

Report from Rio by Silvia Palacios

Lula follows in Cárdenas's footsteps

The São Paulo Forum's candidate in Brazil panics over his likely defeat in the October elections.

The effects of Mexico's recent presidential elections will certainly be felt in the first round of the presidential elections held here on Oct. 3. The smashing defeat of Cuauhtémoc Cárdenas of Mexico's Revolutionary Democratic Party (PRD) fell like a bucket of cold water on the candidacy of Luís Inácio "Lula" da Silva of the Brazilian Workers Party (PT), given that both campaigns were intended to serve as vehicles for the São Paulo Forum seizing power and launching a new era of chaos and destruction in Ibero-America. The São Paulo Forum is the continental neo-communist umbrella group founded in 1990 at the urging of the Cuban Communist Party.

Cárdenas's defeat in Mexico occurred at the point at which Lula's campaign had already started to slide. In only a few weeks, Lula lost almost 20% in the polls. Last May he was clearly favored to win, but has now dropped to second place, with 28% of the vote. During the same period, free trade candidate and former Finance Minister Fernando Henrique Cardoso moved into first place, with polls showing him winning with 40% of the vote.

Thus, the São Paulo Forum is losing ground that it thought it definitely controlled. In July 1993, during the Forum's Fourth Conference in Havana, its leaders mapped out an ambitious strategy to take control of two of Ibero-America's most important countries, Brazil and Mexico—without neglecting others, of course. At that conference, Lula promised Cuban dictator Fidel Castro in a euphoric speech that "I have no doubts that at

the Forum's next conference, we will have representatives of leftist governments."

Castro has personally made a huge effort to ensure Lula's victory, because he considers it crucial for the survival of his own shaky regime. Brazil is the one Ibero-American country with the economic infrastructure that could help Cuba—at least for a while. That's why Castro has assiduously cultivated good relations with Brazil, but most especially with the PT's leadership.

For example, in São Paulo, it has just been revealed that the Cuban government concluded a deal worth more than \$300 million to be paid back over 10 years. The transaction favors Cuba, since it amortizes its debt to Brazil, and extends a line of credit to Cuba of more than \$100 million. The bad part for Brazil is that it will purchase medicines from Cuba that Brazilian industry can easily produce itself.

The PT has nervously responded to its setbacks, and is being careful not to allow itself to be openly linked to the continental terrorist and pro-terrorist apparatus.

Three months ago, the Ibero-American Solidarity Movement in Brazil began circulating thousands of copies of a pamphlet entitled *Lula and the São Paulo Forum: Agents of One-World Imperialism*, which has caused a huge stir within civilian and military circles. Panic also erupted within the PT leadership after *Correio Brasiliense*, the leading newspaper of Brasilia, the nation's capital, published an exposé on Aug. 17 of the PT's membership in the São Paulo Fo-

rum, and detailed the Forum's history.

Like other Ibero-American members of the Forum, the PT has been careful to keep a reserve concerning the Forum's existence and objectives, especially because Lula also belongs to another entity that brings together the cream of the international financial community: the Inter-American Dialogue.

This dual membership sometimes creates messy problems for Lula and the PT, given their calling card as the defenders of the dispossessed. When Lula and the leadership of the PT were in Washington for a campaign stop earlier this year, organized mainly by the Dialogue, they were confronted during a press conference with a question concerning their membership in the Forum alongside of terrorists such as Colombia's M-19. In a barely audible voice, Lula could only mumble, "I don't know them."

And regarding the exposé in *Correio Brasiliense*, a terrified Lula responded that the existence of the Forum is no secret and that at its founding meeting in São Paulo, "We invited the press, but no one came."

According to polls taken by companies sympathetic to Cardoso, also a member of the Dialogue, he is forecast to receive at least 40% in the first round of voting. According to all accounts, this is due to the single circumstance that Brazil's new monetary reform, which created a new currency, the "real," seems to the general population to be working. Its initial effect has been to increase the effective income of a large segment of the labor force that previously saw inflation wipe out 30% of their monthly paycheck. But everything is unpredictable, because the new International Monetary Fund-type program is already taking on water: Monthly inflation in August was almost 5%.