

Brazil's Global Diplomacy Builds Bridges, But to What?

by Gretchen Small

President Lula da Silva's historic Dec. 3-10, 2003 visit to the Middle East—the first by a Brazilian Head of State since 1876—was the fitting conclusion to a year of bold international diplomacy by the Lula government. The Brazilian President paid a state visit to five Arab nations, addressed a plenary session of the Arab League (becoming the first Ibero-American Head of State ever to do so), and met with Palestinian Authority Foreign Minister Nabil Shaat. On the agenda were the pressing issues of creating peace, restoring Iraqi sovereignty, reestablishing international law, and the potential for increasing trade and investment between their countries.

At each stop, Lula extended an invitation to his counterparts to attend a summit of Arab and South American Heads of State, a first-ever summit which Brazil proposes to host in 2004. The proposed summit was warmly endorsed by Lula's Arab hosts.

President Lula traveled extensively in 2003, his first year in office, visiting the United States, Europe, Russia, five Southern African nations, and various Ibero-American countries, as well as the Middle East. Upon returning from his latest trip, he announced that he would most likely visit China in May 2004; intends to visit India at some point during the year; and would try to persuade Russian President Vladimir Putin to visit Brazil. As he explained to Brazilians on his bimonthly radio program on Dec. 15: "We want to build new trade relations with developing countries. I've made a decision. Instead of staying here in Brazil waiting for things to happen, I've decided to make them happen by setting foot in Arab and African countries. Brazil is a big country. We cannot stick around waiting for somebody to buy from us. We have to go there, and try to sell what we make best."

A Role in Shaping World Affairs

More than trade drives the Lula Administration's diplomatic offensive. It has not escaped the attention of the neo-conservatives in Washington, that Brazil is out to create alliances which it hopes can counter-balance the Bush-Cheney regime's drive for world imperial hegemony. Brazil's efforts in this regard run from laying the groundwork for an integrated South American community, to the establishment last June of a mechanism for regular trilateral consul-

tations between Brazil, India, and South Africa, to coordinate foreign policy and build economic ties, particularly in high-technology areas. Brazilian officials have repeatedly stated they would welcome China and Russia as participants in these consultations, which could function as a new "Group of Five."

In his speech Dec. 9 before the plenary of the Arab League, Lula spoke of the need to create a "new political and commercial geography in the world," in which close political cooperation between Brazil and Arab nations would be a centerpiece. Brazil does not seek a confrontation with the United States, Foreign Minister Celso Amorim commented after that meeting, but it must maintain an active and bold foreign policy. Countries that lack their own independent foreign policy "will not be called on for anything."

At Brazil's initiative, Russian Foreign Minister Ivan Ivanov attended the most recent summit of the Common Market of the South (Mercosur), held in Montevideo, Uruguay, on Dec. 16. A joint communiqué was issued from that meeting, announcing that Russia, the four Mercosur core members of Argentina, Brazil, Paraguay, and Uruguay, plus Associate Members Bolivia and Chile, aspire to establish a "Mechanism of Political Dialogue and Cooperation" among them, in order to better cooperate in multilateral forums on matters of international peace and security, and to foster trade, investment, and scientific and technological cooperation among them.

At the Mercosur summit, Peru was officially accepted as an Associate Member, and a Mercosur-Andean Community "Agreement on Economic Complementarity" was signed with Ecuador, Colombia, and Venezuela. A communiqué from Brazil's Foreign Ministry characterized the Andean Pact accord as "a fundamental step in the process of creating an integrated space in South America."

A 'New Boat' Must Be Built

Missing thus far, however, in Brazil's diplomatic strategy, is discussion of the one issue which will ultimately determine the questions of war and peace, development or depression, globally: What must be done to survive the rapidly accelerating disintegration of the world financial system?

When he visited Brazil in June 2002—invited to receive an honorary citizenship from the City Council of São Paulo—

Democratic Party Presidential pre-candidate Lyndon LaRouche warned Brazilians that there is *no* solution that can be found within the existing system. Not for the United States; not for Brazil. You must help replace the system, because both our nations are heading towards a blowout no different than what collapsed Argentina, he told the hundreds to whom he spoke during his week-long visit. When that blowout will occur is unknown; but that it will occur, is a given.

