid ascent to power in Brazil, Cardoso has done everything in his power to catch the benevolent eye of the British sovereign. It was in 1993 when, as the minister of foreign affairs of President Itamar Franco, Cardoso spoke before the Royal Institute for International Affairs at Chatham House, and promised to reestablish the “special relationship” that had existed between Brazil and England, and which made Brazil a subject of an imperial system, from the time the nation was born in the early 19th century, until its 1930 revolution.

President Cardoso’s request for authorization to sign the Nuclear Non-Proliferation Treaty, sent to the national Congress on July 20, is one more proof of his conscious effort to place Brazilian diplomacy at the service of British foreign policy, and to sit as a permanent member of the United Nations Security Council, even if it is just to keep that seat warm.

An agreement with Chatham House

In an article in the July 16 *O Globo*, the Brazilian ambassador in London, Antonio Rubens Barbosa, announced an agreement between Brazil’s Foreign Ministry, Itamaraty, and Chatham House, cradle of British imperial policy, from which one can easily recognize who is pulling Brazil’s diplomatic strings. “The Brazilian Embassy in London always followed the conferences of Chatham House, as part of its routine work of political observation. In this way, one can gather important elements of analysis and reflection on the present international situation. . . . To broaden Brazil’s links with that forum and to give them an institutional basis, a pioneer project of academic cooperation between the embassy and Chatham House has been established.”

Ambassador Barbosa added that this pioneer project “is a powerful instrument for spreading and promoting Brazilian foreign policy while, at the same time, it reinforces Itamaraty’s channels of communication and dialogue with the international academic community. . . . The program of cooperation with Chatham House, whose continuity will be fundamental to the objectives we seek to reach, is complemented by another academic initiative in the United Kingdom, which is also already a reality: the Center for Brazilian Studies at Oxford University.” The central issues of this “special relationship,” apart from the tired cant of free trade, are security and defense, and future scenarios for international insertion.

It is clear that while President Cardoso and his team of Anglo-American-educated technocrats are prepared to set all of Brazil aflame, Cardoso and his muses at Itamaraty are content to fiddle and dance to the tune of the British Empire.

Cheminade: France’s Jospin must solve a difficult paradox

Jacques Cheminade, a close friend of Lyndon LaRouche’s and head of the French Progress and Solidarity Party, was interviewed by Gabriele Liebig, editor of the German weekly newspaper *Neue Solidarität* on July 9. France’s elections in May swept conservative Prime Minister Alain Juppé and his allies in the National Assembly out of power, and replaced them with a coalition headed by Socialist Lionel Jospin. Unlike conservative “Gaullist” President Jacques Chirac, who overconfidently called the snap elections, and his hand-picked Premier Juppé, Jospin’s team opposes the implementation of the Maastricht Treaty’s single currency if it means further austerity, social welfare cuts, and higher unemployment. In this, Jospin has broken utterly with the policies of the Socialist regime of President François Mitterrand, which ruled for 14 years; in fact, Jospin and his Interior Minister Jean-Pierre Chevènement — Mitterrand’s education and defense ministers, respectively — were the only two Socialists to walk out of the Mitterrand government, in protest of his policies.

In 1995, when Chirac ran for President, he promised to reverse the social and economic decline of the country; after his election, at the Group of Seven heads-of-state summit in Halifax, Canada, he blasted the effort to maintain a crumbling international monetary and financial system, referring to it as “financial AIDS.” Soon thereafter, he turned his back on everything he had said, adopting Thatcherite liberal economics, which only drove France deeper into economic and social desperation, and cost him the May 1997 National Assembly elections. Now, Jospin faces the same challenge.

As we reported in our July 4 *Feature* story, Jospin has made a good beginning (although he also displayed his serious weaknesses), as his June 18 speech to the National Assembly showed. More shocking, perhaps, was his address to the Socialist International conference in Malmö, Sweden, where he set himself up as the counterpole to Britain’s new Labour Prime Minister Tony Blair, who may be even more committed to Thatcherite neo-liberalism than Jacques Chirac. Similarly, at the Amsterdam European Union summit to finalize the Stability Pact for implementation of Maastricht, Jospin insisted that the criteria for meeting membership in the European Monetary Union not overshadow the need to fight rising unemployment throughout the Union.