

Number 259
Brazilian Ministry of Culture
Junior Public Policy Scholars
2001

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Latin American Program
Woodrow Wilson International Center for Scholars

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The Political Culture of the Cold War in Brazil, 1947-1964

1. INTRODUCTION

This paper aims to evaluate a month research done with the priceless collaboration of the Brazil Project at the Woodrow Wilson Center and the Culture Ministry of Brazil.

I am especially grateful to Luis Bitencourt, Director of Brazil Project, to the Brazilian Ministry of Culture, to the Brazilian Minister Counselor Paulo Roberto de Almeida and to the researcher and my scholar colleague Francisco Rogido that helped me finding the documents I needed with their useful catalogue for researchers as I was eager for documents related to Brazil at the extensive catalogues of the National Archives (NARA).

I am grateful not only to the efficient staff of the Wilson Center, especially to Project Assistant Alex Parlino, but also to ones at National Archives that always provided a great help.

This paper will analyze the documents researched at NARA and some of the books from the Library of Congress and articles read from the Wilson Center Library. Unfortunately, a in-depth analysis will not be possible at this moment due to short of time, but the research will go on in Brazil and as the Ph.D. program starts, I would be delighted to send the research reports to Wilson Center too if it is suitable.

Basically, the first week of the research was lost because of the tragic events of September 11th that blocked the entrances of Washington DC. During the second week, it was read the books ordered from Library of Congress. On the third and fourth weeks, it

was made research at NARA and Gerald K. Haines was interviewed, on the last week, Mr. Lincoln Gordon was interviewed (see item 5), and this research paper was prepared.

2. THE COLD WAR CULTURE RESEARCH

Briefly, the USA had a great concern about Latin America, including Brazil, on two significant moments of the 20th century: the first one during the Second World War, the US foreign policy was preoccupied with the nazi influence on the continent and the second one after the Cuban Revolution in 1959. It is certainly not by chance that some professors of Latin American studies are used to saying in a humorous way that they owe their jobs to Fidel Castro.

Stronger ties with the American culture took place in Brazil during Vargas administration on the 30s and 40s. On that period, there was a paradigm change as the liberal European 'old world' was not anymore the source modernization. The USA and Germany began on the 30s to be the new paradigm for Latin Americans¹.

In 1940 Nelson Rockefeller as the director of the Office for Coordination of Commercial and Cultural Relations, began a task force to raise American cultural and commercial influence in Latin America, however, as the war ended the geopolitical importance of the American neighbors decreased greatly².

Deprived of the benefits of Marshall Plan given to European countries, the Brazilian government, till the end of the 50s, had to get by on its own economies, basically. A concerted economic effort was done only during the Kennedy-Johnson administrations in Brazil³.

¹ TOTA, Antonio Pedro. *O Imperialismo Sedutor. A Americanização do Brasil na época da Segunda Guerra*. Companhia das Letras, Rio de Janeiro, 2000, pp 10-16.

² TOTA, *O Imperialismo Sedutor*, pp. 50, 73.

³ LEACOCK, Ruth. *Requiem for Revolution. The United States and Brazil, 1961-1969*. The Kent

On the other hand, it seems like the (re)initiation of the US-Soviet disputes in 1947, the *Cold War*, contributed to maintain, to a certain extent, the US the effort of spreading the *American way of life*. Moreover, as Brazil was a strategic country in the geopolitics of Latin America, it required special attention from the US, which wanted Latin American politics and markets to be as Americanized as possible for their industries that had reversed the military production into consumer goods. So the industries that on the post-war made consumer goods such as vacuum cleaners, had produced missiles, bombs, tanks like General Motors, Goodyear, General Electric, Johnson & Johnson⁴

The post-World War II economic boom raised the American income in proportions that had never been seen before in the US, consequently the Americans and Latin Americans were urged to consume during the 1950s and the 1960s. Such an increase helped to keep the *American way of life* in the spotlight⁵. The American way had as a key point the values of *Americanism: competitive individualism in social life, liberal stress on rights in political life and private enterprise in economic life*, principles that the Soviet regime was trying to destroy according to the *Cold War warriors*⁶.

The Department of State was concerned with anti-American propaganda in Latin America at the end of the 1940s. Duwayne G. Clark reported a secret document to the Department of State in which he analyzed *Communist interests (...) in discrediting the*

State University Press, Kent, 1990, p. vii, viii.

⁴ It should be said that the American propaganda campaign did not relate only to politics as the Soviet did but also to the consumption of American lavish goods that became the envy of the world. WHITFIELD, Stephen J. *The Culture of the Cold War*. Johns Hopkins University Press, Baltimore, 1996, p. 43, 74-75, 171.

⁵ WHITFIELD, op. cit., pp. 69-72.

⁶ WHITFIELD, op. cit., p. 53.

US whenever possible. Clark suggested that the US government made *some sort of announcement* in Brazil to fight against the communists⁷.

In fact, in the mid 50s the American Embassy in Brazil and its Consulates already had sort of branches of United States Information Services (USIS) that were in charge of producing and circulating a wide range of news, from the American culture and exchange students to the fight of the *Free World* against the red menace, what delighted the anti-Communist part of Brazilian press, which was indeed the majority part of it. Besides the USIS staff, there were agents of CIA (Central Intelligence Agency) in each Consulate.

USIS was actually a branch of United States Information Agency (USIA), but the head of the system itself was the Department of State (DS). In 1955, the USIA and the DS organized a task force to come to an agreement about what would be the responsibilities for each institution in the general field of cultural activities, because there were disagreements about it. Until 1954, DS took over all aspects of American cultural activities abroad, but in 1955 with the task force the responsibilities were divided. USIA had recognized *that certain information objectives could best be achieved through cultural means* (...). Therefore, while the DS was fundamentally responsible for the administration of the exchange programs and negotiation with foreign governments on cultural matters, the USIA was in charge of distribution of books and periodicals, preparation and release of news articles, preparation of cultural exhibits etc⁸.

Periodically, the USIS reported to USIA the number of the staff's article published in the Brazilian newspapers measuring by column inches. In August 1952, the

⁷ NARA, M/1492 roll 17, p. 01. Records of the Department of the State 1945-1949 that relate to internal affairs of Brazil. *Anti-American Propaganda in Latin America*, 01/06/1949.

⁸ NARA, RG 59, Miscellaneous Records of Bureau of Cultural Affairs, 1944-1962, LOT 61D53, *Report of the STATE-USIA task force on international activities*, April 22nd 1955.

USIS claimed to have published 1528 columns inches in newspapers from Rio de Janeiro and Minas Gerais⁹.

Most of the articles were published either under American pseudonyms or as being done by Brazilian journalists. In some cases, the Brazilian journalists used part of the American articles made by USIS in their own materials. Articles from American newspapers and magazines were also given by USIS to be published in local Latin American press.

In January 1951 the Embassy sent a report to the Department of State about the anti-Communist material published by Consulate General in Sao Paulo in 1950. It was published a series of 31 articles in *paulistas* newspapers *O Tempo* and *Folha da Manha*. These articles had been originally made by *New York Times Magazine* and *Nation's Business*, perhaps with the aid of USIA. Some articles had suggestive titles like: *Robot minds or free minds* or *Russia's Achilles heel*¹⁰.

The Cultural Centers were another part of the American Embassy and State Department efforts to put down deep roots in Brazilian society. These centers were spreaded almost all over Brazil as Sao Paulo, Fortaleza, Recife, Curitiba, Rio de Janeiro. Among the activities done in these Centers as English courses there was an incentive for reading American books thorough the center libraries. The Embassy had even a *Book Translation Program*, from English classics as *Moby Dick*, and cultural books as *American Folk and Fairy Tales* to anti-Communists books as *Forced Labor in Soviet Union, The Truth about Communism*¹¹.

⁹ NARA, RG 59, Decimal File 1950-1954, 511.3221/8-552, August, 8th 1952.

¹⁰ NARA, RG 59, Decimal File 1950-1954, 511.32/1-2251, January 22nd 1951.

¹¹ NARA, RG 59, Decimal File 1950-1954, 511.32/1-352, December 4th 1951, and NARA, RG 59, Decimal File 1950-1954, 511.3221/3-1352, March 13th 1952.

Samples of the American placements in Brazilian media were possible to be locate in the National Archives only till 1954, the last year that the Department of State was in charge of all the activities relating to cultural affairs, however, it is certainly that this activity lasted long and maybe it could have been even more aggressive after the Cuban revolution in 1959.

It is vital to notice that all those placements on Brazilian newspapers received a warm welcome not only of the anti-Communist and American oriented press, as well as from part of Brazilian businessmen that through institutions like SESI (Serviço Social da Indústria or Industrial Social Service) cooperated with USIS *in combating communism and another extremisms*¹².

Certainly US-Brazilian relations represented more a convergence of interests between the two governments than an imposition of the USA, due to the fact that Brazilian elite was also interested in combating *extremists* that wanted great social changes in the country, as land reform, better living conditions for working class etc. Moreover, the Brazilian elite appreciated the modernism, the progressivism, the comfort and the claimed social peace of the *American way*, but with no major social reforms in Brazil.

Therefore, the anti-communism was as much a consequence of the internal political struggles as a consequence of the Cold War and it varied in accord with class and practical interests of local the political elite over time; the weigh of anti-communism in Brazilian public opinions grows considerably over the period of studies on accord of the increasing influence of the mass media during the mid 50s and early 60s.

¹² NARA, RG 59, Decimal File 1950-1954, 511.3221/2-1853, May 7th, 1953.

