

# Cardoso's Brazil: bankers' gendarme for 'IMF democracy'

by Silvia Palacios and Lorenzo Carrasco

Statements by U.S. Undersecretary of State for Political Affairs Thomas Pickering, during a Feb. 12-18 tour of Ibero-America, confirm that Anglo-American diplomacy has assigned Brazil the role of gendarme for "democracy" and "free trade" on the continent, denoting a return to the policy practiced by Henry Kissinger in the early 1970s. Pickering reaffirmed the mission most recently assigned to Brazil by Defense Secretary William Cohen in November 1998, when he visited there and put bilateral relations back on the old Kissingerian footing.

Pickering said, "It is no secret that Brazil played a very important role in Ecuador," when, on Jan. 21-22, it underwent four governments. Underscoring the shift, he continued, "Her concerns coincide with ours over the same matters: that the military, which was incapable of carrying out its obligations to protect the President, was not carrying out its constitutional duty; that the country had to do everything it could to observe its Constitution. Otherwise, it would risk isolation and rejection by the hemisphere, and by the world."

This approach to the Western Hemisphere parallels the U.S. policy in Europe and Asia being implemented by Madeleine Albright's State Department. Recall that Albright's mentor, Zbigniew Brzezinski, has attempted to replicate the lunatic British geopolitics of the 19th century wherever possible, and that he was the one, as Jimmy Carter's National Security Adviser, who launched the "geopolitics of human rights" in Brazil in the 1970s.

In the early 19th century, British geopolitical designs on the hemisphere were halted by the 1823 Monroe Doctrine of the young American republic. Today, Albright's State Department is operating from the standpoint of the so-called "Roosevelt Corollary" to the Monroe Doctrine, adopted under President Theodore Roosevelt in the early 1900s, which turned the original doctrine on its head and justified U.S. gunboat diplomacy on behalf of British financial interests. Later in this century, the Franklin Delano Roosevelt administration reestablished an anti-colonial approach to the Americas, and this policy was reaffirmed by John F. Kennedy in the 1960s. It is that outlook which today is being demolished by the policies of Project Democracy and the Inter-American Dialogue, as implemented by the Albright State Department.

In this context, the ongoing drive to "dollarize" the Ibero-

American economies is a natural outgrowth of a policy whose objective is to create colonial protectorates, just as Teddy Roosevelt carved out a "dollarized" Panama from what was originally Colombia.

## Brazil's lack of independence

The designation of Brazil as a gendarme for "IMF democracy" on the continent, to supervise the good behavior of countries of the region and to act rapidly and efficiently to smother any insurrection against globalism in South America, has been docilely accepted by President Fernando Henrique Cardoso. In fact, time and again, Cardoso has proven his qualifications for the job, as demonstrated in January, when Brazil helped strong-arm Ecuador into continuing the devastating dollarization which had precipitated the Jan. 21-22 coups. Cardoso played a similar role in last year's "democratic" solution to the crisis in Paraguay, during which Brazil fully collaborated with the U.S. State Department to sustain an artificial and unpopular regime. As Paraguay's nationalist Gen. Lino Oviedo recently declared to the press, "Without Brazil's support, the Paraguayan regime would fall within an hour."

The Cardoso government's lack of diplomatic independence is also evident in Brazilian recognition of the narco-terrorist Colombian Revolutionary Armed Forces (FARC) as a "belligerent force." Itamaraty, the Brazilian Foreign Ministry, was on the verge of granting full diplomatic recognition to the FARC, and was only prevented from doing so by pressure from the Brazilian Armed Forces, and by the acknowledgment by National Anti-Drug Secretary Walter Maierovitch, that the FARC has intimate ties to the drug trade. The same subservience was evident in Cardoso's presentation of the "democratic credentials" of Venezuelan President Hugo Chávez to U.S. President Bill Clinton, during which Cardoso insisted that the Venezuelan government represented no threat to hemispheric security.

Cardoso's "collaborationism" doesn't stem entirely from his membership in the "human rights" apparatus, to which he was recruited by the Carter-Brzezinski administration in the 1970s. It also has to do with his academic training in the French social sciences of Paul Rivet, Jacques Soustelle, and the existentialism of Jean-Paul Sartre and Frantz Fanon, all networks that moved in opposition to the nation-strengthening policies of Gen. Charles de Gaulle.

In Itamaraty, the person at the highest levels of the Anglo-American plan is Brazilian Ambassador to Washington Rubens Barbosa, who penned a letter, published in the London *Financial Times* on Feb. 21, which argued for Brazil's inclusion in the Group of Eight. Commenting on a *Times* editorial proposing that China be invited to join the G-8, Barbosa wrote, "You failed to consider Brazil, one of the major emerging economies and the country with the fifth-largest population in the world."

Such diplomatic "creativity" will have the same effect as



*U.S. Undersecretary of State Thomas Pickering, who is pushing policies on Brazil akin to those of Henry Kissinger in the 1970s.*

earlier Brazilian attempts to win a permanent seat on the United Nations Security Council. Before his posting to Washington, Barbosa had been appointed ambassador to London by Cardoso, who is determined to reestablish Brazil's special relationship with the British Crown. Cardoso has granted the House of Windsor enormous influence over his government's environmental and indigenist policies, as well as control over strategic mineral reserves, winning a knighthood at the hands of the Queen.

### **The dollarization of Ibero-America**

To meet the new imperial demands, and under the illusion that Brazil will thereby win a place of "prestige," the government is being urged to surrender all that remains of Brazil's public patrimony, while giving control over the diminished national industry and banking system to international speculative capital. The next step will be dollarization of the economy.

It is these external factors which are driving Cardoso to put together a more "cosmopolitan" economic team, presumably to project prestige before the international banking community. This was expressed during the nomination of Francisco Gros to the presidency of the National Bank for Economic and Social Development. Gros's nomination completed an international troika, which includes Central Bank president Arminio Fraga, a protégé of global speculator and drug legalization advocate George Soros, and Finance Minister Pedro Malan.

Gros had been one of the leading executives of the U.S. investment bank, Morgan Stanley Dean Witter. The sap that runs through his family tree is free trade. His grandfather was

a prominent French jurist brought to Brazil at the turn of the century by Brazil's most prominent radical libertarian, Eugenio Gudin.

To understand the task Gros is to carry out, one need only look at his article in the Feb. 23, 1999 daily *Folha de São Paulo*, in which he defends dollarization. "Getting rid of one's own currency is an extraordinarily difficult decision, not just because of the macro-economic implications involved, but also because of the prior adjustments it demands. In the case of Brazil, these adjustments would produce a veritable cataclysm. But the Argentines, followed closely by the Mexicans, are increasingly convinced that this is the decision to be taken," he wrote. "These are the standards of good behavior that are imposed on all who desire to have access to the global markets. Nothing is forcing Brazil to accept them. But, to become part of this club, there is no alternative but to accept the rules by which the other members are guided."

Behind this rush to subject Brazil to the Anglo-American plan, is the concern that increasingly numerous forces are ready to rebel against globalization, as Pickering himself said in an interview with *Folha de São Paulo* on Feb. 20. In the midst of his fawning description of Brazil as a "vibrant democracy, with an ongoing economic recovery," Pickering let slip his fear of a nationalist military reaction. According to him, "this is related to the fact that many soldiers are still not in conformity with their duty, which is solely to protect the Constitution and to obey the civil authorities. This occurs in still undeveloped democracies. Even though democracy has spread throughout our hemisphere, it is still very fragile in several countries. . . . It is extremely important not to allow nationalism to turn into protectionism."