

CONTRACTION AND CONVERGENCE

SHUT DOWN THE DEVELOPED NATIONS, TRANSFER OUR
WEALTH AND TECHNOLOGY TO THE DEVELOPING NATIONS

by Dennis Ambler



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We are entreated daily that the West must cut its industrial base because the planet is in danger from our CO2 emissions and our politicians happily fall into line to impose draconian energy taxes. There is somewhat of a disconnect when we read that industrialisation is proceeding apace in developing nations, with money from the industrialised nations. The announcement from Fiat, Italy, is another example of global corporations moving their operations to the developing world where they can emit to their heart's content without penalty and get paid by us for doing so, with money we give to the UN for "development".

"Fiat announced this week that it plans to invest 3 billion Real (approx. 1.7 billion USD) to build a second plant in Brazil, the carmaker's No. 2 market after its native Italy."

[FIAT TARGETING A PRODUCTION OF OVER A MILLION CARS IN BRAZIL — MERCOPRESS](#)

"The new factory will be located in the industrial complex in Suape, a port in the north-eastern state of Pernambuco, Brazilian President Lula da Silva and Fiat executive Cledorvino Bellini said at a ceremony in Salgueiro, Pernambuco.

The facility will employ up to 3,500 people to turn out 200,000 vehicles per year, according to **the state government**, which **said Fiat's "strategic investment" will also spur industrialization in Pernambuco.**

The factory's output is intended both for the Brazilian market and for export to other countries in Latin America, according to a statement from Fiat, which already produces cars in the south-eastern Brazilian state of Minas Gerais.

Precisely in the state of Minas Gerais Fiat plans to increase production by 150,000 cars per year, the press office said. That factory produces 800,000 cars a year."

[BRAZIL WORLD FOURTH LARGEST MARKET FOR THE AUTO INDUSTRY: 3.45 M SALES IN 2010](#)

Brazil has become the world's fourth largest market for the automobile industry with sales of 3.45 million in 2010, up 9.8% over 2009, and is also attracting massive overseas investments to the industry, reports Anfavea the Brazilian Association of automobile manufacturers. Brazil now stands behind China, United States, Japan and ahead of Germany.

There is no mention of hybrids or electric vehicles, whilst the US and the UK are piling millions of public money into subsidising this expensive ideology. Yet President Da Silva's pronouncements on climate matters and his support for efforts by the West to cut emissions are well known.

[THE ROAD TO CANCUN STARTS IN BRASILIA](#)

"The Brazilian Climate Change Forum started the discussion of Brazilian position for CoP16. Sectoral plans for Climate Change Mitigation and the Brazilian Greenhouse Gases Emissions Inventory were also presented and discussed in the meeting. President Lula da Silva, members of NGO and other civil society members attended the meeting in Brasilia. President Lula da Silva signed a decree for Climate Fund with US\$ 130 million.

"We are going to Cancun meeting with modest expectations about a great and binding deal" said Celso Amorim, Brazilian Chancellor. To Mr Amorim, Rio+20 Conference, to happen in 2012 has more chances to achieve a Climate Agreement.

Mr Gilberto Camara, General Director of Brazil's National Institute for Space Research ([INPE](#)), detailed the Brazilian emissions : energy: 15%; land use 60% industry 15%; from now on, agriculture, cattle ranching and anti-deforestation policies will be important to reduce Brazilian emissions"

Of course with all those extra cars they will need more oil:

[U.S. GOVT, SOROS FUND OFFSHORE DRILLING IN BRAZIL](#) – 11 Feb 2010

"The Wall Street Journal reported: "The United States, through the U.S. Export-Import Bank, has issued a 'preliminary commitment' of \$2 billion and more if needed" to Petroleo Brasileiro SA, a Brazilian government-owned oil exploration and development corporation known as "Petrobras."

Petrobras is exploring and developing what has been described as the "huge offshore discovery" of Brazil's Tupi field in Santo Basin near Rio de Janero. According to reports, the site could yield as much as 1 million barrels of oil per day.

The Soros Fund Management LLC holds a stake in Petrobras in the amount of \$900 million as of Dec. 31, 2009.

The Soros Fund is headed by U.S. naturalized-citizen George Soros, a multi-billionaire who describes himself simply as an investor.

George Soros' principal investments are in oil; one in particular is Petrobras, the Brazilian-owned company. This happens to be the largest investment in the Soros portfolio at the present time."

They are also pretty much into Ethanol down there as well:

[THE MONEY FLYING DOWN TO BRAZIL](#) JUNE 18, 2007 (Bloomberg)

Big-name investors sniff hefty ethanol profits in the country's vast cane fields

"Nearly all cars in Brazil run on ethanol or an ethanol-gasoline mix, and the country's sugarcane-based fuel is 30% cheaper to make than the U.S. corn-based variety.

All good reasons why Reichstul was able to attract serious money. In addition to Case, he enlisted green-fuel advocate and Sun Microsystems ([SUNW](#)) co-founder **Vinod Khosla**, supermarket magnate **Ron Burkle**, film producer **Steve Bing**, and **former World Bank President James D. Wolfensohn** to create Brazilian Renewable Energy Co., or Brenco. The Americans put a total of \$31 million into the company, while Brazilians invested \$20 million.

