

## Piggies at market: The Brazilian paradigm

Privatization, launched in the First World by Margaret Thatcher and her British team of "free market" theocrats, is now raging through Latin America and Eastern Europe, at precisely the moment Thatcher's popularity plummets to record lows in the United Kingdom and Britain's economic "revival" turns out to be hollow.

From Mexico to Argentina to Poland, economists trained in the United States are now pushing through drastic deflationary onslaughts on old structures of state ownership and employment, on subsidies and public patronage, and even on private assets.

The "free market" onslaught was promoted in its most disastrously naked guise in Bolivia, where Harvard's Jeffrey Sachs, now on retainer in Poland and Czechoslovakia, urged a scorched-earth assault on hyperinflation. Under his direction, the state simply closed down, with about half the labor force turned out on the street and much significant economic activity ceasing altogether. Inflation stopped, but so did everything else, and soon Bolivia's government was urgently seeking advice elsewhere on how to get things going again. The Poles should take notice of this sorry tale.

A rather more ominous story is unfolding in Brazil, which, in contrast to the Bolivian economy sustained mostly by coca cultivation, is the eighth largest in the world.

In December, at the climax of a desperately tight race between the socialist Workers Party candidate, Lula, and the former governor of Alagoas, Fernando Collor de Mello, victory was snatched by Collor, who had been denouncing state corruption and who had seized some of Lula's lightning by a populist message to Brazil's millions of homeless, abandoned and desperately poor.

No sooner had Collor taken office in March than he announced a savage program of retrenchment and deflation. His plan entailed one of the most abrupt attempts at centralization of power in political memory, designed to give Collor and his advisers discretionary powers over state and private assets undreamed of by the military regime that had controlled Brazil for a generation.

Collor's deflationary plan, enacted on March 16, one day after he took office, was to freeze all bank accounts and to change the currency. All funds over \$1,000 would revert from the accounts in which they had been lodged to named accounts in Brazil's Central Bank, where they would remain for eighteen months and then be paid back to

## ASHES & DIAMONDS

By Alexander Cockburn

their holders in twelve monthly installments, thus tying up the confiscated funds for over two years.

Whom did this confiscation affect? Most bank accounts are held by Brazil's less wealthy—shopkeepers, unionized laborers, cab drivers, small businessmen, etc. Those with more cash generally invested in Brazil's "overnight" market in speculative bonds and currencies that yielded rates well above inflation. Virtually all large corporate groups held their millions in the "overnight" or overseas.

Collor and his economic team froze the "overnight" in a manner quite different from the confiscation of checking and savings accounts. Twenty percent of the assets in a given "overnight" account could be reclaimed, while 80 percent would be confiscated into the Central Bank for eighteen months. As the Brazilian economy went into shock and prices crashed, those with any cash at all—notably the 20 percent available to "overnight" account holders—were in a relatively good situation to take advantage of such opportunities as a stock market that lost 60 percent of its value or to purchase state enterprises for sale at 30 percent of their value.

Furthermore, people with substantial fortunes taken by the government are already making arrangements for getting their money back, negotiating for lucrative concessions and so forth. In this sense Collor's seizure of assets has amounted to economic hostage-taking to consolidate his political base.

The more than \$100 billion now concentrated in the Central Bank fund is at the disposition of Collor, who will decide which companies get their money back and on what terms. This of course creates a tremendous potential for corruption.

If Lula—or Chile's Allende—had tried such a program, the military would have moved at once, and the international press would have echoed with denunciations of "totalitarian" tactics. But no one who matters is mistaking Collor for a radical or someone who is more than rhetorically wedded to the dreams of Brazil's *descamisadas*.

Collor has also struck down barriers to foreign investment, permitting international investors to pick up tempting portions of Brazil's crumbling economic masonry, as well as mineral concessions, at bargain-basement prices. An unconfirmed report in the *Journal do Brasil* recently had Japanese investors agreeing to assume responsibility for Brazil's external debt in exchange for rights to all the gold reserves in the Amazon.

Simultaneously Collor has cleared away

restrictions on imports, which will further erode Brazil's domestic economy.

What has Collor's program meant in the short term? There have been huge layoffs, with more than 20,000 workers idled in less than a month. Up to 90 percent of the auto and machine capacity of the state of São Paulo—the economic core of Brazil—has closed down, and more than 10,000 government employees are soon to be laid off. Banks and businesses have failed by the dozen.

Well-publicized arrests of jewelers, supermarket and business executives, charged with various economic crimes, have burnished Collor's populist image, while the country spirals into depression and its assets are thrown on the international auction block. Collor's popularity is running at 75 percent approval. The little guy says he has the same bank balance—\$1000—as the richest man in Brazil, ignoring the matter of the "overnight." This popularity is terrorizing Brazil's Congress, which, with elections in the fall, is being compliant, with the fierce exception of the Workers Party.

