

WORLD NEWS

Suu Kyi's Party Ousts Key Army Figures

In Myanmar's historic democratic vote, military-linked officials lose to opposition

By SHIBANI MAHTANI AND MYO MYO

YANGON, Myanmar—The military-linked ruling party conceded losing key races in Myanmar's historic elections while opposition leader Aung San Suu Kyi's National League for Democracy claimed it was heading into a decisive victory, in what would be a sharp repudiation of more than half a century of political dominance by the military.

The NLD party's prediction of victory was far ahead of the official results from Sunday's vote, which was still being counted in rural and ethnic-minority areas. A full official outcome is expected to take several days.

The chairman of the military-linked ruling party, Htay Oo, who lost his parliamentary seat to an NLD candidate, acknowledged his party was behind. The speaker of parliament and presidential hopeful Shwe Mann said he had lost his seat to an NLD candidate.

Official results started trickling in a day after polls closed, announced by the election commission overseeing the process. The NLD won 47 of these seats as of late Monday, mostly in central Myanmar, with the current ruling



Supporters of Aung San Suu Kyi took a selfie outside the National League of Democracy headquarters in Yangon on Monday.

Union Solidarity and Development Party picking up just three seats and ethnic minority parties picking up three. Nearly 500 are up for grabs nationwide.

NLD officials expressed certainty that the party would emerge in control of parliament. The party is aiming to win more than two-thirds of the seats up for grabs in the 664-member body to gain an absolute majority that would

offset the quarter of the seats reserved for the military.

"Right now, we cannot specify what percentage of seats we will win—but we know we will win the most seats, a majority," said Win Htein, a senior member of the party and a close confidante of Ms. Suu Kyi's.

Though thousands of her supporters have gathered outside her party headquarters, dancing and cheering in tor-

rential rains to celebrate what they believe will be a decisive NLD win, Ms. Suu Kyi herself urged restraint. Making an appearance at party headquarters Monday morning, she encouraged them to show a spirit of reconciliation and respect, whatever the election results show.

"All of you know what the results will be, but the time has not yet come yet to congratulate the winners as they

have not been announced yet," she said.

The White House on Monday said it was too soon to suggest changes in U.S. sanctions that remain in place against Myanmar, which is also known as Burma, but applauded the election as a crucial step forward. "For the first time ever, millions of people in Burma voted in a meaningful, competitive election," press secretary Josh Earnest

said. "And despite some structural and systemic flaws, we believe that Sunday's vote represents an important step in Burma's democratic reform process."

The losses by the prominent ruling-party figures to opposition candidates who were virtually unknown, even in the areas they contested, illustrated the overwhelming popularity of Ms. Suu Kyi's party, which relies predominantly on her personal brand as the Nobel laureate who has struggled for more than a quarter century to throw off military rule.

The new parliament will pick the country's next president by March. That person can't be Ms. Suu Kyi herself; she is barred by the military-drafted constitution from contesting the presidency because she has close relatives who are foreigners. She was married to a Briton and has two British sons. She has said that if her party wins a majority in government, she would pick someone amenable to her party and be "above the president," calling all the shots.

Mr. Shwe Mann's loss was especially surprising after two months of intensive campaigning in which the former general pitched himself as a reformer. Third-ranking in the former junta, he was one of Myanmar's most powerful politicians until USDP hard-liners ousted him in August for showing too much willingness to working across the political divide with Ms. Suu Kyi.

Brazil's Economic Crisis Stalls Rise of Middle Class

By PAUL KIERNAN

RIO DE JANEIRO—When proper electricity arrived in Santa Marta, a small favela in the shadow of Rio's Christ the Redeemer statue, longtime resident Cândida Oliveira Silva was happy to get the bill.

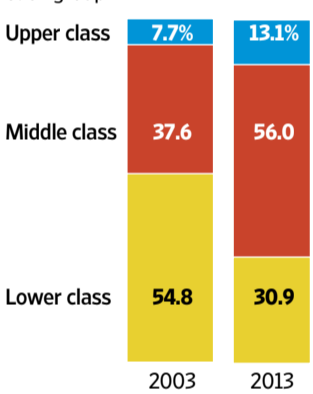
For the 52-year-old homemaker, it meant having legal proof of address and "feeling like a citizen" for the first time. But in recent months it has also meant cutting back on all but basic expenses. Reduced government subsidies and a drought have raised her bill to about 280 reais (\$72) a month, roughly five times what it was a year ago.

"I can't travel anymore, I can't afford to eat at even a modest restaurant," Ms. Silva said. Rising inflation and Brazil's plummeting currency have quashed any hopes of visiting her daughter in San Francisco.

Ms. Silva's struggle to maintain her standard of living amid rising prices shows how a spiraling economic crisis has pushed Brazil's emerging middle class to the brink.

