

Report from Rio by Silvia Palacios

Perfidious Albion adores Brazil

Initiatives designed to restore Great Britain's old dominance of the Southern Cone are under way.

Britain has launched an ambitious diplomatic offensive to return Brazil again to its sphere of influence within the Southern Cone, in hopes of recovering the privileged position it maintained throughout the last century in the La Plata region. From time to time, the "tripod," made up of the monarchy, the old banking houses, and British Masonry, attempts to live out its fantasies about the old days, when England, especially through the Rothschild banking house, dominated Brazil's economy and politics.

Perhaps this time Perfidious Albion will try to derive some benefit from its ongoing dispute with the Clinton administration, which has turned out to be not quite the puppet the "tripod" had imagined; the British offensive precedes the trip that U.S. Vice President Al Gore will shortly be making to Argentina and Brazil. Until now, neither Gore nor the British have been able to offer their would-be ally anything more than the same tired prescriptions for more free trade.

In the first week of March, British Treasury Secretary Michael Portillo arrived in Brazil and, in adulation of Itamaraty (the Brazil Foreign Ministry which serves as a repository of British tradition inside the government), declared, "Brazil will be a major player in the world of the future, and whoever believes in free trade, as we do, cannot ignore a power like Brazil." Portillo also backed the economic program of Finance Minister Fernando Henrique Cardoso, and celebrated the possibility of a long-awaited Brazilian

deal with the International Monetary Fund (IMF).

Portillo headed a high-level delegation whose members, which included bank representatives from Baring, Kleinwort Benson, Rothschild, and Schroeders, and business representatives from British Gas, Northwest Water, and others, were all ready to invest in Brazil's privatization program.

There was no need for any secret meetings aboard the royal yacht *Britannia*, as occurred when the British were pressuring for the privatization and dismantling (i.e., looting) of the Italian state, to transmit the message that the British want to get their hands on Brazil's vital telecommunications sector. Yet, the possibility of privatizing that sector still triggers furious debate inside Brazil's Congress.

In late March, London will be the site of a seminar by the president of the Banco Nacional de Desenvolvimento Economico e Social (BNDES), the entity in charge of Brazil's privatization program, which may also be attended by Finance Minister Cardoso. Ever since the rule of former President Fernando Collor de Mello, the British have been ecstatic over their possible involvement in Brazil's privatization drive, and have sponsored a number of seminars and business trips, the last headed by Prince Charles himself.

But now, British offers are more daring: On March 11, the chief of staff of the British Air Force, Sir Michael Graydon, arrived in Brazil to offer joint ventures with the Brazilian weapons industry. Foreign Minister

Douglas Hurd will be visiting Brazil in April, and has already hinted that he may announce the restoration of long-term credit operations with Brazil. Those credit lines were suspended back in 1983, at the outbreak of the debt crisis, when the British were more than a little displeased by Brazil's lukewarm support for Argentina during the Malvinas War. Now it has been announced that Britain's ministers of trade and agriculture will be following Hurd to Brazil in the coming months.

The British star in the geopolitical game toward the Southern Cone is, however, Margaret Thatcher. She will arrive in Brazil on April 16 for a conference sponsored by the Banca Garantia. In an interview with *Veja* magazine, Thatcher attempted to defend her neo-conservative revolution, without being able to cite a single concrete instance to back up her claims of a British "economic recovery." In response to one question on the rise in British unemployment, Thatcher could only lash out at her neighbors: "Look at France, which has a higher index than ours, or Germany, where unemployment grew despite the unification with East Germany."

She also insultingly reasserted British claims on the Malvinas, and warned: "If someone starts to say that every island at a certain distance from their shore belongs to them, be sure we will have many wars."

These aggressive British initiatives have not fallen on deaf ears in Brazil. Apart from Itamaraty, the British also have the support of Finance Minister Cardoso. In fact, when he visited England last year in his capacity as foreign minister, Cardoso made clear in several meetings with British authorities that he wanted to reestablish the special relationship that had existed between the two countries in the 19th century.