

Report from Rio by Geraldo Lino

Collor's government is done for

The President is now "merely a tenant in the palace," as the fight for control of the economy is ignited.

As we go to press, President Fernando Collor de Mello had not yet left office, but there is no doubt that his mandate is over. His political obituary was delivered on Aug. 27 by Cong. Ulysses Guimarães, right after the report from the Congressional Inquiry Committee (CPI) that investigated the links between Collor and his former campaign treasurer, businessman Paulo César Farias, was voted up.

"He is no longer the President. He is merely a tenant in the Palace of Planalto. He should leave through the front door, instead of waiting to be evicted, as a tenant that does not fulfill the terms of his lease," said Guimarães, one of Brazil's most important political figures.

Approval of the CPI report also sent the signal to abandon ship to the Liberal Front Party (PFL), the main pillar of Collor's coalition. The PFL's top leaders had a meeting at which they decided that there was nothing else they could do to save Collor's presidency, significantly reducing the chances that he can muster the votes he needs in Congress to stave off an impeachment.

It is unlikely that the transition for Vice-President Itamar Franco will be smooth or immediate, since Collor has given no indication that he is ready to resign.

On Aug. 30, Collor went on nationwide television to defend himself from the corruption charges in the CPI report. He accused Congress of wanting to overthrow him in "10 days," while not acting on a series of measures he proposed, supposedly to "modernize" the country, including a

number of constitutional amendments to step up the pace of the liberalization of the economy.

In an interview with TV Globo the next day, Collor stressed: "I am not a man to resign. I am a fighter and I don't run away from a fight." Given Collor's determination, his opponents will have to go the impeachment route to remove him from office, a process that could take up to six months.

Brazil's political and economic "establishment" apparently has decided that Collor's departure is the best solution for the explosive institutional impasse created by the combination of the presidential power vacuum and the deepening economic crisis. On Aug. 25, almost 1 million people, in 30 cities, were out in the streets to protest against government corruption and the economic recession caused by the International Monetary Fund austerity policies of Economics Minister Marcilio Marques Moreira.

The elites are worried that any delay in resolving the political crisis will fuel the (until now) timid protests against the economic policies. Minister Marques himself has reportedly voiced the fear that business, political, and intellectual sectors will take advantage of the growing movement for moral renewal to attack his neo-liberal program.

In an Aug. 29 article in the daily *O Estado de São Paulo*, Cong. Celio de Castro wrote that "the flag of ethics and dignity raised in the streets is not only to fight corruption. We also have a flag for the restoration of ethics and dignity to the economy and to social relations." He added, "It is no advan-

tage to exchange the President of the republic for the vice president if the economic policy of the new government remains the same."

For Brazil's establishment, it is crucial that there be no break with the neo-liberal economic policy. On Aug. 30 *Jornal do Brasil* editorialized: "The project to modernize Brazil, President Fernando Collor's most important legacy to the nation's history, is in danger of disappearing in the present state of institutional indecision."

Behind the scenes, there is a fierce fight over Marcilio Marques Moreira's remaining as minister of economics in an Itamar Franco administration. But, despite the spate of rumors about what deals Vice President Franco will have to honor to consolidate his rule, the situation is so volatile, that it cannot be predicted with any certainty whether Marques Moreira will stay in the cabinet, or whether the economic policy will continue strictly as is. Vice President Franco himself has often expressed his disagreement with the high social cost of the fight against inflation and with some aspects of the privatization program. Just this past Aug. 31, Franco again told reporters that "it is necessary to end the situation where social needs are a byproduct of economic growth."

Whatever the twists and turns of the current political crisis, it is certain that the policies the new government adopts will determine whether Brazil can overcome its brutal economic situation, and that those measures will be closely watched by other nations in Ibero-America.

As Congressman de Castro said, "This is the hour for Brazilians to make choices. Either we will be an economic and social power on the threshold of the third millennium, or we will be no more than a huge banana republic."