At certain extent, the Cold War represented the legitimation to the Brazilian Right for the continuation of the repression against popular movements in a democratic regime¹³. It should be born in mind that the post war conjuncture led to a fragile nascent social democratic project that allowed the Brazilian Communist Party to be banned in 1947¹⁴.

Besides the cooperation between State Department, USIS, USIA and the American Embassy in Brazil there was another source of priceless cooperation in this *Cultural Cold War task force*, the American private companies. American industries and their advertising showed the benefits and the comforts that consumption could provide to those who rejected Communism and followed the values of the *Free World*¹⁵.

In a 1958 report of the Department of State it was included the topic *General Practices and Policies of Private American Enterprises Operating Abroad. Public Relations*, that gave some examples of good tune between the cultural policies of DS and companies. This example was about the companies operating in Brazil, such as *Coca-Cola, Esso, Bendix*. According to the report, the programs sponsored by *Coca-Cola, GE, Esso, Bendix* and *Foreign Power* bearing on *US and Brazilian economic and cultural affinities* and the American businessmen community in Brazil were used to working collectively for national identification by contributing generously to cultural interests¹⁶. By this report it is clear that the DS was used to giving recommendations to American

¹³ BETHELL, Leslie e ROXBOROUGH, Iad (Ed.). *Latin America between the Second World War and the Cold War, 1944-1948*. CUP, New York City, 1992, p. 16, 19-20.

¹⁴ ALVAREZ, Sonia E., DAGNINO, Evelina, ESCOBAR, Arturo (Ed.), 1998, p. 9. Latin american elites were not seriously weakened in the Second World War, as happened in other parts of the word. Consequently, the right wing only lost part of its power temporarily to the popular mobilizations and returned aiming to reestablish its political control. What make matters worse was that Latin America elites sought to assure social and political exclusion in hierarchical societies.

¹⁵ WHITFIELD, op. cit., p. 43, 74-75, 171.

enterprises on how they should make their propaganda toward the foreign public: connecting their products with the American values.

It is crystal clear that the official efforts to disseminate the American way were less efficient than the consumer goods, the music, soap operas, films wide spreaded through almost the entire world at that time to strengthen the American ties and at the same time undermine the Communist Bloc influence in Latin America¹⁷. On the other hand, it should be born in mind that this cultural and economic task force was efficient because it was well coordinated by the State Department and by its agencies as USIA, USIS, USAID (United States Aid) with the participation of the CIA.

As said before, the American task force in Brazil was maximized after the Cuban Revolution in 1959 with the creation of Alliance For Progress, that allied the cultural efforts with economic development projects to have an Latin America only for Americans. Nevertheless, there was in Brazil at that time a strong nationalism not only from the Left but from the Right itself that tended to block some of the enthusiastic American initiatives to get control over the Brazilian natural resources, as petroleum for instance.

Fundamentally, it can be said that if the Brazilian Right tended to come to conciliatories measures to overcome the disputes, the Left was far more used to disrupting the process of negotiations due a the strong Anti-Americanism and the feeling that everything Americans did was not for granted.

One of the reasons that led the USA to create the Alliance for Progress was undoubtedly the significant Anti-Americanism that pervaded Latin America at that time.

¹⁶ NARA, RG 59, Records Relating Public Affairs – 1944-1965. *US employees overseas. An operation coordinating board report submitted to the national security council.* April 1958.

¹⁷ SHAW, Tony, 'The Politics of Cold War Culture' in *Journal of Cold War Studies*. Davis

Among the Brazilian Anti-Americanists, the university students were perhaps the most concise and obstinate group against the American way in the late 50s till mid 60s. In 1962 the USIA did through a Brazilian research public opinion company, a research about the *Political Attitudes of University Students in Brazil*¹⁸. This study about 822 students of four Brazilian cities of different regions (Sao Paulo, Rio de Janeiro, Porto Alegre and Recife) made possible to realize that 3% of them thought the capitalism was a very good system while 25% supported the socialism and 52% viewed democracy as a very good system.

The students were questioned about their identification with a political position between a wide variety of tendencies that may sound bizarre nowadays: *Democracy, Socialism, Leftism, Christian Socialism, Democratic Socialism, Nationalism, Left Center, Capitalism, Communist, the Right, Marxism, the Center, Neutralism*. The result was that 37% was very interested in socialism, 24 % was very interested in democracy, while 5% were very interested in communism and none in capitalism.

Clearly, these results show that this group of Brazilian civil society viewed the ideal of socialism as an alternative to American capitalism and that they were one of the most important target group of the American task force as well. Convinced they were not, but surely they were forced to jail their alternative projects in their own minds with the advent of the military coup d'etat in March 1964.

Center for Russian Studies, Harvard University, volume 3, numero 3, Fall 2001, p. 76.

¹⁸ NARA, RG 59, Bureau of Cultural Affairs, 1955-1964, *Political Attitudes of University Students in Brazil*, July 6th, 1964, MLR 5118 Lot 66D499.

3. DOCUMENTS OF NATIONAL ARCHIVES

The main objective of the research at the National Archives was to look for documents concerning the American cultural and political strategies for Brazil during the Cold War from 1947 to 1964. This research took ten days long. Unfortunately, it was not possible to look at all the boxes any record group due to scarce of time and the intention was to have a general idea about the materials for the period.

A great source of materials was discovered at the Record Group (RG) **59** – State Department, **Central File**. Until 1963 the research is done by the ‘decimal files’. The general decimal file researched was 511.32, which 5 is the number representing the cultural affairs, 11 is the number for the USA and 32 is the number for Brazil.

- Decimal File 1950-1954

Among the extensive files this DC contains:

- a) anti-Communist material published by the Consulate General in Sao Paulo 1951.
- b) psychological objectives of the US government for 1950.
- c) changes in the USIA wireless bulletin 1953.
- d) books requested by the American Embassy in Rio de Janeiro to be translated in 1951.
- e) book translation program for Brazil in 1952.
- f) book translation program fiscal year 1953.
- g) USIS press material featured in newspaper, *Correio Paulistano*, *Diário da Noite*, *‘Diário de Notícias*, *O Estado de São Paulo*, *Folha Carioca*, *O Globo*’, *Jornal do Comércio*, *A Notícia* 1952-1953.
- h) anti-Communist cartoons published by *Diário da Noite*, *Diário de Notícias*’ 1953.
- i) report about American comic strips on *O Globo Juvenil* 1953.
- j) monthly labor bulletin *O Trabalho em todo o mundo*, provided by the labor attaché 1952.

- k) Cultural Center Report of Ceará, Curitiba, Rio de Janeiro, Salvador, Sao Paulo 1951.
- l) Secretary of State Department Dulles requires evaluation of the work of USIS, including Rio de Janeiro 1953.
- m) press releases on cultural subjects 1953.
- n) American Embassy's magazine *Em Marcha* 1952.
- o) Country Plan for Brazil (USIA),
- p) The Rio de Janeiro Committee for a Free Europe 1953.
- q) cultural exchange program between MOMA-New York City and MAM-Sao Paulo (Museum of Modern Art) 1951.
- r) Report on Inter-American Cultural Exchange 1951.
- s) Report of USIS's materials published by Brazilian newspapers 1952.
- t) USIS's materials published by magazine *Presença* 1952.
- u) activities initiated by USIE, Rio de Janeiro 1951.
- v) anti-Communist masonic magazine financed by USIE, Rio de Janeiro 1951.
- Decimal File 1955-1959

Among the extensive files this DC contains:

- a) Chief intelligence third naval district warns American authorities in 1962 about leftist nationalist.
- b) general strike in University of Bahia in 1960.
- c) assistance to Rural Labor Federation of Rio Grande do Norte in 1962.
- d) growing anti-American attitude of Brazilian students in 1958.
- e) demonstration against speech by Consul General Butrick in 1958.
- f) courses at Brazilian-United States cultural union.
- g) outline for a proposed USIS labor program for fiscal year of 1957.
- Decimal File 1960-1963
- a) report on the Latin American Conference on Department of State and USIA Cultural Programs in 1961.
- b) assistance to rural labor federation in Rio Grande do Norte.

Besides the Central Files, the **Office Files** of the Record Group 59 were also researched. The Office Files are not organized by decimal files but by table of contents and subject index.

- Bureau of Cultural Affairs 1955-1964
 - a) projects by country and field of activity in 1962.
 - b) government sponsored research on Latin America 1957-1964.
 - c) US investments in Latin America in 1962.
 - d) country assistance programs for fiscal year of 1965.
 - e) problems facing the Alliance for Progress in the Americas, 1961.
 - f) human problems of US enterprises in Latin America.
 - g) Review and evaluation of inter-American cultural programs and activities undertaken by the US, 1700-1953.
 - h) anti-US student sentiment in Latin America in 1963.
 - i) Sino-soviet bloc missions in Latin America in 1963.
 - j) selected countries for counter-strategy against communism in 1962.
 - k) Latin American Education Research – An annotated bibliography of 296 US doctoral dissertations.
 - l) Latin America Public Opinion Barometer in 1957.
- Bureau of Cultural Affairs, Country Files 1955- 1964
 - a) What the Brazilian public thinks of the Alliance for Progress, April 1964 (USIA).
 - b) Brazil – a selected bibliography, June 1964.
 - c) Brazil – a communication book (USIA).
 - d) cultural news from Brazil by Brazilian Embassy in Washington, DC, 1963.
 - e) social conditions and social welfare programs in the Northeast of Brazil in 1963.
 - f) the Political Attitudes of University Students in Brazil, 1964 (USIA).
 - g) extremists wins student directorate elections in Recife in 1963.
 - h) Studies in Political dynamics - Brazil, number 4, 1963.
 - i) the US Information Service Program in Brazil. An Evaluation, 1958.
 - j) students subversive activity in 1964 (USIS-USIA).

