

Brazil's 'special relationship' with Great Britain is restored

by Lorenzo Carrasco

During the first week of December, Brazil's President Fernando Henrique Cardoso paid a high-profile state visit to Britain. Although the majority of the Brazilian press dismissed the visit as nigh onto useless (*Gazeta Mercantil* correspondent Maria Clara Prado wrote on Dec. 5 that it "will enter into history as one of the most unproductive visits of the Brazilian President abroad"), reality is otherwise: Behind all the absurd ceremonial pomp, the trip was of great strategic importance.

Cardoso's immediate purpose was to make concession after concession to London's financial mega-speculators, so that they would not attack the Brazilian economy as they have the Asian "Tigers." His success on this score remains to be seen. But his most important objective, of long-term significance, was to reestablish the "special relationship" with Britain which was *the* dominant factor of Brazilian history until 1930, when a nationalist military movement formally ended British colonial dominance.

The process of reviving the old relationship with Britain began in 1990, when President Fernando Collor de Mello took office, and Itamaraty (Brazil's Foreign Ministry) presumed a "world restored" (à la former U.S. Secretary of State Henry Kissinger) after the 1989 collapse of the Berlin Wall, premised on a balance of power between the United States and a European Union dominated by Britain. Itamaraty's idea, since then, has been to insert Brazil, and the Mercosur bloc which Brazil heads (a customs union including Argentina, Paraguay, and Uruguay), into that balance, always from the perspective of British geopolitics and free trade.

Following the impeachment of Collor in 1993, Cardoso took charge of this restoration project, as foreign minister in Itamar Franco's government. That year, Cardoso addressed the Royal Institute for International Affairs, with the explicit purpose of reestablishing the old "special relationship." Once in the Presidency in 1995, Cardoso made this project his government's priority, tied to Brazil's insistence that it attain a permanent, if merely symbolic, seat on the United Nation's Security Council.

The British Empire, for its part, welcomes this Brazilian policy, which advances its own goal of regaining dominance over the Southern Cone of the South American continent, as a knife in the back of the United States, London's former and

never-forgiven colony. The British assault is multi-faceted.

First, there is George Soros, agent of Queen Elizabeth II and Rothschild and other banking houses, who has become one of the largest landholders of Argentina. Soros has never hidden that his intention is to control the Mercosur region, which is why he is said to be especially interested in financing the Paraná-Paraguay waterway which crosses the region. It was Soros who financed part of the privatization of the third-largest mining company in the world, Brazil's Companhia Vale do Rio Doce (CVRD).

In April 1997, Hongkong and Shanghai Banking Corp. (HSBC), the fourth-largest bank in the world, with headquarters in London and of key importance in the British Empire and the global drug trade, grabbed full control of Bamerindus Bank (of which it was already a partner), through the aid of a Presidential decree by Cardoso. As HSBC officials said at the time, their intention is to become "the Mercosur Bank."

A British subject in the Presidency

With such a history, the warm reception which Cardoso received upon beginning his state visit on Dec. 2 is not surprising. Queen Elizabeth II herself greeted Cardoso at Buckingham Palace (where he stayed during his visit) as her "old friend," not only because of his former days as a visiting professor at Cambridge University, but because of services more recently rendered to the Empire. "I hope," said Her Majesty, "that you will see this visit and the interest it awakens, as a tribute to the noteworthy economic and political transformation your country has achieved, and to your contribution to this process."

The Queen knighted Cardoso with the Great Cross of the Order of Bath, one of the oldest orders of the United Kingdom, and of greater importance than the orders of Saint Michael and Saint George, normally granted to foreign heads of state. Sir Cardoso's words of gratitude to the Queen of England were duly obsequious: "The presence of Brazil's President in the Court of Saint James is also an opportunity to bring to the United Kingdom the voice of a new Brazil, which has been transformed and strengthened in *our best values, the same values which contributed to making the United Kingdom a relevant force in Universal History*" (emphasis added).

Cardoso was awarded an honorary doctorate of law by

Cambridge University, whose orator Anthony Bowen, surely familiar with the unchecked vanity of their guest, read a text in Latin which compared Cardoso to Emperor Julius Caesar, and fawned, "We could see in him that ideal ruler which Plato imagined." Declared Bowen: "Citizens should consider themselves happy when, in their service, influence, eloquence, and authority are all combined with the highest intelligence." Bowen reminded his audience that, before returning to Brazil to enter into politics, Cardoso held the Simón Bolívar chair at Cambridge University, during 1976-77.