“Governments must act to put the system into bankruptcy reorganization. . . . We require an emergency monetary conference among leading countries, using the implicit emergency powers of government, to immediately negotiate a general reform and bankruptcy reorganization,” LaRouche told a luncheon organized by the São Paulo Commercial Association. LaRouche’s host thanked LaRouche for his discussion of what Brazil will face internationally, and urged everyone present to reflect upon LaRouche’s words. “As he said: Either we organize ourselves another boat, or we are going to have to fix the boat,” his host noted, adding cautiously that he preferred, at that time, “to stay in the boat, and try to seek the best solution.”

That is the same decision made, thus far, by the Lula government. Its refusal to squarely face the global reality addressed by LaRouche, will doom Brazil’s efforts to build “a better place” for itself within the dying system of globalization. Into what markets will Brazil export, when an implosion of the dollar blows out the basis for international trade altogether? Argentina, Bolivia, the Dominican Republic, and others stand as gruesome examples of the disintegration to which the continuance of the International Monetary Fund (IMF) system is leading. With which nations, then, will Brazil be able to ally?

This failure to take up the urgent task of building alliances to replace the international monetary system, is consistent with the Lula government’s fear-driven belief that it has no choice but to continue implementing the IMF policies which destroyed Brazil’s domestic economy under the eight years of the Fernando Henrique Cardoso government which preceded it. On Dec. 15, the IMF announced that its executive board had approved a one-year extension of the IMF package negotiated with the Lula government. The agreement makes \$14.8 billion in loans available to Brazil, should it need them (\$6.6 billion in new money and \$8.2 billion unused from the August 2002-December 2003 package), and reschedules \$5.8 billion of the \$34 billion which Brazil owes the IMF in 2004, into 2005 and 2006.

In return, the IMF requires Brazil to maintain a 4.25% primary budget surplus, which means that it must ensure that government revenues are 71.5 billion reals—approximately \$25 billion—greater than all its expenditures, debt service excluded. That \$25 billion “surplus” must be used to pay the debt.

Yet, even the IMF statement announcing approval of the package acknowledged that Brazil is financially “vulnera-

ble,” if “market sentiment” turns “negative” globally—as it is doing even now. That is to say: At the moment that investors pull their money out, as they did en masse in 2002, Brazil, for all its current semblance of “stability,” would face Argentine-style bankruptcy.

Time for Brazil To Step Forward

Brazil is well situated to play a leadership role in the construction of the needed New World Economic Order, were the Lula government to take up the fight for a New Bretton Woods agreement, as LaRouche has outlined such a program. In introducing Lula to the Arab League plenary on Dec. 9, Arab League Secretary-General Amr Mussa underscored that “Brazil carries enormous economic and political weight.”

Lula brought five Cabinet ministers, four state governors, and some 40 businessmen with him to the Middle East. He also took the unprecedented step of inviting former Argentine President Eduardo Duhalde to accompany him, in his capacity as the upcoming president of the Mercosur Permanent Commission.

On the eve of his departure, the Foreign Ministry issued a communiqué which reasserted Brazil’s opposition to the U.S. neo-conservatives’ attempts to provoke a “conflict of civilizations.” Brazil places a priority on developing ties with the Arab nations, with which it has varied links and “common values,” the statement said. Its links extend back to Brazil’s roots in the Iberian peninsula, where Islamic influence was strong; and forward to the fact that Brazil is home to the more than 2 million immigrants from Syria and 6-7 million from Lebanon (Brazil is home to the largest community of people of Lebanese descent in the world, outside of Lebanon).

Lebanese President Emile Lahoud, who met with Lula on Dec. 8, praised Brazil for rejecting “allegations by the United States that members of the Lebanese community in Brazil are financing terrorist activities in Lebanon.”

Throughout the trip, Lula and his hosts discussed the urgency of accelerating the transfer of power to the Iraqi people, ending the U.S. occupation of that nation, and giving the United Nations the leading role, so that the Iraqi people can exercise their sovereignty, choose their government, and guarantee their territorial integrity. In a joint communiqué issued following Lula’s meeting with Syrian President Bashar Assad, Brazil recognized the “essential role of Syria to reach peace and stability” in the Middle East.

Palestinian Foreign Minister Nabil Shaat, when he met with Lula in Cairo, Egypt Dec. 8, extended an invitation from Palestinian President Yasser Arafat and Prime Minister Ahmed Qureia, for Brazil to join a task force attached to the so-called Quartet (UN, European Union, United States, and Russia), to help move forward the “Road Map” for peace between Israel and Palestine. Foreign Minister Amorim reported that the Palestinians also want to involve India and South Africa in this task force. Lula reportedly responded positively to the invitation.