- k) Country Plan for Brazil, 1965 (USIA).
- Bureau of Cultural Affairs, Files of Deputy Assistant Joseph Slater 1961-1962
Brazil – general – International Exchange Studies (IES).
- Central Foreign Policy File 1963 (From American Embassy in Brazil to
Department of State, Washington, DC)
 - a) political Situation of Brazil.
 - b) criticisms about Alliance of Progress in Brazil.
 - c) anti-American art opens in Recife in 1963.
 - d) newspaper *Ultima Hora* denounces gorillas of left as well.
 - e) Adhemar de Barros worried about a possible communist revolt in 1963.
 - f) critical situation of Hanna corporation in 1963.
 - g) Juscelino Kubtschek and image of *victim of American imperialists* in 1963.
 - h) Leonel Brizola's speech in 1963.
 - i) Rio de Janeiro Governor Carlos Lacerda denied being involved in a plotting.
 - j) Sao Paulo metallurgical union.
 - k) report on SUDENE policy of non-cooperation with USAID, 1963.
 - l) left intensifies pressure for cabinet reform.
- General Records of Department of State, Miscellaneous Records of Bureau of
Public Affairs 1944-1962
 - a) report of the State-USIA task force on international activities in 1955.
 - b) Congress for Cultural Freedom, 1951.
 - c) materials on Soviet penetrations, 1957.
 - d) analysis of public opinion of foreign aid.
 - e) Reader's Digest criticizes foreign aid program as a 'bureaucratic nightmare',
1957.
- State Department Records relating to the evaluation of Cultural Programs
 - a) visit of American star Kirk Douglas on Brazil, 1963.
 - b) Evaluation of Goulart's government by Ambassador Lincoln Gordon, 1963,
 - c) Clippings about American athletes in Brazil in 1962.
 - d) Visit of American specialist Dona Felisa Rincon de Gautier mayoress of
Porto Rico (Alliance for Progress).

- e) Brazilian magazine 'Revista do Globo' publishes article 'Os Yankees de Cornell', 1962.
- f) Brazilian magazine in English 'Brazilian Business' publishes article 'Musical Ambassadors'.
- g) Brazilian public opinion on the US and neutralism, 1963 (USIA).
 - Records Relating Public Affairs 1944-1965.
- a) proposed campaign to ensure public understanding of US foreign policy, 1961
- b) possible questions for US travelers in Latin America, 1957.
- c) US employees overseas, 1958.
- d) five goals of US foreign policy, 1962.
- e) Americans abroad – questions you will be asked about your country.

At the Record Group **84**, the research catalogue is divided by countries

- Records of the Foreign Service Posts of the Department of State 1962-1963.
 - a) should President Kennedy see President Goulart in Italy?, 1963.
 - b) communist reaction to President Goulart visit to the USA.
 - c) heads American petroleum companies and Brazil, 1963.
 - d) Military Assistance Program (MAP).
 - e) Goulart's government, 1962.
 - f) UDN currently planning to run Lacerda for President, 1963.
 - g) conversation with Adhemar de Barros, 1963.
 - h) military crisis, 1963.
 - i) Brazilian military plot by Ambassador Lincoln Gordon, 1963.
 - j) UNE demand Lincoln Gordon to be declared 'persona non grata'.
 - k) Brizola-military crisis.
 - l) Goulart's message to the nation.
 - m) newspaper 'Ultima Hora' published article 'Congress reacts against gorillas', 1963.
- Brazil – Rio de Janeiro Embassy – Classified General Records 1959-1961

Atomic energy.

Record Group **263** – Central Intelligence Agency (CIA)

- Subversion espionage sabotage Brazil, 1963.

Sergeant's mutiny, 1963.

- Studies in Intelligence (CIA's internal periodical):
 - a) Intelligence and US Foreign Policy, 1945-1954: Neal H., Winter 1984.
 - b) Harry S. Truman on CIA Covert Operations: Peake, Hayden B.: Spring 1981.
 - c) More about Harry S. Truman on CIA Covert Operations: Peake, Hayden B.: Summer 1981.

Record Group **319** – Military Intelligence

Proposed National Intelligence Service in Brazil, 1963-1964.

- CIA CD-Rom – located at NARA, it is updated with the most recent declassified documents:
 - a) Communism in the Free World: capabilities of the Communist Party.
 - b) Cuban subversive activities in Latin America, February 1968.
 - c) Legal VS. illegal status: some considerations relevant to banning a communist party, January 1957.
 - d) Probable developments in Brazil, December 1963.
 - e) Short –term prospects for Brazil under Goulart, December 1961.
 - f) Sino-Soviet Bloc Campaign in Latin America, November 1959.
 - g) The World Peace Council. A Soviet-Sponsored International Communist Front, December 1971.
 - h) The Political Situation in Brazil, May 1964.

It will be listed below the Record Groups that certainly contain information about the relation US-Brazil or the US political strategy but their research was not possible due to scarce of time. Therefore, they are for further reference.

1. Record Group **306** - Records of the United States Information Agency (USIA):

‘The Federal Government quickly comprehended the role of media as a tool in the Cold War. Systematic exploitation of radio, television, motion picture, photographic, journalistic, and computer software resources began early in that era but achieved coherent direction in 1953 with the establishment of the United States Information Agency (USIA). Since then, the USIA has supported American foreign policymakers through programs of information gathering, analysis, and dissemination. During the Cold War, the USIA utilized various media to promote U.S. interests and foster a favorable American image abroad, while simultaneously trying to counter the effects of Communist propaganda on foreign populations’¹⁹.

It is important to know that some of the USIA reports were found out by chance in the in the RG 59 – Bureau of Cultural Affairs 1955-1954, and in the RG 59 – Bureau of Cultural Affairs, Country Files 1963-1964.

2. Record Group **273** - Records of the National Security Council:

‘The Cold War posed an enormous threat to the nation's security. For that reason, it demanded a commensurate commitment of government planning and resources in areas ranging from foreign policy, military planning, and intelligence, to industrial production and scientific research. The National Security Act of 1947 provided a comprehensive response to these demands. Key provisions of this important legislation established the National Security Council (NSC) to advise the President on achieving workable and integrated foreign, military, and domestic policies pertaining to national security. Since its establishment, membership on the NSC has consisted of the President, the Vice President, and the Secretaries of State and Defense, with advisors including the Chairman

¹⁹ This brief decription was found in the website of NARA:
<http://www.nara.gov/publications/rip/rip107/rip107.html#306>

of the Joint Chiefs of Staff, Director of the Central Intelligence Agency, Assistant to the President for National Security Affairs, and various professional staff²⁰.’

3. Record Group **46**- Records of Congress and Record Group **233** – The house of representatives and Record Group **128** - the Joint Committees of Congress:

‘Records of the U.S. Senate, the House of Representatives, and the Joint Committees of Congress document the critical role played by Congress in legislating, funding, investigating, and evaluating U.S. responses to Cold War demands. Much of this work was done by House and Senate committees and subcommittees whose jurisdictions focused on the nation's foreign policy, military programs, internal security, weapons, nuclear energy resources, and space exploration program²¹’.

²⁰ This brief decription was found in the website of NARA:
<http://www.nara.gov/publications/rip/rip107/rip107.html#273>

²¹ This brief decription was found in the website of NARA:
<http://www.nara.gov/publications/rip/rip107/rip107.html#congress>

4. BOOKS OF LIBRARY OF CONGRESS

This research took ten days long and it was possible to know new releases and significant books about the Cold War period, such as:

EZELL, Macel D. *Univocal Americanism. Right-Wing Novels in the Cold War Era*. The Scarecrow Press, Inc, Metuchen, N.J., 1977.

That book provides some insights into the right-wing's thinking in the USA.

HAINES, Gerald K. *The Americanization of Brazil : a study of U.S. cold war diplomacy in the Third World, 1945-1954*. Wilmington, Del.: SR Books, 1989.

That book was significant to the research as it has a wide variety of sources for the investigation of the American influence in Brazil from mid 40s to mid 50s. Haines did an accurate research in the National Archives material which was valuable to this research.

KRAMER, Hilton. *The Twilight of the Intellectuals. Culture and Politics in the Era of the Cold War*. Ivan R. Dee, Chicago, 1999.

The author describes the commitment of part of the intellectuals in Europe and in the USA with the fight against the left.

LEACOCK, Ruth. *Requiem for Revolution. The United States and Brazil, 1961-1969*. The Kent State University Press, Kent, 1990.

Leacock analyses the effort done by the Kennedy administration to counter the appeal of Fidel's Castro revolution by offering the alternative of the Alliance for Progress.

PARRISH, Thomas. *The Cold War Encyclopedia*. NYC, A Henry Holt and Company, Inc. 1996.

That encyclopedia was very useful because it is concise and has clear explanations which helped in the research process.

PARKINSON, F. *Latin America, the cold war & the world powers, 1945-1973, a study in diplomatic history*. Beverly Hills : Sage Publications, 1974.

Parkinson did a general study about the impact of the Korean War, Guatemala Crisis, the Cuban Revolution and the Crisis of Bay of Pigs in the US and Latin America orient policy.

SAUNDERS, Frances Stonor. *The Cultural Cold War. The CIA and the World of Arts and Letters*. New Press, New York, 1999.

