BRICS’ Brazil President Next Washington Target

Brazil’s newly re-elected President, Dilma Rousseff, survived a massive US State Department disinformation campaign to win a runoff vote against US-backed Aécio Neves on October 26. However it is already clear that Washington has opened a new assault on one of the key leaders of the non-aligned BRICS group of emerging economies—Brazil, Russia, India, China, South Africa. With a full-scale US financial warfare attack to weaken Putin’s Russia and a series of destabilizations aimed at China, including most recently the Hong Kong US-financed “Umbrella Revolution,” getting rid of Brazil’s socially-minded President is a top priority to stop the emerging counter-pole to Washington’s New World (dis-)Order.

The reason Washington wants to get rid of Rousseff is clear. As President she is one of five heads of the BRICS who signed the formation of the US$100 billion BRICS Development Bank and a reserve currency pool worth over another US$100 billion. She also supports a new International Reserve Currency to supplement and eventually replace the dollar. Inside Brazil she is supported by millions of lower-income Brazilians who have been lifted out of poverty by her various programs, especially the Bolsa Familia, an economic subsidy program for low-income mothers and families. The Bolsa Familia has brought an estimated thirty-six million families out of poverty via Rousseff and her party’s economic policies, something that creates apoplexy in Wall Street and Washington.


Neves’ chief economic adviser who would have become Finance Minister in a Neves presidency was Arminio Fraga Neto, a close friend and former associate of Soros and his Quantum hedge fund. Neves’ senior adviser, and likely Foreign Minister had he won, was Rubens Antônio Barbosa, former Brazil ambassador to Washington and today a Senior Director of ASG based in Sao Paulo.

ASG is the consulting group of Madeline Albright, former US Secretary of State during the 1999 US bombing of Yugoslavia. Albright, a Director of the leading US think-tank, Council on Foreign Relations, is also chair of the prime US Government “Color Revolution” NGO, the National Democratic Institute (NDI). Not surprisingly, Barbosa during the recent campaign called for a strengthening of Brazil-US relations and a diminishing of the strong Brazil-China ties developed by Rousseff in the wake of revelations of USA spying by NSA on Rousseff and her government.

Emerging corruption scandal

During the bitter election campaign between Rousseff and Neves, the Neves opposition began circulating rumors that Rousseff, who until now had never been linked to corruption so common to Brazilian politics, was implicated in a scandal involving the state oil giant, Petrobras. In September, a Petrobras former director alleged that members of Rousseff’s government had received commissions on contracts signed with the oil giant which were then used to buy congressional support. Rousseff served on the company’s board of directors until 2010.

Now on November 2, just days after Rousseff’s hard-fought victory, the US major accounting firm, PriceWaterhouseCoopers, refused to sign Petrobras’ third-quarter earnings. PWC demanded wider investigation into the corruption scandal involving the state-run oil company.
PricewaterhouseCoopers is one of the most scandal-ridden US accounting firms. It was implicated in 14 years of covering up fraud in the AIG insurance group which was at the heart of the 2008 US financial crisis. And the British House of Lords in 2011, criticized PwC for not drawing attention to the risks in the business model followed by Northern Rock bank, a major disaster in Britain’s real estate financial crisis of 2008, a client which had to be bailed out by the UK government. The attacks on Rousseff are escalating we can be sure.

**Rousseff’s Global Strategy**

It is not merely Rousseff’s alliance with BRICS countries that has made her a prime Washington destabilization target. Under her tenure, Brazil is moving swiftly to decouple from US NSA electronic surveillance vulnerability.

Days after her re-election, the state-owned Telebras announced plans to construct a major underwater fiber-optic telecommunications cable to Portugal across the Atlantic. The Telebras-planned cable will run 3,500 miles from the Brazilian city of Fortaleza to Portugal. It represents a major break for trans-Atlantic communications with US technology domination. Notably, Telebras President Francisco Ziober Filho said in an interview that the cable project will be built without any US companies.

The Snowden NSA revelations in 2013 among other things revealed the intimate ties of key strategic IT companies like Cisco Systems, Microsoft and others to the US intelligence community. He stated that “The issue of data integrity and vulnerability is always a concern for any telecom company.”

Brazil has reacted to the NSA leaks by making thorough audits of all foreign-made equipment to check for security vulnerabilities and accelerated the country’s move toward technological self-reliance according to the Telebras chief.

