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Erika Harding

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Update On Brazilian Corruption Scandal, Government Crisis

by Erika Harding
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Sept. 13: In an interview published in weekly news magazine Isto E, Economy Minister Marcilio Marques Moreira said the delay in congressional approval for the government’s fiscal reform package could result in economic problems leading to a crisis of "ungovernability" in Brazil. Marques Moreira has protested the lack of attention given the reform package and other legislative initiatives since initiation of the corruption scandal and resulting political crisis four months ago.

Sept. 14: Attorney General Aristides Junqueira submitted to the Supreme Court 15 questions for President Fernando Collor de Mello regarding his alleged ties to a large-scale corruption network. Once the questions are approved by the Supreme Court and then answered by Collor, Junqueira may use the responses to formulate criminal charges against the President. The criminal charges must then be authorized by a two-thirds majority in the Chamber of Deputies and formalized by the Supreme Court, which would then direct Collor's criminal trial. The criminal proceedings are separate from the political trial and impeachment process currently underway in congress. If the Chamber of Deputies approves issuance of political charges against Collor by a two-thirds majority, the political trial (which could potentially result in impeachment) will be conducted by the Senate. Daily newspaper Folha de Sao Paulo reported that officials from the federal treasury have documentary proof that Paulo Cesar Farias Collor's former campaign treasurer and alleged head of the corruption and influence-peddling network received huge commissions from businesspersons in exchange for exempting their savings accounts and assets from government-imposed freezes in 1990 and 1991. Presidential spokesperson Etevaldo Dias told reporters Collor had secured "a comfortable majority [of deputies], which assures that the request for a political trial will be rejected." Dias clarified that by "majority" he meant more than the one-third of the 503 deputies, or 168 votes, needed to block the impeachment initiative. Dias said at least 200 deputies had indicated to Collor they will support him with their vote. Dias said Collor believes he will come out of the political crisis with "a solid parliamentary base." However, according to the most recent calculations by national newspapers, 362 deputies have indicated they will vote against Collor, in favor of continuing the impeachment process, while 34 indicated they will support Collor and 107 remain undecided.

Next, Dias said the results of recent public opinion polls were not alarming as they indicate 32% of Brazilians still support Collor, which is approximately the percentage that voted for him in the first round of presidential elections in November 1989. Furthermore, Dias asserted that 59% of those who currently oppose the President do so because of the country's difficult economic situation, not because of the political crisis. Dias dismissed the charges against Collor made by the congressional investigatory commission (CPI), adding that the President has "already recognized his blame...and he has already changed his team, changed his friends, and he is going to change his house." Sept. 15: Thousands of students held demonstrations in Rio de Janeiro and other cities calling for Collor to be removed from office. Chamber of Deputies president Ibsen Pinheiro told reporters that the vote on whether or not to continue the impeachment process against Collor will take place within two weeks. After meeting with Supreme Court president Sidney Sanches, Pinheiro said that members of both the judiciary and the legislature are striving for resolution of the crisis at
the earliest possible date. Pinheiro said he is confident that the process he outlined for impeachment proceedings, incorporating elements from the 1988 constitution and a 1950 impeachment law, will be ratified by the Supreme Court. Attorney General Junqueira has already expressed his support for the procedural ground rules as specified by Pinheiro. Collor has appealed the ground rules to the Supreme Court, but a ruling has not yet been issued. Sept. 16: Pinheiro announced formation of a 17-member congressional commission to investigate charges that Collor has used public funds to buy support for himself among legislators through allocation of monies for special projects in their districts. At least two other federal offices are conducting similar investigations. Junqueira asked the Supreme Court to remove the presidents of the state-run Banco do Brasil and Caixa Economica Federal Lafaiete Coutinho and Alvaro Mendoza, respectively from their posts pending the outcome of investigations into charges that the two financial institutions funneled US$1.8 billion to lawmakers in an effort to influence the outcome of the pending Chamber of Deputies impeachment vote. Sept. 17: Pedro Collor de Mello told reporters he had no regrets about charges he made which precipitated the current political crisis and could result in his brother's impeachment. "I have no regrets. Power blinded him. He is a megalomaniac," said Pedro Collor. He also said he thinks his brother would commit suicide rather than step down from the presidency to avoid impeachment. Hours after the comments were published in national newspapers, Leda Collor the mother of Pedro and Fernando suffered a severe heart attack and was hospitalized in a Rio de Janeiro clinic. In statements made during a dinner in his honor given by congressional supporters, Collor lashed out against major opposition leaders, including former president Sen. Jose Sarney, Chamber of Deputies president Ibsen Pinheiro, and Sen. Humberto Lucena. Collor called Sarney and his family "the thieves of history, assailants, a gang." Presidential spokesperson Dias called the demonstrations taking place outside the clinic where Leda Collor is hospitalized "inhuman." When Collor arrived at the clinic to visit his mother, he was confronted by protesters chanting "save your mother, resign." Sept. 18: In downtown Sao Paulo, more than 700,000 people including representatives of political parties, labor unions, and business and industrial federations gathered to demand Collor's resignation or removal from office. Earlier, 30,000 students dressed in black had gathered in the central plaza for an anti-Collor demonstration. Similar protests broke out in Belo Horizonte, where 10,000 students, workers and local politicians marched down the city's main avenue shouting anti-corruption and anti- Collor slogans. In statements to reporters, former president Sen. Jose Sarney said Collor was "incapable of exercising the functions of chief of state." He added that Collor will be "expelled from history for having stained the republic with his sordid behavior." This was the first public comment on the corruption scandal by Sarney, who is serving as a consultant to Vice president Itamar Franco on the composition of a cabinet in case he assumes the presidency. Sept. 20: In statements published in daily newspaper Folha de Sao Paulo, deputy Basilio Villani admitted he is in charge of coordinating the exchange of congressional votes in Collor's favor for political favors. "They come and speak to me openly, never by telephone, and ask how much they can get in exchange for their vote," said Villani. "If it is a sin, then I am committing it, but it is power," he added. Villani refused to give the number or names of the deputies who have sought to negotiate their vote, but said Collor can count on between 200 and 280 votes in his favor. The federal treasury reported that during the past four months it has received 234,678 petitions from people who are refusing to pay their taxes in protest over government corruption. (Sources: Deutsche Press Agentur, 09/15/92; Notimex, United Press International, 09/16/92; Associated Press, 09/16/92, 09/19/92; Spanish news service EFE, 09/13-20/92; Agence France-Presse, 09/14/92, 09/15/92, 09/17/92, 09/18/92, 09/20/92)