The author deeply analyses the front organizations secretly funded by the CIA from the end of the Second World War until the late 60s.

KUZNICK, Peter J and Gilbert, James. *Rethinking Cold War Culture*. Smithsonian Institution Press, Washington, 2001.

That book offers nine articles about one aspect of the American culture in the Cold War era, such as the atomic bomb, the families, the workers, the mass media.

5. INTERVIEWS

Two interviews were done during the program. One with Gerald K. Haines, Chief Historian of CIA and the other with the former American Ambassador in Brazil Lincoln Gordon.

A work about American influence in Brazil was published by Gerald Haines in 1989, *Americanization of Brazil. A Study of U.S. Cold War Diplomacy in the Third World, 1945-1954*. The Minister Counselor of Brazil Paulo Roberto de Almeida and the Archivist of National Archives David A. Lagbart also took part in the interview, which was really stimulating due to the fact that we all discussed about the U.S.-Brazilian relations during the Cold War Period from different points of view. This interview was not recorded but it come to new ideas and a new rage of materials from NARA to be researched, as the RG 306 Records of the United States Information Agency (USIA).

The interview with Lincoln Gordon was done on the October 9th and was recorded. The transcription of this will be handed in to the Woodrow Wilson Center as soon as possible.

6. ARCHIVE AND BIBLIOGRAPHY

6.1 Archive and Library

AEL – Arquivo Edgard Leuenroth – Campinas

AESP – Arquivo do Estado de São Paulo – São Paulo

AHI – Arquivo Histórico do Itamaraty - Rio de Janeiro

AN – Arquivo Nacional – Rio de Janeiro

APERJ – Arquivo Público do Estado do Rio de Janeiro.

BN – Biblioteca Nacional - Rio de Janeiro

Cold War International History Project - Woodrow Wilson Center– Washington

Library of Congress – Washington - DC

National Archives – Washington – DC

Woodrow Wilson Center Library– Washington – DC

6.2 Cold War

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Democracy and Political Culture in Brazil: Documentation of the Cold War Period: 1964-1975

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Synopsis: *The present work constitutes an attempt to unite two perspectives: the presentation of a Reference Guide to Documents in the National Archives and Records Administration pertaining to Brazil in the period from 1964 to 1973, as well as the presentation of some factual elements -selected telegrams from the U.S. State Department - that reflect on the concept of Democratic Culture in Brazil. Both perspectives have the objective of: a) explaining the concept of Brazilian political culture, which in contrast to the American system, combines a low adhesion to values connected to the government and to those that govern, with a high adhesion to attitudes related to systemic characteristics such as participation, periodic elections, democracy and equality; and b) debating the institutionalization of a concept of democracy that privileges one form based on rules that maintain the competition, and deny conflict.*

Key words: Brazil, USA, Political Culture, and Democracy.

1. Current State of Research in the American Archives

1.1. Introduction

Not so long ago, the Brazilian experience with dictatorship provoked great interest in students of Brazilian authoritarianism that extended for three decades. If political regimes such as those of Illia, Stroessner, and Pinochet, weakened the foundation of democratic order in Latin America by their disregard for human rights, the Brazilian regime that installed itself in March of 1964 with the purpose of “reestablishing democratic order” was not so different. Since then, civil society and the State have interacted with different memories of the dictatorship, principally when they assume values which are critical to the Brazilian authoritarian culture. This is not a phenomenon²² unique to Brazil. It was not common to find French citizens in the post-war period that still sympathized with the Vichy, or Germans that still saw in Hitler a great example for the German Nation; as if by the touch of a magic wand the entire society had always been democratic, condemning all and any form of exceptions. This research sought a causal nexus between Brazilian political culture and the modern concept of society.

The initiative of Project Brazil at The Woodrow Wilson International Center for Scholars, in association with the Brazilian Ministry of Culture, is to collaborate together in the recuperation of the Brazilian national memory by supporting the project of the Brazilian Embassy to rescue documents in the National Archives and Records Administration (NARA) pertaining to Brazil. The research agenda began from documents already available for consultation in the American archives, as well as made available new sources and allowing new interpretations of domestic history and the integration of Brazil into the new chessboard of the Cold War era. However, it is important to remember that, despite the evident asymmetry of bilateral relations, the United States was present during the majority of the most important moves in this diplomatic game during the period, and occupied a fundamental role in economic, cultural, scientific and technological history.

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1.2. State of the Art Documentation pertaining to Brazil in the NARA

²² For a complete analysis of the cultural, political, and economic influence of the United States on Brazil, consult the work of Moniz Bandeira, *Presença dos Estados Unidos no Brasil*, Editora Civilização Brasileira S.A., Rio de Janeiro, 1973. Based on exhaustive research of primary Brazilian sources, Moniz Bandeira presents a comparison of bilateral relations between the U.S. and Brazil from the Brazilian colonial period until the Coup d'état that toppled President João Goulart in 1964. The historian affirms, with a few rare variables, that the asymmetry of relations between the two countries increased during the 20th Century, based on the increasing American influence in Brazilian domestic politics.

In evident contrast to the European form of archival storage, the American documents are concentrated entirely in the National Archives II, in College Park, Maryland, and not dispersed in several mini-archives. This system saves effort, optimizes work, and allows the researcher a clear vision of the totality of the work to be researched. The efforts of the Brazilian diplomat Luciano Martins, while serving in Washington DC in the mid 1980s, in sending copies of most of the works already in microfilm back to Brazil were fundamental. His work is continuing in the current project archives, principally to fill the important gaps that were not contemplated in that first effort.

The National Archives, as well as the Diplomatic Historical Archive of Itamaraty, both located in Rio de Janeiro, possess sources referring to the 19th and 20th Centuries. The Diplomatic Historical Archive in Rio de Janeiro contains diplomatic documents for the period 1809 to 1906, as well as a series of records from ten Brazilian consular posts. The National Archives conserves a series of diplomatic documents from 1910 to 1959, with an important gap during the years of the Second World War - which is already being requested by the Brazilian Embassy in 84 rolls of microfilm, currently available in the NARA. The identification and recuperation of primary source material from the U.S. dealing with Brazilian history will greatly benefit Brazilian researchers. It should also be seen from the perspective of cultural, economic and political relations of the two largest countries of the American hemisphere, as presented in this note. The implementation of a systematic project of reproduction of sources pertaining to Brazil's participation in the Cold War confirms the documents' importance in the political, social and economic history of the country, as well as Brazil's bilateral relationship with the U.S. and other regional powers.

1.3.Traditional Archives and the Hegemony of European Sources in Brazilian Historical Research.

The first diplomatic representative of Brazil in the United States was José Silvestre Rebelo, Minister in Washington from 1824 to 1829. Upon his return, he requested that the Legislature authorize the Minister of Foreign Business to order attachés abroad to copy important manuscripts relating Brazil. The proposal, together with the instructions for the first attaché, were approved as one of the first acts of the Brazilian Historical and Geographic Institute (IHGB), created in 1838 and based on the promotion of historical and geographic knowledge of the Brazilian homeland²³.

Rebelo believe that the US exhibited a history of political autonomy with only a few decades were of existence than the Brazilian Empire, even before the Iberian. However, it was decided: the first public Brazilian researcher, Jose Maria do Amaral, was transferred from Washington to Madrid and Lisbon, by decree of August 23, 1839. Jose Honório Rodrigues, informs us about Rabelo's mission to collect documents that could be of interest in Brazilian history: "*coligir documentos que pudessem interessar a historia do Brasil, na conformidade das instruções que enviaria o Instituto Histórico e Geográfico Brasileiro, com o qual deveria manter-se em constante e direta correspondencia*". But Amaral, in the words of Honório, was not prepared for these tasks, in contrast to Varnhagen, who would substitute him²⁴. Varnhagen, nominated attaché of first class in Lisbon in 1842, would pass the remainder of the decade in the Portuguese and Spanish capitals, making notations in the archives and copying

²³ Session of June 7, 1839, Revista do IHGB, t.1,pp.151, 257-259, apud Jose Honorio Rodrigues, *A Pesquisa Histórica no Brasil*, 3rd Edition, São Paulo: Companhia Editora Nacional; Brasília, INL, 1978, p.39.

²⁴ Cf. Rodrigues, op.cit.,p.39.

documents that he judged to be relevant to Brazilian political history. From this effort resulted the General History of Brazil, published between 1854 and 1858, when Varnhagen had already been nominated Secretary of the IHGB.

In fact, the main sources of Brazilian colonial history were found in the Portuguese and Spanish archives, complemented by the French, Dutch, British and Italian archives, as confirmed by the selection of these countries for the first phase of the Project "Resgate 'Barão do Rio Branco'". This project was coordinated by the Ministry of Culture (supported by the technical orientation of Esther Caldas Bertoletti), and envisioned the compilation of historical documentation of colonial Brazil that exists outside of Brazil. The *Projeto Resgate*, stimulated by the commemoration of 500 years since the discovery of Brazil, resulted in the publication, in cooperation with state secretariats of culture, local foundations and universities, of entire collections of miscellaneous manuscripts, collected basically in the Portuguese archives. The original documents were microfilmed and later made electronically available, and were offered to libraries and universities in CD-ROM format, accompanied by the respective printed catalogues. The *Projeto Resgate* is currently publishing guides of primary sources on colonial Brazil in the more important European archives: Dutch, Spanish, French and Italian.

