

# Petrobras chief resigns as Brazilian truckers end strike

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Brazil's 11-day truckers' strike was declared over Saturday after a crisis committee formed by President Michel Temer met at the Planalto presidential palace and announced that all of the highway blockades and concentrations of trucks had been lifted across the country.

One immediate casualty of the strike was Petrobras President Pedro Parente, who resigned on Friday after the "free market" fuel pricing policy he had introduced was at least temporarily scrapped, with the government seeking to appease the strikers with an offer of discounted fuel over a period of two months along with imposing future increases on a monthly basis.

Under Parente, a series of measures had been introduced to meet demands of international finance capital and prepare the giant state-run energy firm for privatization. These included the daily readjustment of fuel prices in accordance with global market prices and the value of the Brazilian real against the dollar resulting in a 19 percent hike over the past year—seven times the rate of inflation.

The sharp increase in fuel costs provoked the revolt by Brazil's truckers, who have also suffered a decline in work. A study reported Sunday by *Folha de S.Paulo* showed that the number of trucking runs has fallen by 26 percent since the period of economic growth in 2003-2007. With the deepening of the capitalist crisis in Brazil, between 2014 and 2016, 72,000 truckers' jobs were wiped out.

The strike has laid bare the deep economic and political crisis engulfing the eighth largest economy and fifth most populous country in the world. It caused an estimated 32 billion *reais* (US\$9 billion) in economic losses, shutting down public transport, garbage collection, public services and thermoelectric power plants. Hundreds of cities and towns declared states of emergency as fuel and food ran out, and airports were compelled to cancel flights for lack of jet fuel.

Nonetheless, the strike saw an outpouring of solidarity from workers and lower-middle-class layers all over Brazil. Polls showed that fully 87 percent of the Brazilian population supported the action, and that 56 percent were prepared to support its continuation. A telling indication of public sympathy was the complete absence of incidents at depleted supermarkets and stores that would have been inevitable under other circumstances.

Underlying this popular reaction stands economic desperation shared by the truckers with the overwhelming majority of the population. Since the international economic crisis first hit Brazil with full strength in 2013, it led to a three-year, 10 percent drop in GDP and, since 2017, what has been called the slowest economic recovery in the country's history—a 1 percent GDP gain in 2017 and a waning projection of 2 percent for 2018.

Extreme poverty has risen to 12 percent, a 60 percent spike

compared to 2014, while it was estimated by the World Bank that in 2017 alone up to 3.6 million people have fallen under the poverty line. Unemployment stands at 24 percent, if people who have given up looking for jobs are counted.

In a devastating indictment of social inequality and oppression, the infant mortality has increased 11 percent, to 15 children for every 1,000 live births, as a direct consequence of austerity measures that have cut poverty relief for 4.4 million people. A 20-year spending freeze approved in 2016 as a constitutional amendment is expected to deprive the health system of \$200 billion of formerly projected investment.

The blockades mounted by the hundreds of thousands of truck drivers, 40 percent of them "autonomous—i. e., self-exploited one-person "companies," hired as contractors and teetering on the brink of poverty—were welcomed as an act of resistance against the suffering endured by hundreds of millions under the combined impact of the rising cost of living, unemployment and poverty.

Four days before the strike fully ended, the main unions representing both the "autonomous" truckers and the trucking companies signed an agreement with the government and began denouncing those drivers who were continuing the action. As it was rank-and-file truckers, organizing themselves using the social media app WhatsApp, who organized the strike, it was by no means clear that the unions would be able to end it.

At the same time, from the initial support offered by big transport and agribusiness companies, to the belated sympathy feigned by the Workers Party (PT) and the unions, to the denouncement of the truckers by the media and the pseudo-left, the strike has exposed once more the contradictions of the economic model and of the political alliances which had sustained more than a decade of "left" and "nationalist" governments in Latin America, which are now, one by one, being replaced by right-wing coalitions.

The dominant political expression of the movement was a demand for fuel subsidies and tax exemptions, a restoration of the official policy in Brazil from the height of the commodity boom in 2008 until 2014, which was followed by several "price shocks" first hitting fuel and then the prices of other goods, accelerating inflation. The memory of the immediate impact of fuel price hikes on the general cost of living certainly played a role in the popular sympathy for the movement.

Despite the strong element of spontaneous revolt that gave rise to the strike, big business elements were able to exert powerful pressure on the truckers, particularly under conditions in which truckers in Brazil are represented by the same unions as the employers, who were also seeking a halt to rising fuel prices, which cut across their profits.

This influence by big business made itself felt not only in the meetings with the government where the subsidies and tax exemptions were the center of the deal that led the unions to call off the strike, but also in the presence of fascistic demands for a military overthrow of the government on banners seen in many of the blockades. This became a fixation of the bourgeois press, which sought to demoralize the strikers and dismiss their actions as an employers' lockout.

