

# 'Brazil Is Melting Like Ice Cream in the Sun'

by Silvia Palacios and Lorenzo Carrasco

It's time "to dump" Brazilian President Fernando Henrique Cardoso. "The process has to be interrupted immediately, if possible by convincing those in power that they are taking the wrong path. But since this is about as likely as seeing an elephant fly, one must think in other directions. It's now necessary to go from 'We've had enough!' to 'Get out!' Not all situations demand orthodox solutions. . . . Brazil is melting like ice cream in the sun. . . . Either the nation rises up, or soon there will be no nation."

Are these the words of an isolated dissident? Not at all. This is the published commentary of the respected and influential journalist Carlos Chagas, in his regular column in the daily *Tribuna da Imprensa*, of April 19.

Chagas's red alert reflects the growing awareness among various sectors of Brazil's institutions, including its Armed Forces, that the national crisis has reached alarming proportions, and that if the current direction is not altered, the nation-state will soon disintegrate. A drastic change is required, both in the economic and political arena, before Brazil disappears.

The crisis has led some to think—and even say—what was previously unthinkable.

- Antônio Delfim Netto, the once all-powerful Finance Minister in several military governments during the 1980s, upon which he impressed his strongly monetarist orientation, published a surprising article in the March 29 edition of the magazine *Carta Capital*. In it, he stressed the importance of the protectionist policies of first U.S. Treasury Secretary Alexander Hamilton, policies feared by both Wall Street and the International Monetary Fund (IMF). Delfim Netto stated that "most perverse of all is how we were kept away from a convergence with the United States, precisely by the economic policy implemented by our neo-colonized bureaucrats (educated by them), who keep selling as 'good science' the ideologically deformed concept that history has no importance. For them, Alexander Hamilton and his (1791) *Report on Manufactures* never existed."

Hamilton's *Report of Manufactures* has been the subject of heated controversy in Brazil, since the Ibero-American Solidarity Movement (MSIA), associated with Lyndon H. LaRouche, Jr., issued the only extant Portuguese translation of the work in 1995, with a preface by LaRouche.

- Army Commander Gen. Gleuber Viera used the 36th anniversary of the 1964 revolution in Brazil, to issue an Order of the Day, read in barracks across the nation. Although he

was speaking of the March 1964 developments, the general's words were in fact interpreted by all as a commentary on the present situation. He declared:

"The streets turned to the Brazilian families. They appealed to their children, their armed representatives, to put an end to the somber perspective of a combination of political instability, of economic crisis, and deterioration of cultural and religious values. To put an end to exacerbated social tensions, to the environment of disorder and insecurity in the cities. To put an end to the danger of armed struggle in the countryside."

The Order of the Day stressed the role of the Armed Forces in the country's economic development: "Extinguishing irrationality and establishing conditions favorable to Brazil's development motivated the Democratic Revolution of March 31, 1964. . . . Despite the environment of conflict, the governments of the Revolution broadened and modernized Brazil's industrial infrastructure, perfecting systems of energy, communications, and transportation. The nation's interior experienced prosperity, and regions outside the major centers were developed. Education and teaching was expanded and democratized. Illiteracy was efficiently reduced. Brazil joined the respectable group of the world's largest economies, by obtaining high rates of economic growth" (see below for the full text).

- Another prominent military official stressed the direct connection between the economy (unemployment, in particular) and national security. Air Force Club president Brigadier Ercio Braga issued a powerful statement against the policy of globalization, before a conference of young Air Force officials. He detailed what he called the "Capitalist Assault," which seeks the disintegration of the country, of its families, of its religious traditions, and of its hope of remaining a sovereign nation (see excerpts below).

## Confrontation in Sight

The Establishment's hysterical counterattack was not long in coming. U.S. Secretary of State Madeleine Albright said at a May 1 meeting of David Rockefeller's Council of the Americas, that "the democratic tide in the Americas may begin to recede. Countries may begin to be lured again down the dead-end roads of protectionist policies and authoritarian rule. And, in fact, it is already starting to happen."

