

Report from Rio by Silvia Palacios

Who unleashed Collor's brother?

A corruption scandal hits the President's family, as the Anglo-Americans demand more concessions from Brazil.

The week before the June 2 opening of the "Earth Summit" here, sponsored by the United Nations' one-world elite, Brazil was shaken by yet another scandal of government corruption. This one was worse, because President Fernando Collor de Mello was personally implicated.

The episode was initiated by the President's younger brother Pedro, who denounced the President for, among other things, having used cocaine in his youth. Pedro also lashed out at Paulo César ("PC") Farias, the businessman who had served as Collor's presidential campaign treasurer. The younger Collor accused PC of illicit enrichment, extortion, and running capital flight out of the country.

As a final blow, Pedro Collor added that the former treasurer was acting as a front-man for his brother, the President. Later, in testimony before an ad hoc congressional commission set up to investigate the charges, Pedro Collor softened his charges against his brother, suggesting that the President's confidence was being abused by Farias.

The corruption and sordid business deals exposed by Pedro Collor, especially those of PC Farias, were already well known among Brazilian political circles, but never before had they gone beyond the bounds of mafia quarrels in the northeastern state of Alagoas, where the Collor family and Farias are based, and where President Fernando Collor launched his political career. But this time it was the magazine *Veja*, mouthpiece in Brazil for the U.S. State Department through its

ties to the Inter-American Dialogue, which threw all its journalistic weight into spreading the scandal.

Despite the fact that these developments reflect the rot that has invaded every International Monetary Fund "democracy" on the continent, the cruel fact is that the repeated explosions of scandal in Brazil—most of them well founded—have functioned like a television soap opera, to lull the population into a stupor and to undermine its capacity to respond to the government's betrayal of national interests to George Bush's new world order. At the same time, the Anglo-American oligarchy is taking advantage of, and even encouraging, this "controlled chaos," to wrest more concessions from Collor, precisely as it did with the Carlos Menem administration in Argentina.

U.S. Ambassador to Brazil Richard Melton declared calmly that these scandals are having no effect on Brazil's image abroad. He added that the country preserved its prestige thanks to its neo-liberal economic policies: "My impression is that all is well in that sense."

While the scandals surrounding President Collor's family and friends have managed to temporarily eclipse the more fundamental aspects of the institutional crisis affecting the country, in particular the failure of Economy Minister Marcilio Marques Moreira's "anti-inflationary" program and the growing military unrest, the truth cannot remain hidden forever.

The truth is that in Brazil, the impact of military unrest in Venezuela

and Peru and its own internal instability have led to a growing disenchantment with "democracy," as can be seen in the latest opinion polls. In early May, the newspaper *Jornal do Brasil* revealed that 50% of those Brazilians it polled agreed with the need for an "authoritarian regime" to end the poverty in the country.

The same newspaper sent out an alarm in its May 24 editorial, stating that "When a population grows tired of the parties, what suffers is democracy . . . thus the decadence of the parties can be presented as a threat to the existing political regime."

Military dissatisfaction with low wages and with the political concessions which President Collor has yielded to Washington, continues unabated. The latest confrontation took place during the marathon cabinet meeting May 16-17. According to a report issued by the state news agency and published internationally, President Collor urged the participation of the Armed Forces in the fight against drug trafficking, as U.S. Defense Secretary Richard Cheney had demanded in his visit to Brazil earlier this year.

The discussions on the issue were not revealed because of the intensity of the debate and the categorical rejection by the military ministers present. Those same ministers have publicly divulged the contents of the so-called McNamara Plan (named after former U.S. defense secretary and World Bank chief Robert McNamara), which proposes the dismantling of Ibero-America's armed forces. At the cabinet meeting Navy Minister Adm. Mario Cesar Flores denounced the pressures, "especially from the United States," to get Ibero-America's militaries involved in the fight against drug trafficking, which is seen as a pretext for reducing them to constabulary forces, incapable of mounting any real national defense.