

# Kissinger to Clinton: Back Brazil's Cardoso

by Silvia Palacios

Days before President Bill Clinton began his state visit to Mexico, the British Empire made its preferences known through its confessed agent, Sir Henry Kissinger. In his April 29 syndicated column, Kissinger urged President Clinton to establish a "special relationship" with Brazilian President Fernando Henrique Cardoso, to whom he referred as a "philosopher," and therefore as an "ideal partner in lifting our sights to the fulfillment of the historic promise of the Americas."

Although he didn't mention Mexico, Kissinger was clearly warning Clinton to steer clear of Mexico's President Ernesto Zedillo, and to instead build his Ibero-American policy around the "remarkable" Cardoso. With this, Kissinger recognized that the best ally of the moment for Anglo-American interests in Ibero-America is the Brazilian President, who, during his official visit to England in December, will reportedly be knighted as "Sir" Fernando Henrique Cardoso.

A founding member of the Inter-American Dialogue, Cardoso has systematically carried out each and every one of its destructive political directives, including an alliance with the São Paulo Forum, the continent-wide narco-terrorist organization created in 1990 on the initiative of the Cuban Communist Party. Cardoso has also played his part on economic policy, handing over strategic sectors of the national economy to Anglo-American interests, either directly or through privatizations.

Kissinger and his London bosses can't heap enough praise on Cardoso for the privatization in April of the Companhia Vale do Rio Doce (CVRD), the world's third-largest mining company. Apart from its economic importance, CVRD's delivery to international financial sharks like George Soros, implies a loss of Brazilian sovereignty over the coveted Amazonas region; until now, the CVRD has been, apart from the Armed Forces, the only presence of the Brazilian state in the region.

Similarly, the Hongkong and Shanghai Banking Corp., symbol of British colonialism, has installed itself in Brazil. Lyndon H. LaRouche warned in a recent interview that Brazilian patriots had better quickly learn the lesson of Zaire, which, like Brazil, plays a strategic role as a minerals source. Zaire was destroyed, first, through the annihilation of central power and its Armed Forces. Later, it was easily divided, its wealth auctioned off to foreign companies, but especially to the mining firms in the orbit of the British Commonwealth.

## Soros and CVRD

President Cardoso has fulfilled his commitments to British financial interests, and handed over the CVRD to a consortium of nominally national as well as foreign corporations, which took control of the mining complex for \$3.3 billion. Prominent among these are the financial interests of speculator George Soros, who handles a large portion of Queen Elizabeth II's investment portfolio.

As the Brazilian newspaper *Gazeta Mercantil* aptly characterized it, those who bought CVRD, the so-called Brazil Consortium, "despite calling themselves Brazilian, have a financial structure anchored in such major foreign investors as Citibank, George Soros, and NationsBank of the United States"—the last an important participant in previous Brazilian privatizations.

Because of the role he plays in the power structure of British Crown finances, Soros's activities in Ibero-America represent a strategic advantage for the plans of the British Empire. With the coup dealt by the privatization of CVRD, Soros—who does not yet have total control—finds himself in a position to dominate critical sectors of the three largest nations in Ibero-America. In Argentina, he is the largest landholder in the country, having acquired the most productive lands; and in Mexico, he has managed, through speculative maneuvers, to take possession of large real estate holdings.

To consolidate the financial power of the Brazil Consortium, headed by Companhia Siderurgica Nacional, two ad hoc companies were created in the fiscal paradise of the Grand Cayman Islands: Sweet River, in which Soros's Quantum Fund participates, and CSN Steel International. With the company already privatized, the South African mining group Gencor signed a letter of intent to participate in CVRD.

As *EIR* documented in a *Special Report*, "The True Story of Soros the Golem" (April 1997), the origin of the vast funds which Soros's Quantum Fund deploys globally, can be found in the enormous fortunes stemming from illicit activities such as trafficking in drugs and precious metals, flight capital, and so forth.

In the case of Brazil, Soros's activities have triggered an alarm. Sen. Roberto Requião, president of a Parliamentary Commission of Inquiry of the Brazilian Senate charged with investigating the fraud against state and municipal bonds, declared on May 8: "It is necessary to investigate the origins of the bulk of the money used by the Brazil Consortium," especially, he added, those companies originating in the Cayman Islands.