1.4. New Sources and the Importance of the United States in the Republican Period

If Brazilian colonial history can disregard consultation of American archives (despite some excellent collections of manuscripts and rare works of that period, in the Library of Congress or university libraries such as John Carter Brown or the Oliveira Lima Library), the period of independence, and more importantly, the republican period, cannot exclude the existing primary sources in the United States. The two countries have a long history of diplomatic relations, originating before independence (the first American minister was installed in Rio de Janeiro in 1809) and continuing to the present (with some brief interruptions during the monarchic period). Given the intensity of the economic, cultural, and military links bonds among others, it is impossible to deny the importance of the United States in Brazilian history, especially during the republican century.

Bilateral relations between Brazil and the United States in the 20th Century passed through different situations and attitudes on the part of both governments, from approaching indifference, to lack of confidence in the military alliance, to cooperation exemplified by unequal competition, in the diverse phases of a relationship that constituted a central element of Brazilian diplomacy. For the U.S., this relationship was a secondary aspect of its hegemony in the contemporary world. In the realm of society, economy and Brazil's strategic position, the "American presence" according to Moniz Bandeira²⁵, is overwhelming bilateral relations had become increasingly intense, especially in the areas of culture and private investment, as measured by Brazil's continued integration into international circuits. These diverse phases of the bilateral relationship are perfectly documented in the American archives, as our preliminary survey detected.

²⁵ L.A. Moniz Bandeira, *Presença dos Estados Unidos no Brasil: dois séculos de história*. Rio de Janeiro: Civilização Brasileira, 1973, 2nd Edition, rev.: *Relações Brasil-EUA no contexto da globalização: I- Presença dos EUA no Brasil*. São Paulo: Editora SENAC-SP, 1998.

2. Research on Brazilian American Relations from American Primary Sources

The research agenda, based on documents available for consultation in the American archives, opens space for new interpretations of domestic history and the external position of Brazil during the 20th Century, with emphasis on the bilateral US-Brazil relationship. The new discoveries corroborate the clarification of forceful and delicate facts of recent Brazilian history that justify a revision of reciprocal images, generated during the Vargas regime, of the political-military crises of the Kubitschek presidency and especially in the first half of the military dictatorship. For this period, the American archives are practically opened. What would be, consequently, the great subjects of interest in the bilateral relationship during first the eighty years of the 20th Century, revealed by extensive use of the American archives?

The disparity of development between the two countries was evident between the end of the 19th Century -- when the U.S. made a first attempt at hemispheric commercial integration, during the first International American Conference of 1889-1890—and the beginning of the 20th Century. Beginning in 1902, the Baron do Rio Branco, armed with a diplomatic concept of balance of power (competition with Argentina for regional hegemony), operated a policy of approaching the U.S.. Brazil and Argentina, in several moments, attempted to capture the attention of the U.S. and a “special relationship” that always proved illusive. The USA continuing to the Monroe Doctrine, justifying its interventions into its immediate surroundings as the exercise of police role, according to standards of civilization, established in common agreement with the European powers. Some of the most relevant papers for the study of these issues are not necessarily located in the so-called Record Group 59 -- diplomatic papers of the State Department - - but in group 43 -- international conferences -- where series 43.2.7 covers first the ten meetings of the Inter-American system.

The Brazilian Republic introduced alternative principles of foreign policy, such as Pan-Americanism, an area in which the Empire had maintained relative isolation in relation to the other republics of the hemisphere. An example of the “good relations” between the two countries in the initial period of the Republic is the Revolta da Armada²⁶. The US came to the aid of Floriano Peixoto’s new dictatorial regime, fearing the possible monarchic inclinations of the revolters. In the commercial area, an early success was registered with the signature of the commercial agreement of 1891, guaranteeing the access and favorable conditions of coffee and sugar in the American market, in return for the reduction of the Brazilian tariffs on manufactured goods. This agreement did not last very long, once in 1895, President McKinley, under pressure from sectoral lobbies, introduced a protectionist tariff that ended previously negotiated preferential tariff regimes. The research of Steven Topik, on the American side, and of Clodoaldo Bueno, on the Brazilian side, unmasked several diplomatic entanglements during the first republican decade, but a new look at the diplomatic papers of this period will certainly shed new light on an extremely complex phase of Brazilian history²⁷.

For the remaining portion of the old Republic, bilateral relations were distant, with a gradual substitution of hegemony into the financial and investment spheres, from the

²⁶ Military revolt of sept, 1893, led by admiral Custódio de Melo against the government of President Floriano Peixoto, who took power after the resignation of Deodoro da Fonseca

²⁷ Cf. Steve Topik, *Trade and Gunboats: The United States and Brazil in the Age of Empire*. Stanford, California: Stanford University Press, 1996. Clodoaldo Bueno, *A República e sua Política Exterior (1889 a 1902)*, São Paulo: Universidade Estadual Paulista; Brasília: Fundação Alexandre de Gusmão, 1995.

moment the U.S. convert itself into an exporter of capital, including to Brazil, which passed from the dominance of the pound to the dollar. American creditors participated in first coffee support plan (1906), which was an example of an anti-cyclical policy to resolve a demand crisis. The policy of stock retention to support external coffee prices awoke the anger of importers and consumer groups in the U.S., that required concrete actions by their government against the official Brazilian policy of anti-correctional practices. Research in the American archives for this period is made difficult due to the fact that, between 1906 and 1910, the State Department introduced a confusing system of documents classification, which caused Brazilian documents to be dispersed in various groupings, requiring identification, grouping and photocopies.

The Republic of “Bachareis” attempted to insert Brazil into the Concert of Nations, by means of the evolution in the First War and the later experience of The League of Nations, cause of one of the great frustrations in Brazilian diplomatic history. The U.S., which had sponsored the creation of the League, remained outside of it, and Brazil abandoned the organ in 1926. Due to the policies of the great European powers, as well as the U.S., Brazil saw itself conforming to foreign policies that began with disdain and which later would be called benign neglect. The Roosevelt period, which coincided mostly with the Vargas period, would partly change the isolationist position of his predecessors, searching for a new relationship with Latin American neighbors, but it also coincided with the economic crisis, closing of markets, and the rupture of the international equilibrium. The U.S. emerged as the uncontested military power of the post-war period and Brazil would make good bets by uniting itself with the Allied war efforts and consolidating its ideological alignment from the start of the Cold War. This is the beginning of the Americanization of Brazil, the subject of much analysis by researchers of both countries²⁸.

Brazil participated, from the Bretton Woods conference of 1944, in the construction of a new world economic order dominated by the principles of American liberalism. Here, again, the Series 43, (international conferences) is extremely rich for a careful study of many areas in which Brazil participated as a mere spectator, presenting, if anything, proposals for the price stabilization of primary materials – read coffee. The “American Option” adopted with more or less emphasis by Brazilian administrations in the age of bipolarity, did not impede the emergence of a “developmentalist” diplomacy in Brazil, as revealed by the various files of economic conferences in the immediate postwar period, focused on the hemisphere. In the same diplomatic context, it would be necessary to consult and recoup the papers on Brazil in the Office of Inter-American Affairs, that between 1937 and 1951, was politically prominent in the relations of the United States with the other countries of the hemisphere.

Independent of the doctrine of national security, Pan-Americanism justified Brazilian diplomatic efforts to “exploit” a letter of cooperation with the main power of the hemisphere and the West. It is in this context of political bargaining and well-directed maximization of economic interests that Brazil would undertake its first regional multilateral initiative, Operation Pan-America, proposal by the Kubitschek Government in 1958, which would result, in the Inter-American Development Bank and, later on, the Alliance for Progress. Again, the series of documents relating to bilateral relations and

²⁸ Cf Gerson Moura, *Tio Sam chega ao Brasil: a penetração cultural americano*. São Paulo:Brasiliense, 1986; Gerald K. Haines, *The Americanization of Brazil: a Study of U.S. Cold War Diplomacy in the Third World, 1945-1954*. Wilmington, Delaware: S.R. Books, 1989.

American conferences are extremely relevant for a new analysis of this phase of innovations in Brazilian diplomacy.

The practice of an independent foreign policy, in the tumultuous years of Jânio Quadros-João Goulart, represented a sort of innovative parenthesis in a diplomatic continuum that was dominated by the East-West conflict. The impact of the Cuban Revolution and the process of de-colonization brought Brazilian neutralism and non-alignment to the forefront of the international scene, in the context of to the fierce competition between the two superpowers for technological preeminence and political influence over young independent nations. It is not surprising, thus, that Brazilian diplomacy began to re-think its foundation and revise its actions, especially in regard to support traditionally given to Portuguese colonization in Africa and the gradual estrangement of its economic-commercial relations with the socialist countries. The preferential alliance with the United States came to be thought of more in terms of economic advantages to be negotiated than a function of the geopolitical chess of the Cold War. For this period, new documents are being continuously released by historical research of the Cold War period, by means of systematic appeals to the Freedom of Information Act (FOIA).

This project (Cold War International History Project, www.cwihp.si.edu), administered by the Woodrow Wilson International Center for Scholars, has been in operation since 1991 on an inter-university basis, and has opened new sources for research on the involvement of Latin America and Brazil in political-military problems of the Cold War.

The ambiguous situation of diplomatic relations with the United States during the “democratic populist” period is brief, and in 1964 there was a return to alignment. However, the re-insertion of Brazil into the global ideological conflict represents another type of “toll” to pay for the support given by the United States at the moment of the military overthrow of the populist regime rather than an ideological reconversion of Brazilian diplomacy. On the contrary, the American documents disclose certain currents of historical interpretation of Brazil (that tended to see a uniformity in the in the pro-American orientation of the new regime), in a subtle, sufficiently complex game between actors that were ideologically compromised with the new alliance and others, with unrestricted adherence. The diplomatic documents of this period need to be complimented by intelligence sources, for a more detailed panorama of the period.

