

# The Strategic Stakes In Brazil's Presidential Elections

by Gretchen Small

Oct. 14—The *Financial Times* issued a sharp advisory on Oct. 10 to London's candidate for President of Brazil, Aécio Neves of the Brazilian Social Democratic Party (PSBD). Neves and his team must not "disappoint" London in the final round of the Brazilian Presidential elections on Oct. 26, the *FT* scolded: "After all, this is not just a cordial economic debate: it's war—the final battle for control over the world's second-biggest emerging market and the lives of more than 200m people."

*EIR* agrees, for once, with the *FT*: Brazil's 2014 Presidential elections are a strategic battle in the global war over whether humanity will succeed in crushing the British Empire, and in creating a truly human world order, dedicated to peace and the progress of all.

*EIR*'s editorial policy differs 180° from that of the *FT*, however, when it comes to which candidate must win the election. *EIR* supports the re-election of President Dilma Rousseff, Neves' contender in the race.

Whatever her shortcomings, past and present, which *EIR* has taken due note of in the course of things, President Rousseff has decisively cast Brazil's lot in with the half of humanity which has risen up to assert humanity's cause. Under her leadership, Brazil has been, and is committed to playing an active role in the global renaissance forming around the BRICS grouping of Brazil, Russia, India, China, and South Africa, as well as within the Mercosur and South American Union (UNASUR) efforts now allied with the BRICS, and, in particular, Argentina's courageous defense against the vulture funds.

As part of that BRICS dynamic, Brazil is poised to cast off 25-plus years of subjugation to supranational financial dictatorship, regroup its significant nuclear and space scientific and industrial capabilities, and unleash the rapid increase in productivity required to raise the living standards and qualifications of its many millions of people still living in poverty and backwardness.

London, for its part, is determined, to the point of "war," as it says, to install a government committed to

pulling the "B" out of the BRICS, turning a re-subjugated Brazil into an instrument to crush the BRICS and the explosion of associated South American development underway. Should London succeed, and reimpose trans-Atlantic economic policies upon Brazil, Brazil itself will rapidly disintegrate.

## London Does Not Hold All the Cards

Already, the death of one Presidential candidate was required to set up the potential for success in this British operation. Their first-choice candidate to pull the "B" out of the BRICS in the first round of elections, was British Crown darling Marina Silva, who only became a Presidential candidate in mid-August, rising out of the ashes of the still-unexplained plane crash which killed Socialist Party (PSB) Presidential candidate Eduardo Campos. Until then, Marina had been Campos's Vice Presidential running mate.

London and Wall Street campaigned shamelessly for Marina, as she is known, painting her as a Brazilian "Obama," the "people's candidate" for her support of the aborted 2013 attempt to launch a "color revolution" in Brazil. Pro-finance, anti-state, virulently anti-growth, anti-China, backed by various Brazilian "green billionaires," Marina was hailed as the candidate who could put a "popular" face on London's package.

In 2010, *EIR* exposed Marina as a British Crown operation, a fact flaunted in 2008, when Prince Philip personally awarded her the Duke of Edinburgh Conservation medal, for her work during her stint as Environment Minister (2003-08) in blocking key hydroelectric projects, and turning control of huge chunks of Brazil's Amazon territory over to Philip's WWF and other green private interests.

"Marina always had good relations with the royal houses of Europe and the European aristocracy. We can't decide whom the Royal Family is going to invite," Brazil's Sports Minister Aldo Rebelo dryly remarked when Marina was invited to be a torch bearer in the 2012 London Olympics.

To London's chagrin, Brazilian voters knocked Marina out of the race in the Oct. 5 first round of voting, placing her a distant third with only 21% of the vote. Incumbent Rousseff won 41%, with Rothschild-owned Aécio Neves coming in second with 34%.

## Breaking with Financial Heroin?

Most dangerous in British eyes, was that Dilma chose to fight and defeat Marina on the grounds that

public banking must be defended against the imperial banking system inside Brazil, through which the British monarchy has long crippled the country through usurious interest rates which fed the international carry trade which looted Brazil.

