Impeachment looms in Brazil as PT's largest coalition partner deserts government

Bill Van Auken 30 March 2016

The impeachment of Brazilian President Dilma Rousseff became far more likely Tuesday after the largest coalition partner of her Workers Party (PT) voted by acclamation to desert the government and free its members to vote in favor of her ousting.

The PMDB (Brazilian Democratic Movement Party) formally took the decision in a raucous three-minute meeting in the Chamber of Deputies Tuesday afternoon. As a result, all of the party's remaining six government ministers are instructed to follow the example of PMDB Minister of Tourism Henrique Eduardo Alves, who handed Rousseff a resignation letter the day before. Another 600 party members holding government posts have also been told to resign.

PMDB legislators and party leaders assembled for the meeting chanted "Fora PT" (Out with the PT) and "Brasil para frente, Temer presidente," (Forward Brazil, Temer president), referring to Michel Temer, Rousseff's PMDB vice-president, who would take over if she were impeached and removed from office.

Temer, 75, was not present for the party meeting, saying he did not want to influence the vote. However, in the days preceding the meeting, he held extensive talks with party leaders preparing the decision.

The PMDB emerged out of the Brazilian Democratic Movement (MDB), which was the only legal opposition party allowed under the military dictatorship that ruled Brazil between 1964 and 1985. During that period, Brazil's Stalinist Communist Party operated as a faction within the dictatorship's tame opposition party.

While it has not run a presidential candidate since 1994, the PMDB has played a significant role in virtually every administration since the end of military rule, while controlling the largest bloc of members in both houses of the federal legislature. There are currently 69 PMDB congressmen and 19 senators. The party holds the leadership positions in both houses.

A second coalition partner of the PT, the PSD (Social Democratic Party), announced that it would release its 48 members in the lower house to vote as they see fit on impeaching the president.

The defection of the PMDB from the Rousseff government came a day after the Brazilian Bar Association (OAB) introduced a new petition for impeachment in the lower house of the parliament, nearly leading to physical altercations between PT supporters and opponents on the floor of the house.

The Congress had already been proceeding with an impeachment process over alleged illegal manipulation of the federal budget to boost social spending in the runup to Rousseff's narrow reelection in 2014. Rousseff claims that her budget maneuvers were legal and that similar methods had been employed by previous governments.

The new petition presented by the OAB, a conservative body that backed the military coup of 1964, adds to this charge that of obstruction of justice and improperly granting the international soccer federation FIFA tax-exempt status during the 2014 World Cup, which netted the group some \$2.6 billion.

The obstruction of justice charge stems from Rousseff's attempt to appoint Workers Party founder and former president Luiz Inacio Lula da Silva to her cabinet as chief of staff after he had been arrested and implicated in the Operation Car Wash (Lava Jato) investigation into a political bribery and kickback scandal involving the funneling of some \$2 billion from the state-run oil conglomerate Petrobras. As a government minister, Lula would have had substantially more rights as a defendant and could be tried only before the country's Supreme Court.

A Supreme Court justice issued an injunction against the appointment earlier this month and the full court is expected to rule on it next week. The appointment became a national controversy after the public release of the contents of a conversation between Rousseff and Lula recorded in a secret wiretap, in which Rousseff said she would send Lula papers accepting an appointment to be used "as needed."

Added to this are accusations by the former Workers Party leader in the Senate, Delcidio do Amaral, in a plea bargain agreement over corruption charges, that both Lula and Rousseff were fully aware of the bribes and kickbacks at Petrobras, which went in part to fund the PT's election campaigns. He also claimed that Rousseff had attempted to block or water down the investigation. Both Lula and Rousseff have denied the charges, claiming that they are victims of an attempted "coup."

Driving the movement toward impeachment are the demands of both Brazilian and international capital for a radical change in government policy in the face of Brazil's worst economic crisis since the Great Depression of the 1930s. The economy has continued to deteriorate, with unemployment rising to 9.5 percent last Thursday, and wages falling 2.4 percent. The economy shrank 3.8 percent last year and faces a similar contraction in 2016.

Nonetheless, both Brazil's stock market and currency, the real, have rallied strongly on predictions that Rousseff and the PT will be removed from power and an even more right-wing government brought in to replace them. Temer and the PMDB have begun to promise the Brazilian ruling class and the foreign banks and transnationals that they will deliver on these expectations.

The daily *O Estado de S. Paulo* last week quoted PMDB officials as saying that the party would be committed to "fiscal equilibrium" to be achieved through sharp attacks on social spending.

To be placed on the chopping block are a number of programs that were initiated by the PT in an attempt to dampen class tensions in what is one of the most socially unequal countries on the planet. These include "Minha Casa, Minha Vida," which provides subsidized housing, and "Bolsa Familia," a poverty program involving direct income transfers to roughly a quarter of the population. The newspaper reported that the

PMDB is considering putting a new cap on the second program that would limit it to only the poorest 10 percent of Brazilians living on less than one dollar a day.

A policy paper issued by the party last year calls for reversing the economic crisis by attracting foreign investment through improved "competitiveness." This is to be achieved, it indicates, by slashing the living standards of the working class through measures such as raising the retirement age, ending constitutional mandates for health and education funding, and reducing real wages.

Temer has reportedly pledged to politicians and leading Brazilian capitalists that he will occupy the presidency only until the end of Rousseff's term in 2018. He has indicated that he must rule out reelection in order to free himself to impose deeply unpopular measures.

It is by no means clear, however, that Temer and the PMDB will escape the corruption crisis engulfing the PT government. The party and its key leaders are implicated as deeply, or even more deeply, than the PT leadership.

Eduardo Cunha, the PMDB speaker of the lower house of Congress, who is directing the impeachment process, was discovered to have deposited \$5 million in Petrobras bribe money in secret Swiss bank accounts. He initiated the impeachment process after the PT failed to protect him from corruption charges.

Virtually every other party has also been implicated in the Operation Carwash probe, which has laid bare the deep-going rot in the entire Brazilian bourgeois state apparatus.

A vote on impeachment could come in the lower house of the Brazilian congress by mid-April. If 342 or more of the 513 deputies vote in favor, Rousseff will be suspended for 180 days while the impeachment process goes to the Senate for a decision. During this period, Temer will become interim head of state. A final Senate vote on permanently ousting the PT president would likely come next October.



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