

Growing signs of constitutional breakdown follow repeal of corruption charges against Brazil's President Temer

Miguel Andrade
22 August 2017

The Congressional negotiations put in place during the month of July by Brazilian President Michel Temer in order to repeal a Congressional authorization for corruption charges to be brought against him in the Supreme Court have highlighted the depth of the political and economic crises confronting Latina America's largest country.

The rottenness of the month-long horse-trading in the Lower House overshadowed even the unprecedented situation of a president being taped by a billionaire former ally agreeing to buy the silence of another former ally and further recommending an associate to organize the rigging of anti-trust legislation in his favor.

Michel Temer took over the presidency after conspiring to bring down Workers Party (PT) president Dilma Rousseff on trumped-up charges of budget manipulation barely one year ago, after serving as her vice-president for one-and-a-half terms in office. The right-wing move, supported by every major business association, the entire bourgeois press and a collection of right-wing parties that had supported the Workers Party rule for 13 years, signaled a declaration of class war by the ruling class. It was organized in the face of the country's worst economic crisis in a century and particularly the contraction of previously record profits from commodity exports that had for almost a decade financed token social reforms and political stability.

Workers Party rule, which represented a key ideological and economical factor in the so-called Pink Tide in Latin America, had already started to crumble with Rousseff's narrow re-election victory in the 2014 election, which also brought in the most right-wing Congress since the end of the US-backed military dictatorship in 1985. The elections had seen a major growth of the so-called Beef, Bullet and Bible caucus, which comprises almost a third of the Lower House and is composed of retired or active duty military, evangelical and Catholic preachers and major agribusiness heads.

Under conditions of a two-year economic contraction that slashed GDP by 10, Temer came to power promising to boost the economy by decimating the social conditions of the working class through unprecedented labor and pension "reforms" and a 20-year budget freeze.

Amid the unwillingness of even the most right-wing congressmen to pass some of the toxic legislation, Temer was

subjected to a sting operation in late May, with sections of the intelligence establishment and the justice system collaborating with meatpacking magnate Joesley Batista to tape the president agreeing to favor Batista in the country's anti-trust CADE agency, and further authorizing him to set up a monthly pay to avoid the plea-bargain agreement of jailed former Lower House speaker Eduardo Cunha, Rousseff's political hangman who had put the 2016 impeachment to a vote.

A trial of a sitting Brazilian president on criminal corruption charges has to be authorized by Congress, nonetheless, and a political operation was mounted to avoid authorization. The success of these machinations has further exposed the protracted breakdown of bourgeois-democratic forms of rule in Brazil, which had been signaled in the internecine warfare that resulted in the covert taping of Temer in first place.

In addition to agreeing to unfreeze more than 1.5 billion dollars from the 2017 budget to meet immediate demands of members of the special panel reviewing the charges in the Lower House in mid-July, Temer issued a July 11 decree to legalizing the private ownership by major agribusiness heads of invaded state-owned land all over the country, but specially in the so-called farming borderlands that surround the Amazon forest. A July 5 report on apublica.org estimates that the total size of this land grab would be equivalent to the area of the state of Rio de Janeiro, more than 16 thousand square miles, or a staggering 0.5 percent of the country's territory.

Later, on July 25, seeking support from representatives of mining states, a decree was issued increasing the amount of royalties paid by companies, at the same time that special legislation was introduced in order to increase the participation of mining from 4 to 6 percent of GDP. Except for the southeastern Minas Gerais, where the collapse of a BHP Billiton mining waste dam killed 18 people and caused chemical poisoning of 230 towns along the 600km of the Doce river, most of the main mining regions overlap the farming borderlands, compounding the assault on some of the poorest and most oppressed communities in the country.

Another move, on August 1, the day before the vote to repeal the investigation, pardoned 80 percent of the 3.5 billion dollars major agribusiness heads owe to the country's social security system in the form of delayed payments to finance the retirement of their

employees. Furthermore, Temer has—by decree—slashed the amount that employers have to pay in terms of social security from 2 percent to 1.2 percent of wages.

The Brazilian edition of the Spanish *El País* estimated on August 15 that the major beneficiary of the pardon would be Joesley Batista, who had agreed to set up Temer for prosecution. The meatpacking executive is now freed from any corruption charges by the plea bargain agreement set up with the Attorney General's office and plans to move the headquarters of his J&F meatpacking empire to the European Union or the United States, where the company employs more than 63,000 workers in 44 plants. The pardon on unpaid social security payments was specifically written not to exclude bosses charged with financial crimes or corruption.