Reacting to the Snowden leaks, the Rousseff government ordered termination of contracts with Microsoft for Outlook e-mail services. Rousseff declared at the time that it was to help “prevent possible espionage.” Instead Brazil is going national with its own e-mail system called Expresso, developed by state-owned Servico Federal de Processamento de Dados (Serpro). Expresso is already used by 13 of the country’s 39 ministries. Serpro spokesman Marcos Melo stated, “Expresso is 100 percent under our control.” If true or not clear is that under Rousseff and her party Brazil is pursuing what she sees as Brazil’s best national interest.

**Oil Geopolitics also Key**

Brazil is also moving away from the Anglo-American domination of its oil and gas exploration. In late 2007 Petrobras discovered what was estimated to be a mammoth new basin of high-quality oil on the Brazilian Continental Shelf offshore in the Santos Basin. Since then, Petrobras has sunk 11 oil wells in the Santos Basin, all successful. At Tupi and Iara alone, Petrobras estimates there are 8 to 12 billion barrels of recoverable oil, which can almost double current Brazilian oil reserves. In total the Brazil Continental Shelf could contain over 100 billion barrels of oil, transforming the country into a major oil and gas power, something Exxon and Chevron, the US oil giants have tried hard to control.

In 2009 according to leaked US diplomatic cables published via Wikileaks, Exxon and Chevron were noted by the US Consulate in Rio to be trying in vain to alter a law proposed by Rousseff’s mentor and predecessor in her Brazilian Workers’ Party, President Luis Inacio Lula da Silva, or Lula as he is called.

That 2009 law made the state-owned Petrobras chief operator of all offshore blocs. Washington and the US oil giants were furious at losing key control over potentially the largest single new oil discovery in decades.

Making matters worse in Washington’s eyes, Lula not only pushed ExxonMobil and Chevron out of the controlling position in favor of the state-owned Petrobras, but he also opened Brazilian oil exploration to the Chinese. In December, 2010 in one of his last acts as President, he oversaw signing of a deal between the Brazilian-Spanish energy company Repsol and China’s state-owned Sinopec. Sinopec formed a joint venture, Repsol Sinopec Brasil, investing more than $7.1 billion towards Repsol Brazil. Already in 2005 Lula had approved formation of Sinopec International Petroleum Service of Brazil Ltd as part of a new strategic alliance between China and Brazil, a forerunner of today’s BRICS organization.

**Washington Was not Delighted.**

In 2012 in a joint exploration drilling, Repsol Sinopec Brasil, Norway’s Statoil and Petrobras made a major new discovery in Pão de Açúcar, the third in block BM-C-33, which includes the Seat and Gávea, the latter one of the
world’s 10 largest discoveries in 2011. US and British oil majors were nowhere to be seen.

As relations between Rousseff’s government and China as well as Russia and the other BRICS partners deepened, in May 2013, US Vice President Joe Biden made a trio to Brazil where his agenda was focused on oil and gas development. He met with President Dilma Rousseff who succeeded her mentor Lula in 2011. Biden also met with leading energy companies in Brazil including Petrobras.

While little was publicly said, Rousseff refused to reverse the 2009 oil law in a way suitable to Biden and Washington. Days after Biden’s visit came the Snowden NSA revelations that the US had also spied on Rousseff and top officials of Petrobras. She was livid and denounced the Obama Administration that September before the UN General Assembly for violating international law. She cancelled a planned Washington visit in protest. After that US-Brazil relations took a dive.

Before Biden’s May 2013 visit Dilma Rousseff had 70% of popularity rating. Less than two weeks after Biden left Brazil, nationwide protests by a well-organized group called Movimento Passe Livre, over a nominal 10 cent bus fare increase, brought the country virtually to a halt and turned very violent. The protests bore the hallmark of a typical “Color Revolution” or Twitter destabilization that seems to follow Biden wherever he makes a presence. Within weeks Rousseff’s popularity plummeted to 30%.

Washington had clearly sent a signal that Rousseff had to change course or face serious problems. Now that she has won re-election and defeated the well-financed right-wing oligarchs and the opposition, Washington will clearly try with renewed energy to get rid of another BRICS leader in an increasingly desperate bid to hold the status quo. It seems the world no longer snaps to attention as it did in past decades when Washington gave the marching order. The year 2015 will be an adventure not only for Brazil but for the entire world.

F. William Engdahl is strategic risk consultant and lecturer, he holds a degree in politics from Princeton University and is a best-selling author on oil and geopolitics, exclusively for the online magazine “New Eastern Outlook”