

# Washington's 'New Managers' in Latin America: Oligarchs, Bankers and Swindlers

By [Prof. James Petras](#)

Global Research, July 08, 2016

Region: [Latin America & Caribbean](#)

Theme: [Global Economy](#)

*Amid raging corruption, social pathologies and outright political thuggery, a new gang of vassal regimes has taken-over Latin America. The new rulers are strictly recruited as the protégé's of US financial and banking institutions. Hence the financial press refers to them as the "new managers" – of Wall Street.*

The US financial media has once again provided a political cover for the vilest crimes committed by the 'new managers' as they launch their offensive against labor and in favor of the foreign and domestic financiers.

*To understand the dynamics of the empire's new vassal managers we will proceed by identifying (1) the illicit power grab (2) the neo-liberal policies they have pursued (3) the impact of their program on the class structure (4) their economic performance and future socio-political perspectives.*

## Vassals as Managers of Empire

Latin America's current vassalage elite is of longer and shorter duration.

The regimes of longer duration with a historical legacy of submission, corruption and criminality include Mexico and Colombia where oligarchs, government officials and death squads cohabit in close association with the US military, business and banking elites.

Over the past decades 100,000 citizens were murdered in Mexico and over 4 million peasants were dispossessed in Colombia. In both regimes over ten million acres of farmland and mining terrain were transferred to US and EU multinationals.

Hundreds of billions of illicit narco earnings were laundered by the Colombian and Mexican oligarchy to their US accounts via private banks.

The current political managers, Peña in Mexico and Santos in Colombia are rapidly de-nationalizing strategic oil and energy sectors, while savaging dynamic social movements – hundreds of students and teachers in Mexico and thousands of peasants and human rights activists in Colombia have been murdered.

The new wave of imperial vassals has seized power throughout most of Latin America with the direct and indirect intervention of the US. In 2009, Honduras President Manuel Zelaya was ousted by a military coup backed by Secretary of State Hillary Clinton. Zelaya's program of agrarian reform, regional integration (with Venezuela) and constitutional elections was abolished. Zelaya was replaced by a US vassal, Roberto Micheletti who proceeded to murder several hundred landless rural workers and indigenous activists.

Washington moved to organize a constitutional cover by promoting a highly malleable landowner, Porfirio Lobo Sosa to the presidency.

The State Department next ousted Paraguayan President Francisco Lugo who governed between 2008-2012. Lugo promoted a moderate agrarian reform and a centrist regional integration agenda.

With the backing of Secretary of State Clinton, the Paraguayan oligarchy in Congress seized power , fabricated an impeachment decree and ousted President Lugo .He was briefly replaced by Vice President Federico Franco (2012-2013).

In 2013, Washington backed , the capital, Asuncion's, notorious crime boss for President, one Horacio Castes – convicted for currency fraud in 1989, drug running in 1990, and most recently (2010) money laundering.

The Honduras and Paraguayan coups established (in miniature) the precedent for a new wave of 'big country' political vassals. The State Department moved toward the acceleration of banking takeovers in Brazil, Argentina and Peru.

In rapid succession, between December 2015 and April 2016 vassal managers seized power in Argentina and Brazil. In Argentina millionaire Mauricio Macri ruled by decree, by-passing constitutional legality. Macri fired scores of thousands of public service workers, closed social agencies and appointed judges and prosecutors without Congressional vote. He arbitrarily arrested social movement leaders – violating democratic procedures.

Macri's Economic and Finance Ministers gained millions of dollars by 'buying into' multinational oil companies just prior to handing over private options on public enterprises.

The all-encompassing swindles and fraud carried out by the 'new managers' were covered up by the US media,who praised Macri's professional team.

Moreover, Macri's economic performance was a disaster. Exorbitant user fees on utilities and transport for consumers and business enterprises, increased three to ten-fold, forcing bankruptcy rates to soar and households to suffer light and gas closures.

Wall Street vulture funds received seven billion dollar payment from Macri's managers ,for defaulted loans purchased for pennies over a dollar ,twenty-fold greater then the original lenders.

Data based on standard economic indicators,highlights the worst economic performance in a decade and a half.

Price inflation exceeds 40%; public debt increased by twenty percent in six months. Living standards and employment sharply declined. Growth and investment data was negative. Mismanagement, official corruption and arbitrary governance, did not induce confidence among local small and medium size businesses.

The respectable media, led by the New York Times, theFinancial Times, the Wall Street Journal and the Washington Post falsified every aspect of Macri's regime. Failed economic policies implemented by bankers turned cabinet ministers were dubbed long-term successes; crude ideologically driven policies promoting foreign investor profiteering were

re-invented as business incentives.

Political thugs dismantled and replaced civil service agencies were labelled 'a new management team' by the vulgar propaganda scribes of the financial press.

In Brazil, a phony political power grab by Congressional opportunists ousted elected President Dilma Rousseff. She was replaced by a Washington approved serial swindler and notorious bribe taker, Michel Temer.

The new economic managers were predictably controlled by Wall Street, World Bank and IMF bankers. They rushed measures to slash wages, pensions and other social expenditures, to lower business taxes and privatize the most lucrative public enterprises in transport, infrastructure, landholdings, oil and scores of other activities.

Even as the prostitute press lauded Brazil's new managers', prosecutors and judges arrested three newly appointed cabinet ministers for fraud and money laundering. 'President' Temer is next in line for prosecution for his role in the mega Petrobras oil contracts scandal for bribes and payola.

The economic agenda by the new managers are not designed to attract new productive investments. Most inflows are short-term speculative ventures. Markets, especially, in commodities, show no upward growth, much to the chagrin of the free market technocrats. Industry and commerce are depressed as a result of the decline in consumer credit, employment and public spending induced by 'the managers' austerity policies.

Even as the US and Europe embrace free market austerity, it evokes a continent wide revolt. Nevertheless Latin America's wave of vassal regimes, remain deeply embedded in decimating the welfare state and pillaging public treasuries led by a narrow elite of bankers and serial swindlers.

## Conclusion

As Washington and the prostitute press hail their 'new managers' in Latin America, the celebration is abruptly given way to mass rage over corruption and demands for a shift to the political left.

In Brazil, "President" Temer rushes to implement big business measures, as his time in office is limited to weeks not months. His time out of jail is nearing a deadline. His cabinet of 'technocrats' prepare their luggage to follow.

Mauricio Macri may survive a wave of strikes and protests and finish the year in office. But the plunging economy and pillage of the treasury is leading business to bankruptcy, the middle class to empty bank accounts and the dispossessed to spontaneous mass upheavals.

Washington's new managers in Latin America cannot cope with an unruly citizenry and a failing free market economy.

Coups have been tried and work for grabbing power but do not establish effective rulership. Political shift to the right are gyrating out of Washington's orbit and find no new counter-balance in the break-up of the European Union.

Vassal capitalist takeovers in Latin America generated publicist anesthesia and Wall Street

euphoria; only to be rudely shocked to reality by economic pathologies.

Washington and Wall Street and their Latin America managers sought a false reality of unrestrained profits and pillaged wealth. The reality principle now forces them to recognize that their failures are inducing rage today and uprisings tomorrow.

The original source of this article is Global Research  
Copyright © [Prof. James Petras](#), Global Research, 2016

---

[\*\*Comment on Global Research Articles on our Facebook page\*\*](#)

[\*\*Become a Member of Global Research\*\*](#)

Articles by: [Prof. James Petras](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)  
[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.  
For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)