Fragile Gains

Share of Brazil's population in each group:



Note: 'Middle class' household income is 2,300-9,900 reais (\$600-\$2,600) a month
Source: Brazil's government
THE WALL STREET JOURNAL.



A view of the Santa Marta favela in Rio de Janeiro in October.

Urban unemployment rose to 7.6% in September, tied with August for the highest rate in more than five years. Economists on average expect gross domestic product will shrink 3.1% this year and 1.9% next year, according to the Central Bank of Brazil's latest weekly survey. Inflation approaching

10% has forced the poor to stop buying meat and the central bank to ratchet up interest rates. A disorganized effort by the government to stem a widening budget deficit has resulted in painful tax increases, crimping family budgets.

Experts say it is hard to estimate how many people are at

risk of falling down Brazil's social ladder, as official data aren't yet available. But with wages rising less than inflation, around 35 million members of Brazil's lower middle class are vulnerable, says Mauricio Prado, a partner at research firm Plano CDE.

"They have low education

and low job formalization," he said. "There is confluence of negative factors."

The situation is threatening to derail what Brazilian leaders have extolled as a transformation of the country's economy and society. Long counted among the world's most unequal nations, Brazil made significant progress in the past decade toward reducing its gaping income disparity, authorities say.

Strong prices for commodity exports stuffed public coffers with money that was used to weave a social safety net, including a cash-transfer program targeting nearly 14 million impoverished families. Minimum-wage increases averaging more than 11% a year since 2003 transferred more wealth downward.

Between 2003 and 2013, median household income grew 87% in real terms, compared with a 30% rise in per capita gross domestic product, says Marcelo Neri, an economist who wrote a book on the "new middle class" and served as President Dilma Rousseff's

strategic-affairs minister.

"People who were left behind—uneducated people, people in the northeast and rural areas, poor people, black people, domestic workers, informal workers—these people grew at a much faster rate than the country as a whole," Mr. Neri said.

Communities like Santa Marta exemplify the trend. Featured as a scene of grinding poverty in the music video to Michael Jackson's 1996 single "They Don't Care About Us," it now boasts schools, activity centers, public housing and a tram to transport locals up steep slopes.

But in September 57 million Brazilians, or 39% of the country's adult population, were behind on payments, credit bureau SPC Brasil says.

Maria Eliane de Alcântara, a 46-year-old housecleaner in Santa Marta, took out a loan to upgrade her wooden shack; now her budget won't stretch much beyond rice and beans.

"Money comes in and then it's gone," she said. "I even owe the bricklayer money."

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World Watch

POLAND New Cabinet Heralds Firm Stance on Russia

Poland's incoming governing party said pro-U.S. policy hawks would hold top defense and foreign-affairs positions in the new cabinet, as the country seeks more allied presence in the face of an assertive Russia.

The Law and Justice party, which won presidential elections in May and parliamentary elections in October, nominated Antoni Macierewicz for defense minister and Witold Waszczykowski for foreign minister.

Mr. Waszczykowski has urged a greater North Atlantic Treaty Organization presence in the bloc's east to deter Russia. —Martin M. Sobczyk

CANADA Sewage Dump Cleared

The new Liberal government said it would allow Montreal to discharge up to eight billion liters of untreated sewage into the St. Lawrence River, although it set conditions to reduce any environmental fallout.

The discharge had won approval from provincial authorities but was stayed by the previous Conservative government in the last days of a heated election campaign. —Paul Vieira



A firefighter rescued a dog in a mud-ravaged village on Monday.

Toll Rises in Dam Break As Families Await Lost

By JOHN LYONS

MARIANA, Brazil—Family members held vigils for their missing loved ones in the aftermath of the world's biggest mining-dam break, while people in villages dozens of miles away from the mine shoveled away tons of muddy waste.

Aline Ferreira Ribeiro, the wife of a missing mine worker, said, "I am holding on to hope that he is somewhere, in an air pocket in the mud or somewhere in the woods."

Her husband, Samuel Viera, was last seen on Thursday by colleagues jumping into a pickup truck to escape the deluge, she said. The mud caught up with the truck and carried it downstream.

On Thursday, two giant

dam-works burst at an iron-ore mine whose operator is jointly owned by Australia's BHP Billiton and Brazil's Vale SA. The dam breaks sent muddy mining waste cascading down through a string of poor mountain villages.

On Monday, authorities recovered another body, bringing the confirmed dead to four, with some 25 missing.

Andrea Luiza Vasconcelos, a mother of two, said the first floor of her home was swamped with mud, destroying everything. She said the company aid so far wasn't adequate. "They gave us a bag of food, but we have nowhere to cook it," she said.

◆ BHP shares slide after Brazil mining accident..... B8