During the short period of “political alignment”, Brazil adhered strictly to the official doctrine of Pan-Americanism, as defined by Washington. Within a few months, Brazil broke diplomatic relations with Cuba and most of the socialist countries, and participated in the intervention force of in the Dominican Republic “crisis”. Multilateral politics, generally passed through a “reversal of expectations”, to the frustration of the new generation of diplomats that had been educated in the years of independent foreign policy. The diplomatic archives are exceptionally prolific in this initial period of the military regime, which assist in the conversion of the former American ambassador in Brazil, Lincoln Gordon, an academic converted in diplomat, and later Assistant Secretary of State for Inter-American Affairs²⁹.

In the economic area, the return to orthodoxy in the management of political economy permitted a more benign handling of the question of Brazil’s external debt,

²⁹ Gordon, Lincoln, *Brazil's Second Chance: En Route Towards the First World*. Washington, D.C.: Brookings Institution Press, 2001.

bilaterally, in the multilateral forums of the Paris Club and international financial institutions, as well as the IMF. It is symptomatic that the only joint assembly of the Bretton Woods Institutions took place in Brazil, in 1967 in Rio de Janeiro, during the first military era. The assembly negotiated the institution of new liquidity for the international financial system, the Special Drawing Right (SDR) of the IMF. The most relevant papers for this issue are not diplomatic, but of the Treasury Department, archived in a special series, with subsections for international issues, especially for the assemblies of the Bretton Woods Institutions.

Beginning in 1967, a phase of “ideological revision” and search for technological autonomy arises in Brazil. The “contemplative” attitude in relation to the U.S. yields to a professional diplomacy, concerned with the adaptation of instruments of action to a world in mutation, and instrumentalized to fulfill the national objective of economic growth. A “developmentalist diplomacy” was practiced, which sought technological -- including nuclear—autonomy, with the marked affirmation of the actions of the State according to an internal and external plan, even at the cost of conflicts with the U.S. (Brazil denounced, in 1977, the military agreement of 1952, citing interference in the internal affairs of the country, on the question of human rights). In this period, the confirmation of Brazil’s economic fragility can be observed, with the persistence of balance of payments gaps that historically marked the development process: the oil crises in 1973 and 1979, followed by the external debt crisis in 1982, which marked the start of the decline of the military regime.

2.1. The *Projeto Resgate U.S.A.*: Current Situation and Perspectives

In favorable contrast with the relative dispersion of the European archives, the most important American papers are found in the National Archives and Records Administration (NARA), located in College Park, in the state of Maryland, in the Washington metropolitan area (availability of microfilmed documents by country at: <http://www.nara.gov/publications/microfilm/diplomatic/diplo-7.html>). Thanks to the efforts undertaken in the mid-1980s by the sociologist Luciano Martins, currently Brazilian ambassador to Cuba, a good part of this documentation is already available in Brazil. The Diplomatic Historical Archive, at Itamaraty in Rio de Janeiro, possesses the diplomatic papers of the 19th Century, from 1809 to 1906, as well as consular documents from ten posts. The Brazilian National Archive conserves another series of diplomatic papers, from 1910 to 1959, with the exception of documents pertaining to 1906-1910, and the Second War period. The missing microfilms (tens of sets, approximately 89 reels in total) are available for acquisition from the NARA. The material that is already available in Brazil can be conferred in link <http://www.brasilemb.org/arquivos/>.

Series, 1910-1959 Decimal Files

Item	Catalog	Description	Period	Rolls	#	Brazil
8	M519	Internal Affairs Brazil [code 832]	1910-29	54	54	AN
9	M525	Relations with U.S. [code 711.32]	1910-29	1	1	AN
10	M526	Relations with Other States [code 732]	1910-29	2	2	AN
11	M973	Purport Lists of DOS	1910-44	654	1	AN
12	M1472	Internal Affairs of Brazil	1930-39	48	48	AN

13	M1487	Internal Political and National Defense Affairs of Brazil	1950-54	14	14	AN
14	M1489	Internal Economic, Industrial, and Social Affairs of Brazil	1950-54	34	34	AN
15	M1492	Internal Affairs of Brazil	1945-49	48	48	AN
16	M1511	Internal Political and National Defense Affairs of Brazil	1955-59	8	8	AN
Total number of microfilms designed as Third Series					210	AN

Source: (AN) *Arquivo Nacional no Rio de Janeiro*

Another part of the documentation in the NARA with potential relevance for research on diverse aspects of Brazilian history has not yet been completely microfilmed or is not available for consultation in Brazil. Eventually, papers from the Treasury (the archives cover 1775-1990), the Department of Commerce (1898-1982), ExIm Bank (1933-1975), the Atomic Energy Commission (1923-1975), the International Trade Commission (1882-1971), the predecessor of the US Trade Representative (1934-1978), as well as the Presidential libraries (Truman, Eisenhower, Kennedy, Johnson, Carter, and Reagan), and the papers of the CIA, whose archives begin in 1894. The CIA archives can be requested through the Freedom of Information Act (FOIA), but the period for the release of the documents can vary, for administrative reasons, from three to six months. The implementation of the *Projeto Resgate U.S.* could fill some of the existing gaps in the documentation, through a systematic FOIA request in the relevant series.

A preliminary analysis of the totality of documentary sources in the NARA on Brazil, through the *Projeto Resgate*, has the following objectives:

- (a) acquisition of available microfilm in the NARA, as well as reproduction of relevant material that has not yet been microfilmed, according to priorities that will be defined (beginning with material of the Cold War period, the objective of the research presented in the Woodrow Wilson Center).
- (b) precise identification of the existing archives and preliminary quantification of available formats (microfilm, text, iconography and audiovisuals);
- (c) preparation of an inventory Guide to provide information to the Brazilian research community, as well as for Brazilian civil society;
- (d) precise cataloging of primary sources, including, as a first stage, diplomatic documentation, and extending to additional archives.

Based on acquisition and cataloging, it will be possible to begin reproduction of documents that are not available in Brazil (shown below), as well as transferal to the Brazilian archives. This documentation could then be available for use in the National Archives, the Diplomatic Historical Archive, and the National Library, as well as be reproduced for research centers and interested universities. This collection of documents should also be integrated into the database of the *Projeto Resgate*, which is being prepared by the Ministry of Culture to be available on the Internet. By the efforts

of the sociologist and Minister Counselor Paulo Roberto de Almeida, this academic initiative is being conducted by the Brazilian Embassy in Washington, D.C..

Séries, 1955 to 1973

Documents not yet available in Brazil

Records Concerning Exhibits in Foreign Countries, 1955-1967

Entry 1039 – 250/64/03/06-04

3 Brazil
Brazil -- Gemini V, 1966

RG 59 General Records of the Department of State - 1967-1969

Box	From:	To:
1524	DEF 6 BRAZ	DEF 12-5 BRAZ
1525	DEF 13 BRAZ	DEF CAFR
1900	POL BRAZ	POL BRAZ
1901	POL 2 BRAZ	POL 2 BRAZ
1902	POL 2-1 BRAZ	POL 6 BRAZ
1903	POL 7 BRAZ	POL 12 BRAZ
1904	POL 12-BRAZ	POL 14
1905	POL 15 BRAZ	POL 15-1 BRAZ
1906	POL 15-1 BRAZ	POL 15-2 BRAZ
1907	POL 15-2 BRAZ	POL 18 BRAZ
1908	POL 18 BRAZ	POL 18-1 BRAZ
1909	POL 23 BRAZ	POL 23-8 BRAZ
1910	POL 23-9 BRAZ	POL 29 BRAZ
1911	POL 30 BRAZ	POL 17 BRAZ-US
1912	POL 17-1 BRAZ-US	POL 15 BR HOND
2895	AE 6 AFR	AE BRAZ-FR
2931	SCI 6-1 BRAZ	SCI 30-4 BRAZ-US
3061	SOC 9 BRAZ	SOC BUL

Codes: SOC: Social Conditions; AE: Atomic Energy; SCI: Science and Technology; BUD: Budget; CR: Communications Records; PS: Protective Service; AID: AID – Economic; E: Economic Affairs; FN: Finance; DEF: Defense; POL: Political Affairs and Relations.