Marina, on behalf of her bankster sponsors (her closest advisor, billionaire “Neca” Setubal, is the heiress to the family which own Banco Itau, Brazil’s largest private bank), promised in her platform, that should she be elected, she would put through a law guaranteeing Central Bank “autonomy;” that is, guaranteeing private bank control.

Marina intends to give the bankers the decision-making powers that belong to the President and the National Congress, over matters which have a direct effect “on your life and your family,” such as “the interest rates you pay, your job, prices, and even salaries,” Rousseff charged in a feisty interview with TV Globo’s “Bom Dia Brasil” program aired on Sept. 22.

Her horrified Globo hosts accused her of “frightening people;” TV Globo, after all, is owned by three billionaires in the Marinho family, who are at the heart of WWF operations in Brazil.

Marina’s promise to make the Central Bank “independent” would turn that bank into “the fourth branch” of government, Dilma responded. She noted that Marina also promises to reduce the role of Brazil’s large public banks. How are we going to finance infrastructure in Brazil, then? Dilma queried. Brazil’s public banks subsidize rates; at market rates no one would build infrastructure in Brazil. Housing and agriculture have likewise benefitted.

The *FT* complained of Dilma’s campaign ad using a scene of a dinner out of a gangster film to go after Marina for being in cahoots with the banksters; London’s *Economist* magazine protested that Dilma had hurt “the popular former green activist” by charging that Marina’s planned Central Bank autonomy would “hand power to shady bankers.”

### **Aécio and Fraga Duo**

The British have now regrouped forces around Aécio, who is as much a British asset as Marina, but much harder to “sell.” On Oct. 12, Aécio declared that he and Marina have become “one body, one project,” after she endorsed him, when he promised to meet her conditions of implementing a “low-carbon economy” and other anti-growth measures.

But Brazilians know Aécio’s PSBD well: the coun-

try disintegrated under its neo-liberal rule, when Fernando Henrique Cardoso was President from 1992-2002. Further, in a move demonstrating the utter bankruptcy of the British option in Brazil, Aécio announced in August, that were he to be elected, he will name Arminio Fraga as his Economics Secretary.

Fraga! The name is synonymous with the international carry trade which has devastated Brazil’s economy. In his first stint as a central bank official in 1991-92, Fraga set up the mechanism allowing foreign short-term capital to enter the economy, and opened up the exchange and interest rate derivatives market. He then left to serve as a director of Soros Fund Management, only to go straight from there to head up Brazil’s Central Bank in February 1999, where he immediately raised interest rates to 45% (!) as the keystone of George Soros’s hyperinflationary “wall of money” policy to keep Brazil from bringing down the global financial system at the time. There he stayed until 2002, when he left to found his own hedge fund.

Aécio and Fraga promise to return to “economic orthodoxy,” cut the budget, lower minimum wages, impose a retrograde VAT tax, privatize state assets, including the public banks and the state oil company, Petrobras, and reduce State regulation of prices, wages, etc.

Hand-in-hand with that, is the stated intent to change Brazil’s foreign policy, turning away from ties with China and Asia, as well as its South American neighbors, in favor of free-trade accords with a dying Europe and the United States.

Aloizio Mercadante, Dilma’s Chief of Staff, on leave to campaign until the final vote, emphasized in an exclusive interview with *247* last week, that “Neves’ proposals will lead, in practice, to the weakening of the BRICS and Mercosur. Actually, the BRICS are not even mentioned in his eight trade policy ‘Commitments/Proposals.’ In other words, the candidate ignores the efforts of the leading emerging countries to create new mechanisms for promoting development and financial stability, such as the BRICS New Development Bank and the Contingency Reserve Arrangement. . . . Brazil today has assumed an international protagonism in social and economic matters which is without precedent in our history. It is lamentable to see the debate on foreign policy be again permeated with conservative rhetoric, associated with a vision of Brazil as an underling on the international scene.”