When Temer signed the agreement on Friday with all but one of the unions, he declared that truckers who remained on strike were acting to undermine national security and that he was from then on authorizing the Army to break up demonstrations, escort tankers past blockades and confiscate trucks. Meanwhile, the corporate media toed the line of the Brazilian intelligence agencies that "infiltrators" were responsible for continued strike actions and were being hunted down and arrested throughout the country.

At the same time, reports from the ground by the press started to portray truckers who didn't trust government promises and didn't comply with demobilization appeals by unions as right-wing conspiracy theorists addicted to "fake news" and social media. José da Fonseca Lopes, the president of the last striking union, Abcam, after signing a deal with the government, declared that strikers were "people who want to bring down the government," adding, "We don't have anything to do with these people."

Meanwhile leaders of the far-right in Brazil also called for an end to the strike, with the fascistic presidential candidate and reserve Army Captain Jair Bolsonaro ditching his previous demagogic claims of sympathy for the strikers and accusing them of spreading "chaos."

The initial expressions of support for the strike by elements of the so-called "Bullets, Bibles and Beef" congressional caucus at the far-right of Brazil's political spectrum, and the apparent willingness to sacrifice economic activity to prosecute disputes with the government, express the sharp contradictions of Brazilian capitalism, which is gripped by strong centrifugal forces due to its inability to find a new place in the world order, under conditions of shrinking demand for commodity exports, waning Chinese investments and repeated snubs from US imperialism.

There are also definite political calculations underlying this feigned support, directed at disorienting and diverting the growing radicalization of the working class and attempting to create a constituency for a far-right movement.

In the face of this threat, the role of the PT, the unions and their apologists among pseudo-lefts, their tactical divergences notwithstanding, is politically criminal.

The PT and the major unions, especially the tightly controlled CUT, sought to channel popular anger behind a call for the firing or resignation of Parente, the Temer-appointed Petrobras president.

The PT's calculations are to avoid any confrontation with big business and to divert mass anger within the working class along safe electoral channels in advance of October's elections. The Workers Party hopes to return to government, at least as junior partners in some "nationalist" front. Their focus, therefore, was on the "anti-national" policies of Parente, appealing to the industrial federations to oppose, together with the unions, Parente's and Temer's "neoliberal" policies, which contrasted to the enormous handouts to business that took place under PT rule.

More broadly, however, this is deeply tied to their conviction that any movement by the working class could easily get out of the control of the unions. The unions have done nothing since the 2016 ouster of PT President Dilma Rousseff to counter Temer's class war policies.

Instead, they are fixated on a "free Lula" campaign aimed at securing the release of former PT President Luiz Inacio Lula da Silva so that he can run for another presidential term in October. They present the PT as more capable of dealing with the crisis of rule in Brazil by creating a "legitimate" elected government.

Given that the unions offer no answer to the war on living standards, they only facilitate the far right's posing as the only opposition to the "elites."

Most significant has been the reaction of elements of the pseudo-left, led by the Buenos Aires-based Morenoite "Trotskyist Fraction" (FT), which runs the website *Esquerda Diário*.

FT has given the most finished version of the universal slander campaign mounted against the truckers, comparing their action to the truck drivers' strike that was aided by the CIA in a bid to weaken Salvador Allende's government in Chile in the run-up to the 1973 fascist-military coup. It claimed that the truckers were merely acting on the bosses' orders, and therefore the wave of popular solidarity was a symptom of a rightward lurch among the masses.

São Paulo-based Iuri Tonelo wrote in a May 30 analysis, referencing the 2016 impeachment: "there is nothing 'contradictory' in the [truckers'] demonstrations—during the institutional coup [the impeachment of Rousseff] some sectors also said that we should 'dispute the putschist middle classes that are on the street.'"

This reactionary position not only amalgamates impoverished "autonomous" truckers with the privileged upper-middle-class layers who dominated most pro-impeachment demonstrations, but more broadly writes off not only the entire middle class, but also those workers who either supported the impeachment or were indifferent to the fate of the PT government—a widespread position given the experience of PT's pro-capitalist policies.

A similar demoralized outlook is spelled out by the *Intercept's* Mário Magalhães in a May 30 column entitled "Truckers and their bosses add fuel to putschist moods," where his measurement of the supposedly right-wing mood among truckers is that "there were rare calls to 'free Lula' and even more rare encouragement of the candidacies of Marina Silva, Ciro Gomes, Geraldo Alkimin, Manuela D'Ávila or Guilherme Boulos," listing several establishment presidential hopefuls, many of whom have provided left cover for the PT for years.

All of these pseudo-left elements of the middle class were hostile to the truckers' strike—in sharp contrast to the sentiments among the broad mass of workers—precisely because it developed outside of the control of the PT and the CUT and signaled the potential for a revolutionary explosion in Brazil.



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