Cardoso received his diploma from royal consort Prince Philip, the university's patron. Cardoso thanked him, saying: "Cambridge epitomizes what Brazil stands to gain through a partnership with Great Britain. It is a symbol of human effort, a great conquest of civilization." After the speeches, an enthusiastic Cardoso told reporters that "there is an important sentimental significance of this recognition for Brazil. Prince Philip personally came to award the doctoral degree." Prince Philip had reason to celebrate, because days earlier, Cardoso had committed Brazil to preserving 50 million hectares of the Amazon in pristine state, joining a campaign of Prince Philip's World Wide Fund for Nature.

'Good vibes' with British bankers

Apart from his historic and cultural servility, Cardoso announced several state commitments during his visit. On day one, his first act was to inaugurate a seminar on Brazil by the Confederation of British Industries in London, where he pledged to continue the ongoing destruction of the Brazilian state. "Brazil is a strategic partner of Great Britain," said Cardoso, offering British groups greater participation in the privatization process, especially in telecommunications, oil, gas, and electric energy. Privatizations planned for the next three years add up to some \$65 billion. In the words of Brazil's Ambassador to London Rubens Barbosa, "The prolonged applause which greeted the end of the President's speech was a clear demonstration (and a rare one, for an audience of the 'City' of London) that the business and financial world continue to have confidence in the Brazilian economy."

"On the following day," Barbosa continued, "the President received 22 high-level directors of banks and financial institutions at Buckingham Palace, where he was lodged," to whom he promised with "frankness and transparency," that Constitutional reforms would be accelerated to permit more budget cuts, as would the opening of the country's banks to foreigners. According to *Folha de São Paulo* of Dec. 4, "The President took advantage of the Asian crisis to make a request which could be translated freely as: 'Gentlemen, bring your money from Asia, to Brazil and Mercosur, which offer more reliable conditions.'"

Among the star-studded company were: Sir William Purves, Sir Peter Heap, and Bernard Asher of HSBC; Sir Sidney Lipworth of National Westminster Bank; Lord Peter Walker of Dresdner Kleinwort Benson; William Garret and

John Manser of Robert Fleming and Co. (which has just entered Brazilian banking); Simon Robertson and Peter Sutherland of Goldman Sachs; Win Bischoff of Schroder Wragg and Co.; Paul Myners of Garmore Investment; Alan Moore of Lloyds TSB Group; Richard Briance, West Merchant Bank Ltd.; Andrew Buxton, of Barclays Bank (and member of the family which backs the terrorist Landless Movement, through its non-governmental organization, Anti-Slavery International); The Rt. Hon. Kenneth Clark, of Foreign and Colonial Emerging Markets; Paul Zuckerman, of Caspian Securities; Eddie George of the Bank of Britain; Paul Loach of LGT Asset Management; Michael Dobson of Deutsche Morgan Grenfell; Sir Evelyn de Rothschild of N.M. Rothschild and Son; David Mulford of Crédit Suisse; and Ybarra y Churrua of BBV Latinvest.

According to the government's description, there were "good vibes" between President Cardoso and London's financial elites. For example, the President was given a banquet in the medieval Guildhall, by the "Lord Mayor" and by the Corporation of the "City of London," attended by 700 invited guests, the majority of them banking and top corporate executives.

In concluding his review of the Presidential trip, Ambassador Barbosa said: "Most important was the explicit recognition given by Queen Elizabeth II in her Buckingham speech, of how Brazil is today one of the most dynamic and interesting economies in the entire world. Reflecting this view, British businessmen and the government included Brazil on a short list of their ten preferred and strategic partners."

The reason for this preference was evident. In the press conference given upon his return from London, Cardoso promised to hand over the country's oil and gas to those oligarchic interests: "We are scarcely beginning the question of the privatization of oil and gas. . . . If we did not live in a democracy and my will could prevail, they would perhaps already be privatized. . . . I believe that from here onward, there will be greater speed."

Honors to the mercenary

Finally, one of the most symbolic acts of the Brazilian President came during his first day in London, when he paid homage at the tomb of British Adm. Thomas Cochrane, in Westminster Abbey. Cochrane was hired in 1823 by Brazilian Emperor Pedro I, to consolidate independence from the Portuguese, who still remained in some Brazilian provinces. Cochrane was also one of the organizers of the Brazilian Navy, and received from Pedro I, for his well-paid services, the title of Marquis of Maranhão.

Upon leaving the Abbey, Cardoso, with an arrogance inspired by his reception from the British oligarchy, admitted with joking tone: "I like this place so much that I'm going to ask them to reserve me a tomb." Various British kings—and some of their agents and mercenaries—are buried at Westminster.