Brazilian President Cardoso has also warned that "democracy" is in danger in Brazil. In comments to journalist Dora Kramer, published as the lead news item of the April 30 *Jornal do Brasil*, Cardoso acknowledged the imminence of an institutional crisis, and announced that there would be firm action by the state, "since there is a danger of the weakening of the political system, with the discrediting of the institutions and the opening of space for non-democratic solutions."

What Cardoso did not say, but what everyone in Brazil is asking, is: Where will the President find the means to exercise his authority, when his policy has been the deliberate weaken-

## Brazilian Army: 'We Remain Dedicated to the Defense of the Fatherland'

*The following is the "Order of the Day," issued by Brazilian Army Commander Gen. Glauber Viera on March 31, and read in every military institution in the country on the occasion of the 36th anniversary of the 1964 revolution.*

We had the moral courage to restore democracy, despite having been subjected to the erosion of a prolonged and unwanted internal conflict. Nor was it always possible to prevent the opening of inevitable wounds. In truth, the duration and intensity of the measures taken were intended as a response to the unreasonableness of those who rejected dialogue, opted for radicalism, and took up arms. They wanted, at any price, a regime contrary to the Christian and peaceful nature of our people.

Despite the conflict, the governments of the revolution expanded and modernized Brazil's industrial infrastructure. They perfected the energy, communications, and transportation systems. The nation's interior experienced

prosperity, and regions outside the major centers were developed. Education and teaching was expanded and democratized. Illiteracy was efficiently reduced. Brazil joined the respectable group of the world's largest economies, by obtaining high rates of economic growth. Democratic normalcy was restored through a rational policy of political engineering, that ended with the promulgation of the Amnesty Law — irrefutable proof of reconciliation and disarming of the spirit.

We remain today united as always, military and civilian — Brazilian society. Together, we shall learn from both the truths and mistakes of the past. We are prepared to face the scenarios of the next century. Patient, persevering, and in solidarity, we dedicate ourselves today, to the building of a future that we can leave to coming generations.

Time and history, wise and exempt from the passions, say that nothing was in vain. We did our part with the same pacifying spirit of Caxias who, in the last century, prevented the fragmentation of our land and promoted the unity of Brazilians separated by profound political differences. In the same way, we pacified the nation. Once more, we brought about reconciliation and reflection. Mission accomplished!

We remain dedicated to preparing our cadre to carry out their primary mission well, which shall always be the defense of the Fatherland!

ing of the state, especially the Armed Forces and military police? And how far will these humiliated forces go to defend a government which is rapidly sinking in the polls, as a result of generalized discontent with the government's cruel economic policy?

The roots of the imminent institutional rupture lie with Cardoso's own policies. For example, the Presidential couple, from the very first day of Cardoso's administration, encouraged the leaders of the Landless Movement (MST) to use their violent tactics to push for so-called "agrarian reform," while at the same time, the usurious banking sector was allowed to punish agricultural production with exorbitant interest rates and below-parity prices for their products, which bankrupted thousands of farmers throughout the country.

In the area of public security, the Cardoso government premises its policies on the idea, concocted by the Washington-based anglophile bankers' think-tank, the Inter-American Dialogue, that the country should replace its traditional doctrine of security through development (i.e., that national security should be sustained by the prosperity of the citizenry), with a doctrine dubbed "citizen security," based on a defense of human rights as Madeleine Albright understands them: the "human rights" of those living in a concentration camp. At

the same time, the government's economic policy not only loots the public patrimony, but it is also devastating millions of families through unemployment, something which the government views as a necessary evil of globalization and "modernization."

The breaking point was reached when President Cardoso, with the support of the Anglo-American oligarchy, decided that the time had come for the final dismantling of the Armed Forces. Thus, he not only created a docile, single civilian Defense Ministry (which undermines the role of the military), but tried to fatally wound the military command hierarchy, with the summary firing of Air Force Commander Brig. Walter Brauer, late last year.

It was at this point that much of the military finally saw that President Cardoso is personally committed to the destruction of the Armed Forces, with no concern for the evident threat of uncontrollable social explosions that could lead to the nation's disintegration.