Brazil's powerful unions, who led the assault against the military, now find themselves under direct threat. Their gains had been most palpable in the state-controlled steel and oil industries. But state corporations—notably Siderbras, the state's steel industry—will soon be for sale, with new and hostile ownership in view.

Collor's program amounts to a form of fascism: abrupt concentration of power in

the executive, personal control over allocation of resources in the economy, a scrim of populist rhetoric. When Brazil's most distinguished newspaper, the *Folha de São Paulo*, featured a picture of Collor in military rig, the newspaper's offices were invaded the next day and its directors seized by the military police, at which point the *Folha* featured a similar photograph of Mussolini.

Collor's economic strategy is reform by dismemberment, the model presently being essayed in Poland and nervously heralded earlier this week in Moscow by Gorbachov's economic adviser, Leonid Abalkin. The plan outlined by Abalkin and reported in the Western press on Tuesday similarly looks to the shutdown of state enterprises, untrammelled foreign investment, mass unemployment and the annulment of workers' rights as the only way forward. Call that fascism too, or perhaps Market Stalinism, with "market discipline" imposed by dictatorial fiat—the worst of both systems.

So the newly emerging world model is not the national "free market" but authoritarian capitalism as dreamed of by leaders from Santiago and Buenos Aires through London to Beijing. For Thatcher an answer came, violently, last week in the form of protest against the poll tax. For the leaders in Beijing, an answer came in Tiananmen Square. Gorbachov awaits the response of the Soviet working class. In Latin America, moving from military fascism to market fascism (or enduring both simultaneously), the fate of these strategies will similarly be settled in the streets.

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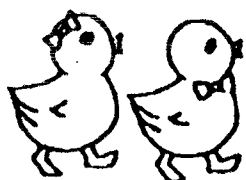
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—The Screaming Blue Messiahs  
"Four Engines Burning  
(Over the U.S.A.)"

By Mark G. Judge

ACCORDING TO A RECENT MAC-Neil-Lehrer NewsHour, pop music Armageddon has arrived. Ten years after the Clash declared "Armageddon Time" MacNeil's "essayist" Penny Stallings' oddly bemused report noted the "bleakness" pervasive in pop these

## MUSIC

days. I guess Jim and Robin were feeling a touch arthritic and decided to send a correspondent to the rock'n'roll trenches, even if only to mouth dispatches from the Office of Propaganda. And what's the news from the front?

Well, if Stallings' essay proved anything, it's that her radio is jammed on the top 40. With the exception of Neil Young, the post-punk artists she chose to emphasize her misinformed point—we'll call them the Four Horsemen—are without exceptions paragons of the kind of sonorous, heavy-marketing, high-school-reunion-theme drivel that the late Lester Bangs once referred to as "air spray." The list reads like the CD collection at a Georgetown cocktail party for the Young Americans for Freedom: Billy Joel, Don Henley, Tracy Chapman and Phil Collins. (I'm willing to accept the possibility that Phil Collins is the Antichrist, but he sure as hell isn't writing music like it.)

Taken individually, Tracy Chapman is the least offensive. (Her most caustic criticism thus far came from writer Mark Jenkins: "This revolution won't only be televised; it'll be CD'd too.") She's made clear in interviews and with the single "Born to Fight" that she's uncomfortable with her whitewashing by the mainstream media, and her origins as urban troubador are genuine.

**Cartoon rock:** The others don't get off so easily. Don Henley will go down in history as the frontman of the Eagles, the most boring band in the history of recorded music. He couldn't get a reaction out of Daffy Duck. Phil Collins will be remembered as the leader of the second most boring band in history, Genesis. He looks like Elmer Fudd. Both of them write pathologically dull songs that have lately reached oppressive levels of hubris. But they have yet to reach the pretentious heights of their comrade-in-alarm, Billy "I'm the Italian Pat Boone" Joel, the Wiley Coyote of the bunch. Arrogant, doltish, perpetually unaccom-

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Bill Carter of the Screaming Blue Messiahs: something more than cartoon rock.

## Jagged rocks out of the mainstream

plished, Joel's "We Didn't Start the Fire"—noted in Stallings' story—is the worst single in years. Basically, the song cascades through a litany of historical references and pop icons, spanning a period of late-20th-century American culture that is, of course, self-referential for the ego-maniacal Joel.

I'd like to quote the lyrics accurately but I can't, 'cause I'd rather break my own arm than buy the single. But I'm sure, with the relentless media saturation surrounding the hit single, that you've all heard it anyway. He does a New Yawk white-bread rap, simply reciting names and events: Joe DiMaggio, *Catcher in the Rye*, Joe McCarthy, Korea, Vietnam, Watergate, etc., then comes up with the refrain "We didn't start the fire/ It was always burnin' since the world's been turnin'."

What does this mean? It means Billy's been writing lyrics while on the crapper, that's what. *We didn't start the fire*. In other words, hey, man, this shit's been goin' on forever, man, and we're not responsible, man; it's just the nature of the beast. Bullshit. There were people behind and responsible for the Korean War, the House Committee on Un-American Activities—incoherent maniacs like Joel, probably—as well as the Yankees and Holden Caulfield. And Jesus—if we didn't start the fire that devoured Southeast Asia, who did?

