

throughout Brazil. In mid-March, marches and tractorcades began in the states of Rio Grande do Sul, Paraná, Santa Catarina, and Mato Grosso do Sul.

In Paraná, the demonstrations involved the entire state. In the city of Pato Branco, 8,000 farmers occupied the streets, burning effigies of President Cardoso and his agriculture minister, José Eduardo Andrade Vieira, the boss of the Bamerindus bank, which is one of the country's biggest. In Guarapuava, in the same state, the protests engaged 5,000 farmers, 200 tractors, and 200 trucks.

In Santa Catarina, the biggest march took place in the city of Xanxerê, bringing together 6,000 farmers from 70 cities of the region. The local mayoralty allowed all its civil servants to participate in the demonstration, which was also supported by Gov. Paulo Alfonso and all of their federal representatives, including three senators and 16 deputies.

The anti-government rage was explained by the president of the Brazilian Rural Society, Roberto Rodrigues: "The government does not allocate resources to guarantee the policy of minimum prices and is also not indicating the warehouses to receive the crops. With this, the product-equivalence [a mechanism by which the farmers have their loans converted into values equivalent to a certain amount of the planted crop and pay their debts in money reckoned by this same amount] promised by the government remains in a vacuum, because the farmers have no place to take their products and hence to receive the authorized appraisal and to exchange it for the debts assumed with the Banco do Brasil."

Beyond this, Rodrigues said, "What makes this picture worse is the policy of reducing import quotas, which leaves the farmers in the lurch, having to compete with other countries' subsidized farmers. It is ironic that the warehouses which the government did not authorize to receive domestic farm production are brimming with the violent importation of foodstuffs. If there is no change in the government's farm policy, the serious consequences will make themselves felt in the next harvest."

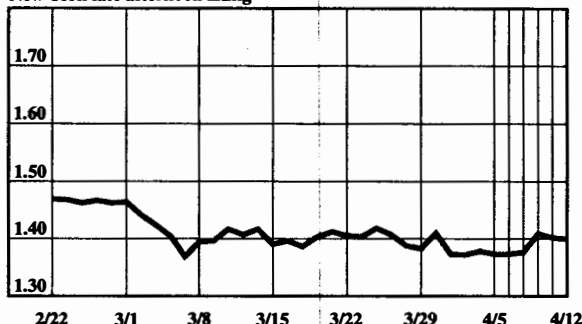
The president of the National Agricultural Confederation, Antonio De Salvo, also repudiates the government's policies. "The government is not complying with all of its promises to agriculture. They are not allocating the necessary resources to acquire the crops to guarantee minimum prices. The loss of confidence is disastrous, because it is holding back producers from investing. . . . What is happening with this, together with the indexation of credit, is that the debts are rising crazily and prices are collapsing, making it impossible to replace the costs of the harvest. This is a policy which is going to destabilize agriculture, provoking an increased rural exodus, joblessness, and bloating the major cities."

Even though the Brazilian press has ignored the explosive potential in the Brazilian countryside, the continuation of the present monetary policy could in a very short period of time touch off a reaction which will rock the political and institutional stability of Brazil.

Currency Rates

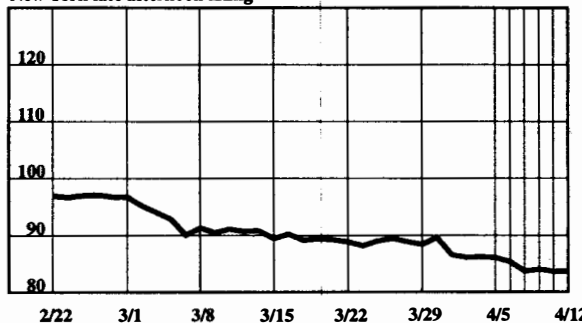
The dollar in deutschemarks

New York late afternoon fixing



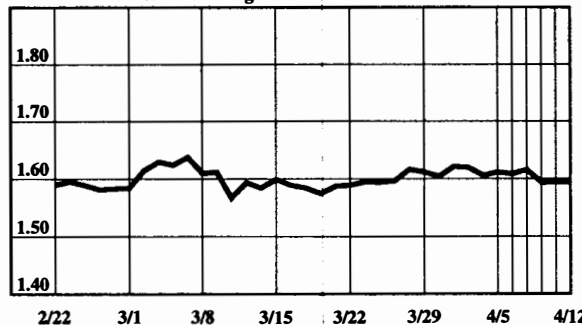
The dollar in yen

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