Documents not yet available in Brazil

RG 59 –1964-1966

Box Numbers	Contents	Box Numbers	Contents
42	BUD7Rangoon-BUD7Rio de Janeiro	1927	POL 2 Brazil (3/1/1966 -10/1/1965)
59	CR Rio de Janeiro -- EP 6-1 Accra	1928	POL 2 Brazil (9/1/1965 - 2/1/1965)
70	EP Rio de Janeiro --EP Surinam	1929	POL 2 Brazil (1/1/1965 - 7/1/1964)
296	PS US - Braz -- PS 10 US – Braz	1930	POL 2 Brazil - POL 2-1 Brazil

538	AID 15 US-Brazil -- PS US-BR-Gu	1931	POL 2-1 Brazil (1966-9/1/1964)
692	E 2-2 Bolivia -- E 2 Brazil	1932	POL 2-1 Brazil (7/1/1964- 1/1/1964)
693	E 2 Bolivia -- E2-2 Brazil	1933	POL 2-2 Brazil - POL 7 Brazil
694	E 2-2 Brazil -- E 5 Brazil	1934	POL 7 Brazil - POL 12 Brazil
695	E 8-1 Brazil -- E British Hond	1935	POL 12-1 Brazil - POL 14 Brazil
831	FN 10 Belgium -- FN 1-1 Brazil	1936	POL 14 Brazil - POL 15 Brazil
832	FN 6-1 Brazil -- FN 10 Brazil	1937	POL 15 Brazil - POL 15-1 Brazil
833	FN 10 Brazil -- FN 6 Braz --XMB	1938	POL 15-1 Brazil - POL 15-2 Brazil
834	FN 14 Brazil -- FN 6 Braz r	1939	POL 15-2 Brazil - POL 15-3 Brazil
835	FN Braz -- FN 15 Braz	1940	POL 15-4Brazil-POL 18 Brazil 1966
836	FN 15 Braz --FN 15 Br Guyana	1941	POL 18 Brazil
1611	DEF Bolivia -- DEF Brazil A	1942	POL 18-1 Brazil - POL 23-5 Brazil
1612	DEF "Br" -- DEF Canada	1943	POL 23-7 Brazil - POL 23-9 Brazil
1724	DEF19-3US-Argentina-DEF19-1US-Brazil	1944	POL 27 Brazil - POL Brazil
1725	DEF19-8US-Brazil-DEF19-8US-Chile	1945	POL 32 -1 Brazil-Paraguay -- POLBrazil-USA
1925	POL Bolivia-US -- POL Brazil	1946	POL Brazil - United States
1926	POL 2 Brazil (7/1/66 -- 5/1/66)	3060	SOC 11 BAH - SOC 2 Braz

Codes: SOC: Social Conditions; AE: Atomic Energy; SCI: Science and Technology; BUD: Budget; CR: Communications Records; PS: Protective Service; AID: AID -- Economic; E: Economic Affairs; FN: Finance; DEF: Defense; POL: Political Affairs and Relations

Documents not yet available in Brazil
RG 263 -- Intelligence Records, 1925-1957

Box	Folder	Contents
201	606	Brazil 1931-1943
201	607	Brazil 1925-1936
202	608	Brazil 1937-1942
203	609	Brazil 1945
203	610	Brazil 1945
203	611	Brazil 1945-1946
204	612	Brazil 1947
205	613	Brazil 1948
206	614	Brazil 1949-1951
207	615	Brazil 1951-1953
207	616	Brazil 1956-1957

Documents not yet available in Brazil
National Intelligence Surveys, JOB N° 79-00901 A

Box	Volume	Number of Pages
319	23	919

320	9	938
321	25	1314
322	32	1513
323	12	1191
324	12	1036

Documents not yet available in Brazil

Record Group 306 - United States Information Agency, 1951-1954

250/67/09/05 - 12/01

Country Project Files	Description
9	Brazil 1955-1958
10	Brazil 1959-1960
11	Brazil 1961-1963
12	Brazil 1963
13	Brazil 1963
14	Brazil 1963
15	Brazil 1963

List of Central Intelligence Agency Files

Document ID	Document Title	Date	CI	Pg	Decision	Job N°	Box	Doc
NIS 94	General Survey	11/01/1964	S	124	Sanitized	79-00901A	319	11
NIS 94	General Survey	08/01/1967	S	146	Sanitized	79-00901A	319	12
NIS 94	General Survey	01/01/1970	S	167	Sanitized	79-00901A	319	13
NIS 94 Chap.1	Country Profile	09/01/1973	C	32	Declassified	79-00901A	319	14
NIS 94 Chap.2	Military Geography	09/01/1973	C	39	Declassified	79-00901A	319	19
NIS 94 Chap.2 Sect.21	Military Geography Regions	07/01/1959	C	55	Declassified	79-00901A	319	22
NIS 94 Chap.2 Sect.21	Military Geography Regions	08/01/1960	C	50	Declassified	79-00901A	319	23
NIS 94 Chap.2 Sect.22	Coasts and Landing Beaches	05/01/1957	C	210	Declassified	79-00901A	320	1
NIS 94 Chap.2 Sect.22	Coasts and Landing Beaches	06/01/1957	C	81	Sanitized	79-00901A	320	2
NIS 94 Chap.2 Sect.22	Coasts and Landing Beaches	06/01/1973	C	137	Declassified	79-00901A	320	3
NIS 94 Chap.2 Sect.23	Weather and Climate	10/01/1954	C	43	Declassified	79-00901A	320	4
NIS 94 Chap.2 Sect.23	Weather and Climate	12/01/1954	C	39	Declassified	79-00901A	320	5
NIS 94 Chap.2 Sect.23	Meteorological Organization	06/01/1967	C	6	Declassified	79-00901A	373	80
NIS 94 Chap.2 Sect.23	Meteorological Organization	01/01/1971	C	8	Declassified	79-00901A	373	81
NIS 94 Chap.2 Sect.24	Topography	03/01/1959	C	136	Declassified	79-00901A	320	6
NIS 94 Chap.2 Sect.24	Topography	04/01/1960	C	129	Declassified	79-00901A	320	7
NIS 94 Chap.2 Sect.25	Urban Areas	09/01/1958	C	120	Declassified	79-00901A	320	8
NIS 94 Chap.2 Sect.25	Urban Areas	02/01/1960	C	43	Declassified	79-00901A	320	9
NIS 94 Chap.3	Transportation and Telecom.	09/01/1973	C	51	Declassified	79-00901A	319	18
NIS 94 Chap.3 Sect.31	Railway	08/01/1963	C	136	Declassified	79-00901A	321	1
NIS 94 Chap.3 Sect.32	Highway	10/01/1961	C	76	Declassified	79-00901A	321	2
NIS 94 Chap.3 Sect.33	Inland Waterway	03/01/1959	C	219	Declassified	79-00901A	321	3
NIS 94 Chap.3 Sect.35	Ports and Naval Facilities	08/01/1964	C	137	Declassified	79-00901A	321	4
NIS 94 Chap.3 Sect.36	Merchant Marine	05/01/1955	C	37	Declassified	79-00901A	321	5
NIS 94 Chap.3 Sect.36	Merchant Marine	01/01/1962	C	25	Declassified	79-00901A	321	6
NIS 94 Chap.3 Sect.36	Merchant Marine	01/01/1973	C	17	Declassified	79-00901A	321	7
NIS 94 Chap.3 Sect.37	Civil Air	08/01/1953	C	46	Declassified	79-00901A	321	8

