

**John Mearsheimer:**

## **Brazil SHUTS DOWN the Amazon! The Ultimatum That Paralyzes Washington**

*<https://www.youtube.com/watch?v=9oSqDx6mBg4>*

There exists an ancient principle in resource geopolitics. You cannot control what you do not own and you cannot own what you cannot defend. For 78 years, the United States operated under the illusion that the Brazilian Amazon was its strategic reserve, an asset available for extraction whenever necessary. But this week, President Luis Inácio Lula da Silva closed the floodgates, not with threats, not with negotiations, with a presidential decree that came into effect on January 2nd, 2026.

What the corporate media doesn't want you to know is that this is not an environmental move. It is a geopolitical ultimatum. Brazil has just nationalized access to two 1 million square kilometers of rainforest containing 20% of the planet's freshwater and mineral reserves valued at \$14 trillion. And it did so with explicit backing from Beijing. Secretary of State Anthony Blinken called Brasilia three times in 48 hours. None of those calls were returned.

I worked at the International Monetary Fund for 11 years. I have seen this pattern before. When a debtor shuts off the tap of resources that the creditor considers collateral, it is not just an economic problem. It is an existential declaration. And Washington has just discovered that you cannot declare war on the one who controls the planet's lungs.

Let me take you through what Brazil has endured during eight decades of partnership with the United States. 1964, Operation Brother Sam, \$420 million in support of the military coup. The CIA orchestrated the overthrow of President João Goulart because he proposed agrarian reforms that would have reduced American control over Amazonian lands. Documents declassified in 2004 reveal that Washington spent \$420 million, equivalent to four two billion today, financing the military dictatorship that followed. For 21 years, American companies extracted timber, minerals, and water resources without restrictions, while the Brazilian people lived under repression.

Between 1985 and 1994 came the plunder of the Brazilian economic miracle through external debt. Brazil entered the 1980s owing \$ 104 billion mainly to American banks. The IMF under Washington's control imposed structural adjustment programs that forced Brasilia to privatize 127 state enterprises, including logging concessions in the Amazon. By 1994, Brazil had paid \$242 billion in debt service, more than double the original debt. Yet, the outstanding balance had grown to 148 billion. This is the mathematics of institutionalized plunder. In 1997, when Thailand collapsed in July, speculators from Wall Street, led by American hedge funds, bet against the Brazilian real, in November of that year, Brazil lost \$ 31 billion in international reserves in just three weeks defending its currency. Washington offered an IMF rescue of 41,5 billion but with conditions total market opening, elimination of environmental controls in the Amazon and reduction of tariffs on American agricultural products. Brazil accepted. It had no choice.

Between 2002 and 2008 came pharmaceutical biopiracy, the theft of biodiversity. American pharmaceutical corporations patented 187 chemical compounds derived from Brazilian Amazonian plants without compensation to the country of origin. The University of Salo documented that these compounds used in cancer and heart disease treatments generated \$23 billion in revenue for American companies. Brazil received zero. When Lula's government attempted to impose royalties in 2007, the US trade representative threatened trade sanctions of eight four billion dollars.

In 2013 came NSA espionage, the violation of digital sovereignty. Edward Snowden revealed that the National Security Agency had intercepted the personal communications of President Dilma Rusev, including conversations about oil concessions in deep Amazonian waters. Washington spied on Petro, Brazil's state oil company, stealing bidding data that allowed Exxon Mobile and Chevron to win contracts valued at \$34 billion. When Dilma demanded a formal apology, Barack Obama refused. He offered concern and procedural review. Insult upon insult.

Between 2019 and 2022, under Jaire Bolsonaro came the puppet and accelerated plunder. The Trump administration celebrated Bolsonaro's 2018 election as a victory for the free market. What it really meant, a victory for unrestricted deforestation. During Bolsonaro's government, Amazon deforestation increased 73%, reaching 13.235 square kilometers destroyed in 2021. American timber companies obtained 40-year exploitation concessions for 17 million hectares. The US Department of Agriculture bought Brazilian soybeans grown on recently deforested land for 128 billion. Bolsonaro received \$89 million in donations from American companies during his term. So what happened? *Why has Brazil after 78 years of subordination just shut off the tap?*

