

## Report from Rio by Silvia Palacios

### You can buy a 'Sir' with oil

*President Cardoso greased the skids of his induction into Her Majesty's train of lackeys, with Brazil's oil.*

Immediately upon returning from his official visit to England last December, where he received the title of "Sir" and was touted as a modern-day "Julius Caesar" by the decadent House of Windsor, Brazilian President Fernando Henrique Cardoso began to implement the agreements of the re-established Brazil-England "special relationship." His first step was to move toward sacrificing the giant state oil company Petrobras to international speculators, through the privatization process.

Preparatory to the privatization of Petrobras was the President's sudden decision in late 1997 to put his son-in-law, David Zylberstajn, at the helm of the National Petroleum Agency (ANP), the entity charged with supervising the exploration, refining, and marketing of Brazil's oil and gas resources. Until then, Zylberstajn had been energy secretary for the state of São Paulo, governed by Presidential ally Mario Covas. From that post, Zylberstajn headed the program to privatize the electrical energy companies. Zylberstajn is known for his intimacy with the London-allied Anti-Defamation League (ADL), and for being an hysterical opponent of nuclear energy.

Before leaving London last December, the ego-inflated Henrique Cardoso described the savage Brazilian privatization program as "the largest in the world." "In the case of oil and gas, we have barely begun. . . . If we weren't living in a democracy, and if I were to have my way, perhaps everything would be privatized imme-

diately," said the President, boasting of the "neo-conservative revolution" that his government is carrying out. Later, Henrique Cardoso attended the World Economic Forum meeting in Davos, Switzerland, where he met with representatives of numerous companies, among them British Petroleum.

The kind of mentality that dominates his government could be clearly seen during the swearing-in of Zylberstajn on Jan. 16, who stated before representatives of the international oil companies, especially the British: "The oil is yours" and "society wants more oil and less monopoly," a clear lie to justify the privatization of the company. Zylberstajn's "Thatcherite" revolution is premised on doing away with the historic patrimony of the state, putting it at the service of usury.

That is why it is significant that the very slogan which gave birth to the state oil company—"The Oil Is Ours!"—is being so crudely perverted. Petrobras was created in the 1950s, the result of a civil-military alliance which made Brazil's oil a symbol of the sovereignty of the nation over its resources. Ever since, Petrobras has served as a foundation for high-level technological and scientific training, helping to consolidate the Brazilian nation-state as an industrial pioneer.

Because one of the nation's vulnerabilities was its dependency on foreign oil supplies, and despite various deviation such as the misconceived gasohol program, Brazil's governments have always sought to create the

conditions for Petrobras to control the technology that would enable the nation to attain energy sovereignty. Thus, Brazil is now a leader in the development of technology for exploiting deep-water oil deposits, from which 60% of the 1.6 billion barrels of oil Brazilians consume today is derived. Currently, Brazil is producing 1 million barrels of oil a day, and Petrobras hopes to double that by the year 2000. It also has the capacity to refine 2 million barrels a day.

All that capacity, on top of both proven and suspected reserves, has the wolves of speculation salivating. Banco Santander, representative of Anglophile interests in the region, has issued its first public estimate of Petrobras' worth, projecting its purchase price at \$47 billion, to include the totality of its oil and gas reserves. Gaining access to Brazil's natural resources is a well-planned strategy of the international financial oligarchy, and with the Cardoso government's reforms of the 1996-97 Constitution, this is now possible. These reforms opened up exploitation of natural resources to foreign interests.

Brazil has already lost control of its mineral reserves to the privateer George Soros and others, through the privatization of the huge mining conglomerate Companhia Vale do Rio Doce (CVRD), which, like Petrobras, represented not only natural wealth, but also technological know-how.

Petrobras now appears destined for CVRD's fate. As *EIR* charged back in August 1983, David Rockefeller's Council of the Americas promoted a bankers' meeting in Vail, Colorado, where the privatization of Ibero-America's huge state companies, among them Petrobras, was explicitly discussed as a new means for collecting what was understood to be Ibero-America's otherwise uncollectable foreign debt.