The clearest expression of this sudden realization was the Order of the Day, which had immediate repercussions, both domestic and foreign. For example, the Argentine daily *Clarín* published alarming headlines in its edition the following day: "Brazil: Army's Defiant Message."

The military manifesto also had immediate repercussions within the Brazilian government, leading to the ouster of Justice Minister Jose Carlos Días—a veteran ally of President Cardoso and his wife—using as a pretext the fact that he opposed the anti-narcotics strategy led by Gen. Alberto Cardoso, the ministerial-level head of the Presidency’s Cabinet of Institutional Security, and by his protégé, Judge Walter Maierovitch. The latter had earlier played a crucial role in defeating a Presidential plan, backed by a faction in Itamaraty (the Foreign Ministry), to grant “belligerent status” to the narco-terrorist Revolutionary Armed Forces of Colombia (FARC), a policy agreed upon—under U.S. State Department guidance—with Colombian President Andrés Pastrana at the 1998 Rio Summit.

It was Días himself who revealed the origin of the crisis that led to his ouster: a power showdown with the military. In a fit of rage, he told the press, “It would be truly mind-boggling for the President, who had the courage to create a Defense Ministry and put a civilian in charge of the military, to now come along and put a military officer in control of the country’s internal security.”

Días had been forging a Jacobin insurgency from within the government. It was Días who began to put non-governmental organizations in charge of public security and Indian and environmental policy. His final act as minister was to conclude a pact with the NGO Transparency International, through which he granted TI power to oversee the deployment of public resources, in a total affront to the country’s duly constituted legislative and judicial powers.

Beyond the government’s plans and illusions, in reality what is in the works is a Jacobin insurrection inspired by the Zapatista movement in Mexico, and scheduled to explode during celebrations of the 500th anniversary of the discovery of Brazil. The government turned this grand celebration of the advance of civilization in the Americas, into an “indigenist” event. In this context, the government sought to ratify the demarcation of vast Indian reserves, in which a huge chunk of the national territory is handed over to indigenist groups controlled from London. As *EIR* has documented, this demarcation is part of President Cardoso’s long-standing pact with the British Crown, which uses “environmentalist” and “indigenist rights” pretexts to destroy Brazil’s national sovereignty.

This scenario for national disintegration was neutralized by an enormous political mobilization in the Amazon state of Roraima, whose population in its entirety—including an enormous number of Brazilian Indians—rose up against the government’s policy. Among other things, they demanded the ouster of Justice Minister Días and his counterpart in the National Indian Foundation, Federico Mariesida, who was fired after he had marched alongside hot-headed Indians in a confrontation with the military policy in the state of Bahia on April 21, the day of the official ceremony celebrating the

500th anniversary of the discovery of Brazil.

This picture explains the singular importance of journalist Chagas’s dramatic words, which we cited at the opening of this article. In another article on April 29, Chagas demanded that, given the national calamity threatening Brazil, “it were better to call in the firemen,” a reference to the need for the Armed Forces to put an end to the crisis. “There is no way to hide. The Fernando Henrique Cardoso government is responsible for the worst catastrophe of our history, since in very little time, it has demolished what it took our predecessors more than six decades to erect. It has given away our national sovereignty, suffocated the pride we had in hard-won accomplishments. Strategic sectors like energy and telecommunications were swallowed up by the multinationals. . . . They only want profit, coming from ever greater profit remittances to their home offices, from the abusive increase in tariffs, loans, and interest rates subsidized by our financial institutions, of mass unemployment, and the squandering of our public patrimony.”

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## Documentation

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### Braga: Unemployment Is a National Security Problem

*The following are excerpts from a speech given by Brigadier Ercio Braga (ret.), president of the Brazilian Air Force Club, before young Air Force officials in São Paulo. The presentation was published by Tribuna da Imprensa, in the form of a series of columns by Carlos Chagas, on April 20-22. The speech’s title, “Capitalist Assault,” draws an ironic parallel to the Communist Third International’s assault and attempted coup against Brazil, in 1935.*

To weaken or destroy a nation without a war, the most efficient strategy in the short term is to destroy its families, radicalize religious positions, and eliminate its defenses, acting upon its Armed Forces, weakening and demoralizing them.