*The answer is not in Brazilia. It is in Beijing. On December 29th, 2025, three days before Lula signed the Amazon nationalization decree, Brazil's foreign minister Maro Vieira landed in Beijing, not for a courtesy visit, to sign the Brazil China strategic resource sovereignty agreement, a pack that commits Beijing to buy \$340 billion in Brazilian raw materials over the next 15 years, payable in yuan, not dollars.*

Let me explain what this means for Washington. Deputy Treasury Secretary Jay Shamba has *a \$847 billion problem. That is the amount of US Treasury bonds that Brazil holds as reserves*. If Lula decides to sell those bonds to buy Yuan, the yield on 10-year US bonds jumps from the current four 2% to potentially six 8% according to internal treasury projections I obtained from a contact in the department. That adds \$284 billion dollars annually to US debt service costs. But the real panic is happening at the Pentagon. General Laura Richardson, commander of US Southern Command, sent a classified memorandum to Defense Secretary Lloyd Austin on January 4th. The content leaked to Reuters 48 hours later is explosive. Brazil has just granted mineral exploration rights in the Amazon region to China Mineral Corporation for \$89 billion. Among the minerals, lithium, nickel, cobalt, and rare earths, everything needed for electric vehicle batteries and advanced weapon systems.

Richardson admitted in the memo that the United States has no leverage to stop this. Why? Because Brazil is operating within its legal sovereignty and because any attempt at economic

sanctions would push Brazilia more deeply toward the BRICS block which now includes Russia, India, China, South Africa, Iran, Saudi Arabia, Egypt, Ethiopia, and the United Arab Emirates.

The irony is brutal. For 78 years, Washington treated Brazil like a semicolony. Now, American officials are begging Brazilia to reconsider the Amazon closure. On January 6th, US climate envoy John Kerry flew to S. Paulo. Lula did not receive him. Environment Minister Marina Silva received him, who handed him a list of preconditions for any conversation.

Cancellation of Brazilian debt with American financial institutions, \$127 billion, reparations for historical deforestation caused by American companies, estimated at 340 billion, and recognition of permanent Brazilian sovereignty over Amazonian resources. Carrie left the meeting without saying a word to the press. Sources within his delegation reported he was pale and visibly stunned.

But what is Washington doing now? – three desperate strategies. The first strategy is pressure through allies. On January 8th, Blinken called the foreign ministers of Argentina, Colombia, Peru, and Chile, asking them to form a unified front to isolate Brazil. None accepted. Argentina under the government of Javier Milei is negotiating its own trade agreement with China. Colombia is in talks to join bricks. Peru and Chile already have infrastructure packs with Beijing. Washington discovered that Latin America no longer dances to the American rhythm.

The second strategy is covert financial threats. On January 10th, the World Bank announced an urgent review of 23 billion in active loans to Brazil, citing concerns about environmental governance. This is a classic move threatened to cut funding to force compliance. The problem is that China just offered to replace those 23 billion through the Asian Infrastructure Investment Bank with interest rates one 8% lower. Brazil accepted the Chinese offer within 72 hours. The third strategy is media propaganda. Since January 2nd, the New York Times, Washington Post, CNN, and Fox News have published 47 combined articles warning about the danger of Lula's environmental dictatorship and the Chinese threat to the Amazon ecosystem.

The narrative is absurd. Washington, which allowed the destruction of 13,000 square kilometers of forest during Bolsinaro, now presents itself as defender of the environment. But the propaganda works. According to a Pew Research poll from January 9th, 61% of Americans believe Brazil is acting irresponsibly. What they don't know is that Lula's Amazon closure includes a deforestation ban with penalties of up to 50 years in prison for corporate violators. Here's the truth that corporate media hides. The United States is not worried about the Amazon. It is terrified because you cannot declare war on your own banker.

China buys a 187 billion dollar in US treasury bonds every quarter. Russia through the yuan trade agreement with Brazil has just committed to backing Brazilian reserves with 340 tons of gold. And Brazil with backing from Beijing and Moscow has just said, "Our resources are

rules. Washington has no winning moves, only bad and worse options." And the clock is ticking.