In March, the group raised nearly \$150 million more from U.S. and European investors. Brenco plans to spend \$2.2 billion to plant 1.5 million acres of sugarcane, build 10 ethanol mills, and churn out 1 billion gallons a year by 2014, largely for export. Reichstul says he aims to "unlock demand" for the fuel across Europe, Asia, and the U.S.

A host of investors seem to think Brazil's ethanol bet is worth it. On June 3, billionaire **George Soros** visited a Brazilian ethanol mill owned by Buenos Aires food and energy group **Adecoagro**. **Soros is the leading shareholder** in the company, which plans to invest \$1 billion in four more Brazilian fuel projects by 2015.

"We expect the returns to be highly attractive," says Adecoagro President Alan Boyce. In March, private equity firms Carlyle Group and Riverstone Holdings raised \$240 million to fund Brazilian partners operating four ethanol mills. "We think ethanol will be a permanent part of the [global] fuel mix," says **Riverstone** Managing Director Michael B. Hoffman. *(Former BP CEO and member of Deutsche Bank Climate Advisory Board, Lord Browne, is a Senior Partner in Riverstone)*

With all the money pouring in, Brazil's ethanol capacity is picking up fast. By 2010, at least 77 new ethanol plants are expected to begin operation, boosting output by a third, to almost 7 billion gallons a year, says the Agriculture Ministry."

SOROS TO SAVE THE RAINFOREST

In the recent Cancun conference, George Soros was involved in discussions with Mexican President **Felipe Calderón**, World-Bank President **Robert Zoellick** and **Wal-Mart CEO Robson Walton** among others, to express corporate and State approval for the [REDD](#) (Reducing Emissions from Forest Deforestation and Degradation) scheme.

Deforestation is blamed for 15% of "global anthropogenic emissions". This is tied up with the Clean Development Mechanism of the CDM, where carbon credits are issued to industrial nations and the money transferred to developing nations for not cutting down trees. If large tracts of forest are purchased by groups such as WWF or by global corporations or financiers such as Soros, they would receive the income for those credits. The value of the Amazon in carbon credits is estimated at \$60 billion.

Soros likes to keep all options available and funds the World Resources Institute via his Open Society Institute. Al Gore is a Director of WRI. Soros is on the Advisory Board of the Earth Institute at Columbia University, with Rajendra Pachauri of the IPCC. He also funds many other green groups either directly or indirectly. The Open Society Institute gives funding to the Tides Foundation, which in turn gives funding to Desmog Blog and the Centre for American Progress, with its spinoff, Joe Romm's Climate Progress.

Here's another disconnect:

BRAZIL TO OFFER CARBON CUT OF 36% AT UN CLIMATE MEET

"Brazil said Friday it would offer a "voluntary" cut of at least 36 percent in greenhouse gas emissions at the UN conference on climate change in Copenhagen next month. The goal could see carbon reductions of up to 39 percent and is set against Brazil's forecast level of emissions in 2020. The target was presented by Environment Minister Carlos Minc and government chief minister Dilma Rousseff at a news conference in Sao Paulo following talks with President Luiz Inacio Lula da Silva."

Brazil, of course is not an Annex 1 country under the Kyoto Protocol and has no mandatory obligation to cut its emissions, even though they are making noises about voluntary emissions cuts.

DEVELOPMENT BANK FUNDS DESTRUCTIVE PROJECTS, SAY ACTIVISTS

By Mario Osava, **RIO DE JANEIRO, Nov 26 , 2009 (IPS)** –

"Public money in Brazil is being used by the state development bank to finance deforestation projects and others that trample rights, concentrate wealth, and encourage "imperialist" expansion of large national companies, according to activists at a three-day meeting in this southeastern city.

The National Bank for Economic and Social Development (BNDES) promotes "a deadly kind of progress," complained indigenous leader Toninho Guaraní, describing what he regards as the abuses of the pulp and paper industry, which has fomented monoculture of eucalyptus trees in the eastern state of Espirito Santo.

In South America, Brazil behaves "exactly the same way as U.S. imperialism," the head of the Bolivian Forum on Environment and Development (FOBOMADE), Manuel Lima Bismark, told IPS.

For instance, Brazilian firms "are plundering Bolivian natural resources" like oil and lithium, without having been granted a contract through proper tender procedures, in violation of the constitution and national laws, he said.

The BNDES is the undisputed leader of development financing in Brazil and neighbouring countries; its loans this year are expected to total 90 billion dollars."

As noted above, George Soros is a major shareholder in Adecoagro. This [Reuters report](#) from 2007 showed that Brazil's National Economic and Social Development Bank (**BNDES**) loaned 151 million reais (\$82.4 million) to Soros' investment firm **Adecoagro** to finance the building of a sugar and ethanol mill.

IS THIS SAVING THE RAINFOREST?

"Cane planted area is forecast to reach 39,000 hectares. Planting and harvesting will be **totally mechanized.**"

So not much spin off for the "indigenous tribes" either. It is so nice to know our sacrifices are so worthwhile.



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