Ultimately, rock'n'roll that conjures images of the violent destruction of a person, country or planet is widely shunned by timid radio programmers and journalists. Thus rap is continually snubbed (ever heard Public Enemy on the radio?), and the Clash's only stateside hit was the fluffy "Rock the Casba." So if you take your revelations seriously, turn the radio off and go down to your local record store for two recent releases that offer a chilling foretaste of hell: the Screaming Blue Messiahs' *Totally Religious* and Midnight Oil's *Blue Sky Mine*.

**Screaming blues:** *Totally Religious* sounds like a fatal car crash. Launching off with "Four Engines Burning (Over the USA)"—a *Doctor Strangelove* nightmare scrawled in craters by "the witchfinder general" who's "got four engines burning over your town"—the album is incessant mayhem from countdown to crash-down. Not that the music's sloppy; the Messiahs, a British trio headed by Bill Carter, maintain a taut, high-octane thrust, particularly on post-nuclear crunch punk like "Mega City 1," "Big Big Sky" and "Gunfight." Up until now the Messiahs have been jesters of chaos, particularly on their last release, *Bikini Red*, which had songs like "I Wanna Be a Flintstone" and "I Can Speak American." They were the Eddie Haskell of the underground, smart-alecky pranksters too

clever for their own good, who sounded like they would blow the roof off but sang about cartoons.

On *Totally Religious*, Carter—bald Bam-Bam if ever there was one—decides to get serious. While scream-along melodies are in shorter supply than on their first two albums (*Gun-Shy* and *Bikini Red*), lyrically it's their most accomplished to date. Consider "Wall of Shame," which ought to be played as a rebuttal every time "We Didn't Start the Fire" pipes in: "I used to be the wind in the Holocaust/Blowing through the dust of the souls that were lost/ The betrayer of all trust/ The holder of a fatal charm." In Carter's bleak world of rubble and steel, the blood-thirsty madmen have the upper hand and the streets are an inferno.

*Totally Religious* was recorded in Baltimore, and the sound of urban decay seeps off the tracks; victims are assaulted on the ground by cops and in the air by "nitro satellites." Hell, a fellah can't even get a drink, 'cause "it don't go down in this dumb town." That's from "All Gassed Up,"

**I'm willing to accept the possibility that musician Phil "Filler" Collins is the Antichrist, but he sure as hell isn't writing music like it.**

the disc's only funny track, where you can't even leave your house without a hassle: "I took a little drive down the miracle mile/ Cop looked at me with the cutest smile/ Said get on the floor, pancake style/ I'm gonna take you downtown to cool off for a while." There's no hope at all. The record's final lyrics find Carter wailing, "I'm gonna be here the rest of my life" from his literal and metaphorical jail.

### Midnight Oil's still burning:

The members of Australia's Midnight Oil also know that we're in hell but want something done about it now. They impressed critics with their 1988 breakthrough album *Diesel and Dust*, and it's hard to criticize them for getting preachy because they write great songs. The Oils seek some kind of pure, aboriginal nirvana, but the dream is constantly polluted by thugs and corporate fixers—like in "Blue Sky Mine," the new album's title track: "So I'm caught at the junction still waiting for medicine The sweat of my brow keeps feeding the engine Hope the crumbs in a pocket can keep me for another night And if the Blue Sky Mining company won't come to my rescue If the sugar refining company won't save me Who's gonna save me?" They wrap their despair in pretty melodies falling somewhere between heavy metal and pop, and the effect is one of forceful conviction. (Incidentally, Peter Garrett, Midnight Oil's singer/spokesman, is as bald as a cueball, just like the Messiahs' Bill Carter. Coincidence?)

Midnight Oil's specialty is the Rousing Anthem—you know, *Never Forget, Fight Back, Don't Give In*, etc. And they know who the enemy is. They've been writing ecologically conscious songs for years, and the line connecting environmental disaster and governmental malfeasance is drawn often on *Blue Sky Mine*.

"So you cut all the tall trees down," Garrett sings on "River Runs Red," "You poisoned the sky and the sea You've taken what's good from the ground/ And left precious little for me." There's a fervent urgency to the music reflective of the doom the leaders we elected have made for us, as well as an honest, anti-rock star empathy with the salt of the Earth—"Don't put me on your bedroom wall," Garrett admonishes in "King of the Mountain."

Like *Totally Religious*, *Blue Sky Mine* ends on a hopeless note with "Antarctica": "There must be one place left in the world/ Where the skin says it can breathe/ There's gotta be one place left in the world/ It's a solitude of distance and relief/ There's gotta be one place left in the world." That's why the Oils are screaming—if such a place does exist, you can be sure it won't be around for long. And if Armageddon is coming, it will be a fire very much of our own making.

Mark G. Judge is a writer living in the Washington, D.C. area.