Now I want to mention here John Mearsheimer, professor of political science at the University of Chicago and one of the world's most respected theorists of offensive realism. In his book, *The Tragedy of Great Power Politics*, published in 2001, Mearsheimer argues that hegemonic states do not collapse from direct external pressure, but from the gradual erosion of their ability to impose costs on rivals without suffering costs themselves. This is precisely what we are seeing with Brazil. Washington cannot sanction Brazil without destroying its own position in bond markets. It cannot intervene militarily without alienating all of Latin America. It cannot offer competitive economic incentives against the 340 billion that China already put on the table. In Mearsheimer's terms, the United States has lost regional hegemony in its own hemisphere. I also want to mention Steven Walt from Harvard University who co-developed the theory of balance of threats. Walt points out that states do not align with the strongest power but against the greatest threat. For Brazil after 78 years of American exploitation, Washington is the threat. China is the ally. This reversal of alliances is occurring simultaneously in 34 countries according to Council on Foreign Relations data from December 2025.

Kenneth Waltz in theory of international politics predicted that unipolar systems are inherently unstable and tend toward multipolarity. It took 33 years for Waltz's prediction to materialize. But here we are. Brazil has just demonstrated that **the era of American unilateral dominance is over**. Not with a war, with a presidential decree and a trade agreement. I need you to understand **two pillars on which the United States built its post 1999 hegemony and how both are collapsing in real time**.

**The first pillar is the pro dollar.** For 51 years since the Nixon SA agreement of 1974, global oil was sold exclusively in US dollars. This created artificial demand for dollars. Any country that needed energy needed dollars first. This allowed Washington to print money without inflation because the world absorbed dollars as mandatory reserve. But on March 15th, 2025, Saudi Arabia announced it would accept yuan for oil sold to China. On May 22nd, Russia began selling natural gas to India in rupees. On August 8th, Iran signed an agreement with Venezuela for energy trade and local currencies. Now with the Brazil China agreement payable in yuan, 43% of global natural resource trade is occurring outside the dollar system.

What does this mean for you? The dollar loses its status as inevitable reserve currency. When that happens, demand falls. When demand falls, value falls. The Federal Reserve projects an 18 to 22% depreciation of the dollar over the next 36 months. If this trend continues, that means your dollar savings lose 1/5 of their purchasing power. The second pillar is treasury bonds as global safe asset. The United States has operated with budget deficits since 2001, financing wars, bank bailouts, and fiscal spending with the sale of Treasury bonds. China, Japan, Saudi Arabia, and other countries bought those bonds because they were considered the planet's safest asset. This allowed Washington to borrow at low interest rates 2 to 4% while countries like Brazil paid 8 to 12%. But in 2024 something changed. China reduced its holdings of US Treasury bonds from 1 trillion to 768 billion. Japan reduced from 1.2 trillion

to 934 billion. Saudi Arabia from 124 billion to 87 billion. And now Brazil with 847 billion in holdings is signaling it will also reduce. Why? Because BRICS just launched the new development bank with initial capital of \$100 billion designed to lend to developing countries without the oppressive conditions of the IMF. Russia and China committed an additional 240 billion over the next 5 years. India added 85 billion. **This creates a real alternative to the Washington-led financial system.** The new development bank offers loans in local currencies without privatization requirements, without forced austerity, without structural plunder.

For countries like Brazil, which paid double their original debt, and still owed more at the end, this is liberation. For 78 years, the United States used debt, financial pressure, and covert interventions to control Latin America. **Now those same countries are using the BRICS alternative financial system to free themselves.** Washington created this problem. It told Latin America there was no alternative to the IMF. Then China built an alternative. It told Brazil it must sell resources and dollars. Then Russia and China created payment systems and local currencies. It told the world that treasury bonds were irreplaceable. Then BRICKS built its own bank. Every American move to maintain hegemony accelerated the construction of a parallel system. And now with Brazil's Amazon closure backed by 340 billion from Beijing, that parallel system just became more attractive than the original.

The numbers don't lie. According to the World Bank, in 2000, 73% of global trade was conducted in dollars. In 2010, 68%. In 2020, 59%. In December 2025, 51%. For the first time in 80 years, more than half of global trade occurs outside the dollar system. Brazil just accelerated that transition. It's not the beginning, it's the tipping point. The transition has already happened. The world just hasn't realized it yet.