With government permission, Soros and his buddies are taking over parts of the Brazilian economy. For example, last year, the Swiss bank Union Bancaire Privée (UBP), owned by Quantum Fund board member Edgar de Picciotto and linked to drug-money laundering, bought up the lion's share of Brazil's Banco Econômico.

## Cardoso promises more 'reforms'

Cardoso's international credibility, and his prospects for reelection, rest on the success of his "Real Plan" (named for the national currency, the *real*). That, however, depends on attracting international speculative capital, to cover for Brazil's gigantic trade deficit. The President and his economic team have decided that, to resolve their Treasury problems, it is necessary to auction off the national patrimony.

When the auction of CVRD was concluded, Planning Minister Antonio Kandir announced: "The sale of Vale was the great proof of the government's political willingness to carry out state reform. This year, with the increase in the current accounts deficit of the balance of payments, it was necessary to win approval of administrative and pension reforms, and to have a privatization process that would help to show, both here and abroad, the degree of government commitment to administrative reform."

So, the government has redefined its priorities: Its primary objective is to serve foreign interests. The argument that the government employed to defend itself from the flood of legal challenges to the CVRD privatization, is revealing. "The paralysis of the privatization program for an indeterminate period," the government argued, "would cause incalculable financial damage, such that the success of the operations depends on the security and stability that the privatization of each state enterprise can foster, while assuring the interests of the investors in their acquisition."

Such a legal argument is merely a transposition of the President's thinking, already applied on other occasions to favor the interests of the Anglo-American financial oligarchy. Such was the case, for example, in the case of Banco Econômico, acquired by UBP, and the sale of Banco Bamerindus to Hongkong and Shanghai Banking Corp. In public statements to the daily *O Estado de São Paulo* of April 19, Cardoso asserted that in the past, he had been opposed to CVRD's privatization, but was convinced, after analyzing the profits to be obtained from its sale. "If the government obtains \$5 billion and applies an interest rate of 20%, that will yield \$1 billion a year; right now, the Treasury is collecting \$29 million. As manager of the public Treasury, is it better for me to get \$1 billion or \$29 million?"

The privatization of CVRD was postponed until one week after the initial sale date, due to a flood of court challenges by citizens, legal specialists, and political leaders. Among those opposing the privatization were the Armed Forces, the Catholic Church, political personalities, and especially the judiciary. The Military Club, which represents active and retired military personnel, polled its members and came up with 67% opposed to the privatization. The National Conference of Brazilian Bishops (CNBB), during its annual assembly held in April, issued an official appeal to the President to cancel the CVRD auction, warning of the dangers that its control by foreign companies would bring to the country.

The opposition became so heated, that 27 assistant prose-



*Brazilian President Fernando Henrique Cardoso*

cutors, more than half of those serving the Attorney General of the Republic, issued a manifesto threatening to charge President Cardoso with "crimes of responsibility," if he persisted in applying the "economic policy of economic organizations that have transformed the citizen-Constitution into a by-product of the economy," handing control of "mineral exploitation and aerospace to private or foreign greed."

## Landless Movement on the warpath

London's satisfaction with Cardoso, as expressed by Henry Kissinger, extends to his political agenda as well. The British are particularly satisfied with his tacit support for the terrorist Landless Movement (MST), a member of the São Paulo Forum, whose objective is to tear down Brazil's national institutions, as Kabila has done in Zaire.

In its more than 12 years in existence, the MST has never achieved such crucial victories as during Cardoso's government. For example, in the midst of its most aggressive land occupations, in the area of Pontal del Paranapanema, the MST held its Maoist "March for Agrarian Reform." Backed by the one-worldist apparatus of non-governmental organizations (NGOs) abroad, the march ended in the nation's capital, Brasília, on April 17, and its leaders were received in an official audience by Cardoso.

Less than a month after that meeting, the MST assassinated a property guard in Paraná. Gilmar Mauro, of the MST's national board, stated that the killing was meant as "a message" for the landowners. Even with this kind of action, Cardoso's agriculture minister, Raul Jungman, announced the granting of a multimillion government credit to the MST, supposedly to finance the purchase of a mill and other equipment, in Pontal del Paranapanema.