

Brazil Has Cards of Its Own To Play, Too

by Gretchen Small

Like the energizer bunny, the corruption scandal against President Lula da Silva's government and allied parties just keeps going, and going, and going. What started in June as a Congressional bribery scandal, had expanded to charges of illegal financing of President Lula's 2002 election by Aug. 11, only to engulf Wall Street's once-beloved Finance Minister Antonio Palocci himself, the next week. Allegations that Palocci took kickbacks from a garbage disposal company while he was a mayor in the 1990s, grew to charges that he still works for "the trash mafia."

Not long ago, the Lula Administration was held up as the model government by the International Monetary Fund (IMF). Now, the global financier oligarchy has turned on it, and Lula faces the possibility of impeachment. Opposition parties, led by the PSDB party of the international bankers' favorite former President, Fernando Henrique Cardoso, caucused in mid-August about ordering their lawyers to prepare grounds for impeachment, to be ready—if the decision is taken. But the President can still mobilize significant social forces, and public opinion isn't ready, opposition leaders cautioned. So, week by week, the charges pile up, unrelenting.

Endgame in South America

As the global breakdown crisis drives every nation in the Americas toward disintegration, what is at stake in Brazil is no political-financing mess, no matter how sordid. Look at what is going on in South America! Vice President Dick Cheney just deployed Defense Secretary Donald Rumsfeld to Paraguay and Peru on Aug. 16-18, as part of a drive to organize a "splendid little war" in South America (*EIR*, Aug. 26).

Ecuador is blowing apart again, as the Bush Administration prepares the way for the overthrow of President Alfredo Palacio. His crime was that he announced immediately upon taking office in April 2005, that his government would make its first priority investments in the needs of Ecuador's people, before debt payments, and mooted following Argentine President Nestor Kirchner's debt policies. (As Michael Shifter of Fernando Henrique Cardoso's Inter-American Dialogue put it to the *New York Times* on Aug. 24: "Palacio thought he could pursue a different course, have a greater emphasis on a social agenda," but the "international community" is showing him otherwise.)

Self-professed fascists are crawling out of their crypts, to seize the moment. If you want real "garbage," the kind that organizes mass killings, look at the calls for feudalism and

global war spewed out at the 60th anniversary celebrations of the Peruvian History Society on Aug. 8 and 15, attended by top Spanish fascists. At the same time, their synarchist counterparts met on the other side of the Andes at the "VIII Buenos Aires Meeting on Catholic Training."

This is endgame time, and Brazil, because of its size and situation, still has a "kicking power" in South America which makes it a potential threat to the oligarchy.

In an Aug. 25 memorandum addressing the role of the British-Nazi Moonie cult in setting up the South American war that Cheney and Rumsfeld seek, Lyndon LaRouche warned that Ibero-America faces "a panoply of intersecting operations, all aimed at a great raw-materials-control grab by the Anglo-Dutch Liberal financier interest, an operation which includes the supporting objective of breaking up and crushing all nationalist political power in Central and South America."

For all its fervent adherence to the foreign financiers on domestic economic policy, the Lula government is a linchpin for regional resistance to those operations, centered on its organizing for a South American Community of Nations pivoted on great continental infrastructure projects. Although yet to confront the IMF's power, Brazil has attempted to shore up its neighbors, as exemplified by Foreign Minister Celso Amorim's discussion of the "economic-financial integration" of South America, during his Aug. 15-17 trip to Bolivia and Ecuador.

When initially hit by the scandal, President Lula went to his trade union and popular base, and charged that there was a conspiracy to bring his government down. Slammed by the financiers for "populism," he back-pedaled fast, and now emphasizes every place he can, that his regime will stay the course on IMF policy. "There will be no short-term, electoral event which will make us change economic policy," he assured businessmen on Aug. 23.

Were he to continue this course, Lula would lose, and Brazil would go down with him. Why not tell Brazilians and the world the truth of why their country is under attack? Which, after all, is more bankrupt: the Brazilian government, or the global financial system to which it is indebted? Why not join the fight for a New Bretton Woods?

Allies are available. Brazil's neighbor, Argentina, will insist that the reform of the international financial system be included in the agenda on the Nov. 3-4 Summit of the Americas in Buenos Aires, Deputy Foreign Minister Jorge Taiana told the state news agency Telam on Aug. 16. There is much agreement on adopting common policies for the region, Taiana said, because a good number of governments are reviewing the policies applied in the 1990s, whose "panacea of privatizations and open economies, without any regulation, wasn't positive for our peoples and translated into greater inequality and exclusion." Governments will understand the crucial regulatory role of the state, as part of their search for a development model to guarantee productive employment and the generation of real wealth, Taiana forecast.