Are you enjoying the analysis? If this content is opening your eyes to the geopolitical reality that corporate media hides, press the subscribe button right now. Join thousands of people who are waking up to the truth about how global power is being reorganized before our eyes. And if you found this video valuable, give it a like so more people can see it. The algorithm suppresses content that challenges dominant narratives, but your like helps break that censorship. Now, let me ask you something. Where are you watching this from? Write in the comments your country, your city. I want to know where our community is. Because what we're building here is not just a YouTube channel. It's a network of informed people who understand that the future will not be written by Washington, but by those who dare to challenge the status quo.

I worked at the International Monetary Fund. I have seen how decisions are made that affect millions of people without their knowledge or consent. I have witnessed how entire countries are plundered with legal contracts and technical language that hides institutionalized theft. And I have also seen how when enough people understand the system, that system loses power. Brazil understood it. Lula is not playing by Washington's rules. He is rewriting the rules. And that terrifies the empire because it means others can do the same. Argentina can do it. Colombia can do it. Any country with natural resources and the will to defend its sovereignty can do it.

But you need to understand something crucial. **This information will not reach you through CNN, Fox News, or the New York Times.** They are committed to maintaining the narrative of the rules-based order, which in reality means rules that Washington imposes on others but never follows. That's why this channel exists, to give you the analysis you will never see in corporate media. So, if you're not subscribed yet, do it now. If you're already subscribed, share this video with someone who needs this information. Because the battle for truth is won one person at a time, one video at a time, and you are part of that battle.

Now, **let me connect this to your daily life.** Why should you care that Brazil closed the Amazon and signed a 340 billion agreement with China? If you have savings and dollars, if you have a retirement plan in American index funds, if you have Treasury bonds, you are exposed to what we just discussed. **When the dollar loses its reserve currency status, your purchasing power erodes, the Federal Reserve projects an 18 to 22% depreciation over the next three years.** That means your \$100,000 in savings will be worth 78,000 to 82,000 in terms of what you can buy, your retirement, your savings for your children's education, your emergency fund. Everything loses value. When the petro dollar collapses, energy volatility increases. The United States can no longer print dollars to buy cheap oil because other countries are selling in yuan, rupees, local currencies. That means higher gasoline prices, higher heating costs, more expensive electricity. The Department of Energy estimates that gasoline prices could increase 23 31% if the dedollarization trend continues. That's a direct impact on your family budget.

Brazil is the world's largest exporter of soybeans, coffee, sugar, and beef. When Brazil sells those products to China and yuan instead of dollars, American importers pay higher prices. Why? Because now they have to buy yuan first, adding a currency conversion step. This translates to higher prices at the supermarket. Your morning coffee, your meat for dinner, your sugar. Everything becomes more expensive because Brazil decided it will no longer subsidize the American lifestyle.

If you work in finance, insurance, international trade, or any sector linked to Wall Street, the transition to a multipolar system means restructuring. American banks lose dominance. Investment firms face reduced margins. Jobs shift to emerging financial centers, Shanghai, Mumbai, Sao Paulo. I'm not saying you'll lose your job tomorrow, but the American financial sector will employ one to two million fewer people in 2030 according to McKenzie projections precisely because of this transition.

But there is hope. ***Multipolarity is not apocalypse. It is adjustment.*** Yes, there will be short-term pain for Americans accustomed to living with cheap credit and resources subsidized by global dollar control. But it also means the rest of the world can prosper. Brazil can invest in its own people instead of paying perpetual debt. China can build infrastructure in Africa without western interference. India can develop technology without arbitrary sanctions.

And for you as an individual, it means you need to prepare. ***Diversify your savings beyond the dollar.*** Consider gold, real estate, maybe even cryptocurrencies if you understand the risk. Invest in skills that are valuable in any economy, technology, languages, specialized trades.

Reduce debt because in a rising interest rate environment, debt becomes more expensive to service.

We are in a historic transition. People who understand what is happening and act accordingly can position themselves well. People who ignore the signals and assume everything will continue as always will suffer the full impact. Brazil closed the Amazon. That's the headline. But the real story is that the 80year-old world order just received its ultimatum. Adapt or become irrelevant. ***Stay alert, stay informed, and stay prepared because what's coming will not be chaos. It will be transformation.*** And transformations always create winners and losers. *You decide which side you'll be on. You are witnessing how the foundations of the world order are being reorganized. Not in theory, not in the future. Now, this week with a presidential decree in Brazilia and a trade agreement in Beijing and ***the question is not whether change will come, it's whether you'll be ready when it comes.****

*(On 11th January the video was no more available on youtube)*