And how do you destroy a family? First of all, by taking away the authority of its head, placing him in the humiliating situation of being unemployed. Work is the link of respect that exists between the father and his family. There may be humility in the social behavior of the individual, but never in work. Work generates pride. Work justifies the place of the citizen in society.

Employment gives peace and stability to families. Unemployment is a national security problem, and should be dealt with as such. To allege that the worker is unemployed because of technological evolution and because he was not properly

trained for the new times, thereby transferring the blame for unemployment to the worker, is a cowardly and unjust act for which neither the worker nor the union have arguments to defend themselves.

Nothing is more humiliating than for a parent who wants to work, who looks where he feels he will be useful, and to be rejected. Add to this the fact that unemployment directly affects the youth, because it leads to desperation about their future. A youth without hope is a citizen without direction, an individual incapable of taking responsibility. Insecurity in youth only finds solace in drugs. Nothing is more conducive to the dismantling of a family and of a nation than unemployment. . . .

### **Undermining the Armed Forces**

The budget of our Armed Forces has been shrinking for some time, and causing a restriction in their training and in their use.

These difficulties are not enough to change the posture and stubbornness with which our soldiers judge and fulfill their mission. [Those who would destroy the nation] will have to do more, and so the salaries of the Armed Forces have been badly cut back. . . . The explanation for the creation of the Defense Ministry formalizes and clarifies a line of action defined abroad and carried out without reaction. With its creation, the military is withdrawn from playing a major role in government. . . .

### **Agriculture Is Devastated**

The capitalist assault also acts on agriculture. Without a strong agricultural sector, the country is vulnerable, a nation under threat. We already know that agriculture is linked to the structure of the family and to its survival. The strategy of the capitalist assault is to destroy agriculture, and that is why violence is being deliberately fomented in the countryside, and why there is no security provided for the sale of products.

The rural landholder, in many cases an old farmer, feels threatened and fears for his loved ones, since his property can be invaded, and an unclear justice system also calls his rights into question. As the landholder gives up, land values fall, and the land can be bought up, and kept unproductive. They won't be invaded any more, for will not the new owners be those financing the invasions?

With agriculture destroyed, they will control, through hunger, a legion of miserable people, willing to do anything for a plate of food. In the end, they will control genetics, chemical supplies, and seed production, so that those who continue to farm will do so on their knees, not praying to God, but to those with money. . . .

Also, trade, which makes the functioning of a city viable, as well as that section of the nation which is most sensitive to the suffering of the families, suffers from this. To witness the desperation of a father who sees his child hungry, and feels incapable of helping, is devastating. . . .

### **Industry Is Also Devastated**

What is the capitalist assault doing with regard to Brazilian industry? The industrialists, from so much obeisance to lucre, have become slaves of those who possess it. By undervaluing the currency, they devalue labor and their primary mission is seriously compromised.

The most important mission of the businessman is to provide work, and dignity for the families. The simple existence of lucre, which is the main objective of the owner of the company, but not of the businessman, does not transform that lucre or profit into a social benefit. Its application is what defines its social value. If it is applied to expanding the company, or remains as a reserve to cover unforeseen costs toward maintaining operations during a crisis of consumption, then profit is the most important social product. But to replace a worker with imported equipment shows insensitivity and social cowardice.

What's happening today? If a product is made in Brazil, they don't know where to sell it. The decision is made outside the country. Whether the maker of a product is Brazilian, Korean, or Chinese, Brazilians do not participate in that decision. Brazilian industry and businessmen are totally surrounded with uncertainty. How to generate jobs? The huge mergers create threatening and destructive giants.

What is the strategy of the capitalist assault with regard to the media? They become their owners, or envelop the owners in a packet of debts. With easy and available money to spend on publicity, the press and public opinion are carried in a convenient direction. A strong press directed against the nation, intimidates trade, immobilizes industry, and silences the National Congress. . . .

With its campaign debts, the National Congress has become an organization that is economically mute, which is fighting to keep some credibility with the nation. The globalization of the markets is a farce that is widely circulated and conveniently accepted by the fellow travellers of the capitalist assault. . . .