The pardoning of the agribusiness bosses' debts, known as Provisional Measure 793 (MP 793), nonetheless pales in comparison with the expected pardoning of 99 percent of the 543 billion reais (180 billion dollars) owed by major businessmen to the social security system, in exchange for the immediate payment of 1 percent, as a "refinancing." Of this amount, 3 billion reais are debts held by companies owned by congressmen, according to an April 24 report by the daily *Folha de São Paulo*. The representative in charge of the law, known as Refis, alone owes 68 million reais, while senator Jose Perrella from Minas Gerais owes 1,7 billion reais.

This windfall for the employers has been implemented simultaneously with the imposition of a 3 percent increase in the social security taxes on 2 million federal level public servants and negotiations to impose a pension "reform" that will impose a minimum retirement age of 65 years and the creation of private pension funds for most workers.

The adoption of a self-serving string of measures by congressmen, a deepening of the long-standing practice of vote-buying in Brazilian politics that almost brought down the Workers Party's first President Luiz Inacio Lula da Silva, is nonetheless only the most superficial feature of a government of class war, incompatible with even the bourgeois-democratic forms of rule established in the post-dictatorship 1988 constitution. This regime is taking shape with no opposition from within the bourgeois establishment.

The Workers Party and its associate pseudo-left milieu attack Temer's government as an anti-national regime which speaks for a semi-feudal aristocracy, obsessively describing it as a slaveholder-like, "Big House" government, not least in order to court a petty-bourgeois layer that is increasingly fixated on US-inspired identity politics. The major presence of big landowners in the government's right-wing congressional base and cabinet is held as the ultimate proof of this fact. The opposition of the Workers Party is oriented not to the working class or the oppressed rural communities on farming borderlands, but to dissatisfied layers of the bourgeoisie and privileged sections of the petty bourgeoisie. It is directed not against capitalism or the class war waged by the Temer government, but against the cutting across of the "national bourgeoisie's" interests, supposedly in favor of "rentier" landowners.

A prime representative of this "national bourgeois" class would be none other than Joesley Batista, who was the beneficiary of

endless favors offered by the federal government in name of "national competitiveness" throughout the years of Workers Party rule. The end result of the PT's policy was the rise of a layer of increasingly internationalized, Wall Street-connected Brazilian capitalists, personified by Batista.

The Workers Party opposition has for more than a year now claimed that Temer's government was cutting business opportunities for the "national" bourgeoisie, with a typical piece in the semi-official Workers Party mouthpiece *Carta Capital* claiming on August 8 that "neoliberals" like Temer's Finance Minister Henrique Meirelles, who served under Lula as Central Bank president, "hate credit" for business.

For the Workers Party, the self-serving laws approved by congressmen expresses the interests of an anti-business parasite state bureaucracy. The revival of the Weberian 1950s Brazilian "anti-bureaucratic" sociologist Raymundo Faoro by Workers Party intellectuals in outlets like *Carta Capital* serves the purpose of ideological justification of this pro-capitalist orientation.

The fact is, however, the Refis law and the labor and pensions "reforms" are expression of a generalized attack of capitalist bosses on the social conditions of the working class. The last string of laws favors congressmen because a huge number of them are actually capitalist bosses, not landed aristocrats. The driving force behind these laws is not land income, but production costs, that is, working class wages and social rights. The "reforms" are driven by the interests of agribusiness and mining bosses, and not feudal overlords, their increasing presence on national life being the result of a conscious Workers Party commodity-oriented strategy, which saw men like Batista take charge of key industrial infrastructure such as energy plants and even a bank, with his business growing 22-fold with the financial backing of the National Development Bank (BNDES).

The waging of class war amid the country's worst economic crisis in a century is not the product of a feudal reaction, but the ruling class' answer to shrinking world markets and the general offensive by the world bourgeoisie against the working class' social conditions, not least the Trump administration's own naked oligarchic rule and "nationalist" attacks on social rights, environmental protections and democratic rights.

The corrupt character of the internecine warfare being waged within the Brazilian ruling establishment is only a symptom of the urgency and desperation with which the Brazilian capitalists are seeking to reposition themselves on the world scene.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact