

in the case of mining, function as the nominal partners of European wealth) is the resurgence of a potential alliance between military officialdom and nationalist political forces. It was this same kind of alliance which enabled Getulio Vargas to nationalize Brazil's oil during the 1950s, before the U.S. State Department overthrew him.

The oligarchy's terror at the military's resurgence in a nationalist political role has already begun to surface on the editorial pages of *Jornal do Brasil* and of *O Estado do São Paulo*. "This was common enough in the fifties," protested *Jornal do Brasil*, "when many officers assumed openly nationalist positions. . . ." Warned columnist Castello Branco, in that same newspaper: "It was reserve officers who took the campaign, 'the oil is ours!' to the streets," Castello Branco concludes that this nationalist grouping reassembled itself during the Geisel administration, "whose nationalizing spirit produced a new generation—no longer through the Superior War College, but through the National Security Council."

The editorials of *Estado do São Paulo* are even more desperate against the re-emergence of this alliance. On April 29, it threatened: "Brigadier Moreira Lima confirmed the fears we expressed in our lead editorial yesterday: The Armed Forces are neutral with regard to the principal definitions in the section [of the draft constitution] on Economic Order, but favor an agreement 'which preserves national sovereignty and that our riches be effectively under national control'. . . . Albania, Mozambique, and Angola have become the political horizons of the military who, while neutral on economic matters, are nonetheless extremely jealous of national sovereignty," conclude *O Estado's* upset editors.

The reaction of the Brazilian "establishment" is explained by the vastness of the interests which will be affected by the new constitutional measures. According to the calculations of the National Research Council (CNPq), foreign companies control 19% of the 1.5 million square kilometers that the Brazilian government has granted for mineral exploitation up to the present time.

International apoplexy

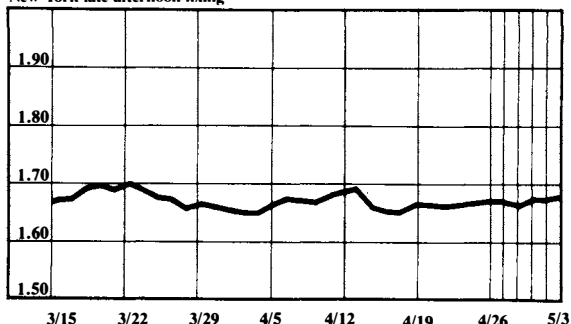
The financial mouthpieces of the international mining cartels are foaming at the mouth. A May 2 editorial in the *Wall Street Journal* screams that the nationalization measure "underscores the country's political disarray and indicates its future policies will be subjected to wild and unpredictable swings. . . . The vote was a clear embarrassment to Mr. Sarney, showing that his government lacks any steady support in the assembly. . . . Certainly, [the vote] emerged from the same unlikely alliance of industrial interests and the left, united under the banner of nationalism, that adopted the country's controversial ban on foreign microcomputer manufacturers. It showed again that the country's goal of becoming a great power is entangled in a jumble of nationalist rhetoric that is likely to leave foreign companies—as well as any IMF accord—vulnerable for the foreseeable future."

The London *Financial Times* of April 30 is equally dis-

Currency Rates

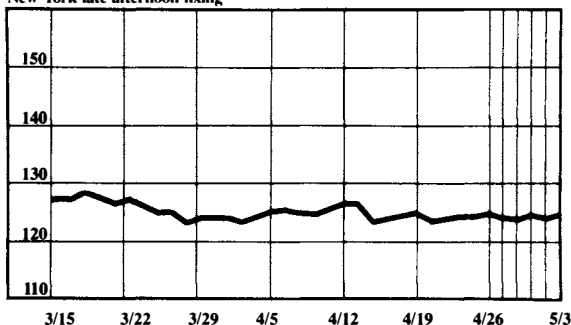
The dollar in deutschemarks

New York late afternoon fixing



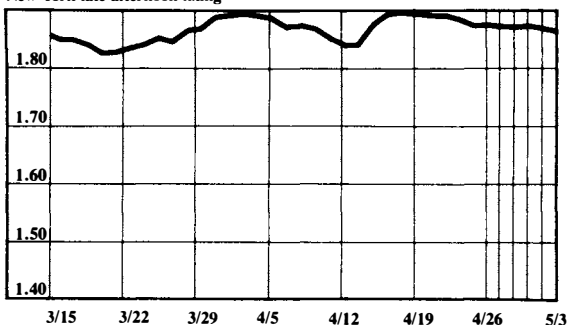
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

