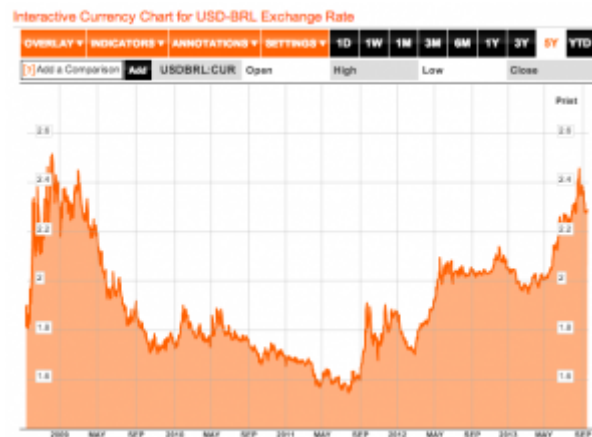


DILMA THROWS OBAMA A BRIC

I was actually surprised, back in May, when the White House



announced a State Visit for Brazil's President, Dilma Rousseff.

After all, not long after Obama visited Brazil in March 2011, the real started gaining value against the dollar, significantly slowing the boom Brazil had enjoyed in the wake of our crash.

When she was here in April 2012, Dilma explicitly blamed US Quantitative Easing for the reversal in currencies, and suggested the policy was meant to slow growth in countries like Brazil. Before that, Brazil's boom and its advances in energy independence had put Brazil in a position to assume the global stature a country of its size might aspire to. And Dilma (partly correctly) blamed US actions for undercutting that stature.

I interpreted the State Dinner to be an attempt to woo Brazil away from natural coalitions with the Bolivarian governments of Latin America and the BRICS (Brazil, Russia, India, China, and South Africa).

Fast forward to today, when the Brazilian government announced that it has postponed the visit that had been scheduled for October 23.

The usual suspects are mocking Dilma's decision, insisting that everyone spies, and that Brazil

is just making a stink for political gain. The White House statement echoes that, suggesting that it was the revelation of US spying, and not the spying itself, that created the problems.

The President has said that he understands and regrets the concerns disclosures of alleged U.S. intelligence activities have generated in Brazil and made clear that he is committed to working together with President Rousseff and her government in diplomatic channels to move beyond this issue as a source of tension in our bilateral relationship.

There is something to that stance. Dilma's government faces a lot of unrest and the tensions of preparing for the World Cup. The portrayal that the US was taking advantage of Brazil caught her at a politically sensitive time.

All that said, those poo-pooing Brazil's complaints ignore the specific nature of the spying as revealed. As I noted, even James Clapper's attempt to respond to concerns raised by the original reports in Brazil didn't address (and indeed, may have exacerbated) concerns that the US is engaging in financial war, including manipulating its currency to undercut other countries as they rise in relative power. If the US is using its advantages in SIGINT to engage in such financial war, Brazil has every reason to object, because it's not something Brazil's currency or telecommunications position make possible.

US disclaimers of industrial espionage no longer matter if the US is collecting SIGINT that would support substantive financial attacks, especially since Clapper in March made it clear the US envisions such attacks (even if they only admit to thinking in defensive terms).

Meanwhile, this comes at a moment when the BRICS see themselves wielding increasing power. As

Juan Cole noted, when Putin took his victory lap over the Syria agreement, he thanked both the BRICS and SCO.

The winners were the Shanghai Cooperation Council and the BRICS (Brazil, Russia, India, China and South Africa), which overlap somewhat. It is worth noting that Lavrov explicitly thanked this bloc, according to the translation of his news conference on Rossiya 24 TV:

“Today I would like to thank the BRICS countries and the countries of the Shanghai Cooperation Organization, and many other countries for their principled support for the approach to settling the problem of chemical weapons in Syria exclusively by peaceful means. I hope that our meeting today will allow us to start working so these expectations are not dashed.

In conclusion, I will say that the resolution of the problem of chemical weapons in Syria will be a large step towards achieving the long-standing task of creating in the Middle East a zone free of weapons of mass destruction.”

And many other observers see the Syria negotiations as a signature moment marking the end of uncontested US hegemony – and with it, if Putin has his way, the ascension of the BRICS. Indeed, I think Putin’s op-ed, which so many laughed at, includes an implicit threat of that power block operating outside the realm of international organizations where the US still wields the most power.

No one wants the United Nations to suffer the fate of the League of Nations, which collapsed because it lacked real leverage. This is possible if influential countries bypass the United Nations and take military action without Security Council authorization.

[snip]

The world reacts by asking: if you cannot count on international law, then you must find other ways to ensure your security.

[snip]

It is extremely dangerous to encourage people to see themselves as exceptional, whatever the motivation.

And that's what I believe the backstory here is.

The US is playing for time, in the guise of waiting for its Potemkin (ha) Panel to finish.

As the President previously stated, he has directed a broad review of U.S. intelligence posture, but the process will take several months to complete.

Likewise, Brazil seems inclined (especially in the wake of BRICS meetings before the G-20 and in advance of the UNGA) to wait things out as well.

Sure, Edward Snowden is the stated excuse for all this. But this decision seems to say more about potential changes in the relative power relationships in the world than it does about a bunch of reports on spying.