### **A Difficult Path To Tolerate**

Why is it, that all the foreign authorities that visit Rio de Janeiro, have to know and praise our slums? Why is it, that all the state companies were incompetent, and had to be privatized, to generate work for foreigners and unemployment for Brazilians? Why is it that research funds in the country are reduced each year? Why are there so many non-governmental organizations? Who finances them? What are their true objectives, and how do they gain such easy access to the media?

### **Time Has Run Out**

At this stage, many are upset and convinced that the only way to change the path of things and to save the nation is the immediate departure of all members of the current government; either by fair means or by violence. I can assure you

that this will not be necessary, and that the government's strategy will change. In the first place, we are all going to agree that from now on, we will act like Brazilian citizens. . . . As citizens, we must inform the government that we demand an immediate halt to the liquidation of our national patrimony. As Brazilian citizens, we must demand that the media free itself from the economic censorship so ostentatiously imposed by the government. The other sectors should

clearly make their demands known. To be silent is to approve, and to approve is to destroy the Brazilian nation. All these demands should be addressed, but without violence. This would end up hurting our brother patriots.

The deadline for the government to respond will be May 1, when we must then shout in a single voice, so that everyone can hear our final warning: "I am proud of being a Brazilian citizen, and I will not permit my nation to be destroyed!"

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# Hugo Chávez's Venezuela: Little Bread, But Many Circuses

by David Ramonet

In the fourteen months of Venezuelan President Hugo Chávez Frías's government, poverty levels have reached 86% of the total population, such that the only real buying power that exists today is concentrated in the top 14% of Venezuelans. The draconian austerity program dictated by the International Monetary Fund (IMF) and enforced by the Chávez government, has drastically restricted public investment, and the constant threats against Venezuela's business class have led to a virtual freeze on private investment and the flight of some \$5 billion out of the country.

According to the polling firm Cifras Encuestadora, C.A. (CECA), only 14% of the population—a little more than 3 million people—have an income of more than \$750 a month, enough to cover the cost of the basic market basket of food and services. The rest, some 20 million Venezuelans, are forced month to month to do without some basic service (electricity, telephone, rent, transportation) in order to guarantee food for their families. Nine million Venezuelans, some 38% of the population, have a monthly income of between \$300 (the cost of a monthly food basket for a family of four) and \$750. The other 11 million Venezuelans, 48% of the population, lack the income to fully cover their food needs.

Unemployment affects one-fifth of the workforce, and of the rest, 51% survive through the so-called "informal economy," without any social security protection. Of the 49% who are regularly employed, those in the public sector suffer the worst, because President Chávez refuses to negotiate with the unions, and to date, has not signed a single one of the various collective bargaining contracts that have expired.

With this disastrous picture of the national economy, it should come as no surprise that the crime rate has risen dra-

matically, to the point that the daily newspapers say that more people die from some kind of crime each weekend in Venezuela, than in Kosovo.

## A Man of the Mob

In the face of all this, how, then, does Chávez manage to retain some support among the population? Polls are still giving Chávez a 20-point advantage over his opponent, Francisco Arias Cárdenas, in the next Presidential elections.

In his speeches, and in his long televised harangues, Chávez mercilessly abuses, insults, and humiliates all the traditional institutions, and the individuals who represent them, in order to give the mob a concrete "image of the enemy," so that they will know, without the shadow of a doubt, who are to be the targets of attack: the unions, the bishops of the Catholic Church, the business class, the media which criticize him, the journalists who do not praise him. All of these are "guilty" of creating misery for the ragged ones; they are all "accomplices, or guilty of having remained silent," according to Chávez.

According to Chávez, the measures of the IMF, of the institutionalized usury which has been taking over the world for the past quarter-century, have nothing to do with Venezuelans' growing misery. To be sure, he periodically launches verbal attacks on "savage neo-liberalism" or "savage globalization," to distinguish these from "neo-liberalism" and "globalization," which latter, according to Chávez, are not "savage." He never mentions the globalist financial oligarchy which, under the leadership of George Soros, offers "foreign investment" to those governments drooling