NIS 94 Chap.3 Sect.37	Civil Air	03/01/1964	C	24	Declassified	79-00901A	321	9
NIS 94 Chap.3 Sect.38	Telecommunications	09/01/1957	C	37	Declassified	79-00901A	321	10
NIS 94 Chap.3 Sect.38	Telecommunications	01/01/1965	C	23	Declassified	79-00901A	321	11
NIS 94 Chap.3 Sect.38	Telecommunications	01/01/1968	C	22	Declassified	79-00901A	321	12
NIS 94 Chap.3 Sect.38	Telecommunications	01/01/1971	C	20	Declassified	79-00901A	321	13
NIS 94 Chap.4	The Society	09/01/1973	C	84	Declassified	79-00901A	319	15
NIS 94 Chap.2 Sect.40	Sociological: Introduction	12/01/1950	C	6	Declassified	79-00901A	321	14
NIS 94 Chap.4 Sect.41	Population	01/01/1958	C	29	Declassified	79-00901A	321	15
NIS 94 Chap.4 Sect.41	Population	10/01/1959	R	22	Declassified	79-00901A	321	16
NIS 94 Chap.4 Sect.42	Characteristics of the People	06/01/1950	C	17	Declassified	79-00901A	321	17
NIS 94 Chap.4 Sect.42	Characteristics of the People	08/01/1964	C	47	Sanitized	79-00901A	321	18
NIS 94 Chap.4 Sect.43	Religion, Educ. and Publ. Inf.	12/01/1949	C	26	Declassified	79-00901A	321	19
NIS 94 Chap.4 Sect.43	Religion, Educ. and Publ. Inf.	01/01/1963	C	88	Declassified	79-00901A	321	20
NIS 94 Chap.4 Sect.44	Manpower	01/01/1951	C	37	Declassified	79-00901A	321	21
NIS 94 Chap.4 Sect.44	Manpower	01/01/1964	C	63	Declassified	79-00901A	321	22
NIS 94 Chap.4 Sect.45	Health and Sanitation	05/01/1959	C	45	Declassified	79-00901A	321	23
NIS 94 Chap.4 Sect.45	Health and Sanitation	08/01/1969	C	70	Declassified	79-00901A	321	24
NIS 94 Chap.4 Sect.46	Welfare	05/01/1964	C	45	Declassified	79-00901A	321	25
NIS 94 Chap.5	Government and Politics	09/01/1973	S	67	Sanitized	79-00901A	319	16
NIS 94 Chap.5 Sect.50	Political: Introduction	01/01/1951	S	6	Declassified	79-00901A	322	1
NIS 94 Chap.5 Sect.50	Political: Introduction	05/01/1960	C	16	Declassified	79-00901A	322	2
NIS 94 Chap.5 Sect.51	The Constitutional System	12/01/1949	C	11	Declassified	79-00901A	322	3
NIS 94 Chap.5 Sect.51	The Constitutional System	08/01/1958	C	26	Declassified	79-00901A	322	4
NIS 94 Chap.5 Sect.52	Structure of the Government	12/01/1949	C	14	Declassified	79-00901A	322	5
NIS 94 Chap.5 Sect.52	Structure of the Government	04/01/1960	C	45	Declassified	79-00901A	322	6
NIS 94 Chap.5 Sect.53	Political Dynamics	07/01/1950	C	30	Declassified	79-00901A	322	7
NIS 94 Chap.5 Sect.53	Political Dynamics	01/01/1958	C	48	Declassified	79-00901A	322	8
NIS 94 Chap.5 Sect.54	Public Order and Safety	04/01/1950	C	11	Declassified	79-00901A	322	9
NIS 94 Chap.5 Sect.55	National Policies	07/01/1950	S	15	Declassified	79-00901A	322	10
NIS 94 Chap.5 Sect.55	National Policies	03/01/1954	S	20	Declassified	79-00901A	322	11
NIS 94 Chap.5 Sect.55	National Policies	09/01/1963	C	37	Declassified	79-00901A	322	12
NIS 94 Chap.5 Sect.57	Subversive	10/01/1950	S	12	Declassified	79-00901A	322	16
NIS 94 Chap.5 Sect.57	Subversive	05/01/1956	S	49	Declassified	79-00901A	322	17
NIS 94 Chap.5 Sect.57	Subversion	09/01/1963	S	49	Sanitized	79-00901A	322	18
NIS 94 Chap.5 Sect.57	Subversion and Insurgency	02/01/1969	S	65	Sanitized	79-00901A	322	19
NIS 94 Chap.5 Sect.58	Propaganda	11/01/1950	C	9	Declassified	79-00901A	322	20
NIS 94 Chap.6	The Economy	09/01/1973	U	48	Declassified	79-00901A	319	17
NIS 94 Chap.6 Sect.60	Economic: introduction	06/01/1952	C	17	Declassified	79-00901A	322	22
NIS 94 Chap.6 Sect.61	Agriculture and Food	11/01/1950	R	84	Declassified	79-00901A	322	23
NIS 94 Chap.6 Sect.61	Agriculture, Fish. and Forest.	01/01/1961	C	137	Declassified	79-00901A	322	24
NIS 94 Chap.6 Sect.61	Agriculture, Fish. and Forest.	02/01/1970	C	91	Declassified	79-00901A	322	25
NIS 94 Chap.6 Sect.62	Fuels and Power	01/01/1953	S	53	Declassified	79-00901A	322	26
NIS 94 Chap.6 Sect.62	Fuels and Power	04/01/1963	C	104	Declassified	79-00901A	322	27
NIS 94 Chap.6 Sect.62	Electric Power	07/01/1968	C	30	Declassified	79-00901A	322	29
NIS 94 Chap.6 Sect.62	Fuels	08/01/1968	C	51	Declassified	79-00901A	322	28
NIS 94 Chap.6 Sect.63	Minerals and Metals	12/01/1950	C	130	Declassified	79-00901A	322	30
NIS 94 Chap.6 Sect.63	Minerals and Metals	07/01/1963	C	121	Declassified	79-00901A	322	31
NIS 94 Chap.6 Sect.63	Minerals and Metals	08/01/1969	C	64	Declassified	79-00901A	322	32
NIS 94 Chap.6 Sect.64	Manufacturing and Construct.	04/01/1952	C	123	Declassified	79-00901A	323	1
NIS 94 Chap.6 Sect.64	Manufacturing and Construct.	06/01/1958	S	177	Declassified	79-00901A	323	2
NIS 94 Chap.6 Sect.64	Manufacturing and Construct.	08/01/1964	S	129	Declassified	79-00901A	323	3
NIS 94 Chap.6 Sect.64	Manufacturing and Construct.	05/01/1968	S	160	Declassified	79-00901A	323	4
NIS 94 Chap.6 Sect.64	Manufacturing and Construct.	04/01/1972	S	190	Declassified	79-00901A	323	5

NIS 94 Chap.6 Sect.65	Trade and Finance	10/01/1951	S	52	Declassified	79-00901A	323	6
NIS 94 Chap.6 Sect.65	Trade and Finance	01/01/1965	S	68	Declassified	79-00901A	323	7
NIS 94 Chap.7	Science	09/01/1973	S	24	Declassified	79-00901A	319	21
NIS 94 Chap.8	Armed Forces	09/01/1973	S	32	Declassified	79-00901A	319	20
NIS 94 Chap.8 Sect.81	Ground Forces	03/01/1962	S	62	Sanitized	79-00901A	323	8
NIS 94 Chap.8 Sect.82	Naval Forces	10/01/1954	S	38	Sanitized	79-00901A	323	9
NIS 94 Chap.8 Sect.82	Naval Forces	09/01/1962	S	30	Sanitized	79-00901A	323	10
NIS 94 Chap.8 Sect.83	Air Forces	04/01/1957	S	45	Declassified	79-00901A	323	11
NIS 94 Chap.9 Sect.90	Map and Chart Appraisal	11/01/1954	S	117	Declassified	79-00901A	323	12
NIS 94 Supp.II Sect.1	Coasts and Landing Beaches	05/01/1957	C	525	Declassified	79-00901A	324	1
NIS 94 Supp.V Sect.1	Petroleum	12/01/1954	S	121	Declassified	79-00901A	324	2

Location of CIA Documents

BG 263: Stack Area 631, row 22, compartment 25, Shelf 6 Record identification n° 79.00901 A National Intelligence Survey 19 48/95

BOX 319

NIS 94 Chapter 1 Section 01/10/1973 Box 319 Vol. 14 ,32 pg. Country profile (study on the potential of development in the short-term).

NIS 94 Chapter 4 Section 01/09/1973 Box 319 Vol. 15 ,84 pg. Analysis of Brazilian society.

NIS 94 chapter 6 Section_ 01/09/1973 Box 319 Vol. 17, 48pg. Study of Brazilian economy- sectors, potential and diversity.

NIS 94 Chapter 3 Section_ 01/09/1973 Box 319 Vol. 18 51 pg. Transportation and telecommunications.

Nis 94 Chapter 2 Secion _ 01/09/1973- Box 319- Vol. 19, 39 pg. Geography, Topography, Best locations for amphibian landing in principal Brazilian cities, characteristics of diverse types of urban constructions and their role in armed warfare.

NIS 94 Chapter 8 Section_ 01/09/1973 Box 319 Vol. 20, 32 pg.: Armed Forces: characteristics, conditions, capacity, history.

NIS 94 Chapter 7 01/09/1973 Box 319 Vol. 21, 24 pg. Study of Brazilian scientific capacity.

NIS 94 Chapter 2 Section_ 01/07/1979 Box 319 Vol. 22 ,55pg.Military analysis of the geography of the South, Southeast, and Northeast.

NIS 94 Chapter 2 Section 21 01/08/1960 Box 319 Vol. 23 ,50 pg. Military analysis of the geography of the Center and North.

BOX 321 National Intelligence Survey

BG 263 Stack Area N° 631 Row 22 compartment 25 Shelf 6 Record identification N° 79.00901 A National Intelligence Survey 19 48/95

Vol. 6 94 Chapter 3 - section 36 - 01/01/1962 Box 321 Vol.6, 25 pg. Description of merchant marine- ships, owners, routes, expectations of growth.

Vol.7 NIS 94 Chapter 3 Section 36 01/01/1973 Box 321 - Vol. 7 ,17 pgs. Description of merchant marine – Organization, composition, owners, routes, logistical capacity, support for military operations, growth capacity,

Vol. 8 NIS 94 Chapter 3 Section 37 01/01/1953 Box 21 Vol. 8 ,46 pg. Civil Aviation- general characteristics, routes, companies, training, airports and maintenance, required investments.

Vol. 9 NIS 94 Chapter 3 Section 37 01/03/1964 Box 321 ,24 pg. Civil Aviation –governmental control, companies, logistics, investment, International Relations of the companies.

Vol. 10 NIS 94 Chapter 3 Section 38 01/10/1957 Box 321, 37 pg. Telecommunications- telephone, telegraph, radio, administration and control, military use, deficiencies, and systemic vulnerability, type of equipment.

Job n ° 79.00901-A NIS 94 Chapter 4 Section 44 01/01/1964 Box 321 Vol. 22, 63 pg. Manpower- distribution, governmental agencies, labor legislation, use of manual labor, etc.

NIS 94 Chapter 4 section 45 01/05/1959 Box 321 Vol. 23, 45 pg. Health and Sanitation- environmental factors, common diseases in man and animals, health infrastructure, etc.

NIS 94 Chapter 4 Sector 45 01/08/1959 Box 321 Vol. 24, 70 pg. Health and Sanitation – environmental factors, epidemiology, public health, health infrastructure, etc.

NIS 94 Chapter 4 Sector 46 01/05/1964 Box 321 Vol. 25, 45 pg. Social problems, public assistance, living standards.

Classified Documents

RG 263 Stack Area 631 Roe 22 Comp. 205 Shelf 6M Job N° 7900901-A NIS

BOX 323 ;VOL 8,9,10

Box 320 ;Vol. 2

Box 321 ;Vol25,26,27,28,29,30,31,32- No Reports

Box 319 ;Vol. 11,12,13,16 Classified reports 24,25 not in folder.

Note: *Description of archives in this section is incomplete.*

Nixon Papers – N ARA

Nixon Papers [Ex] CO 21 - Brazil 111/71 - Box 12

Memo 05/25/1971 – Confirms visit of Médici for 9/28/71.

Letter 06/29/1971 - American Marine Institute– assessment of the insurance of imports and legal barriers of Brazilian government.

Memo 06/30/1971 Impossibility of Colonel Arthur Moreira testifying in front of the Senate Foreign Relations Subcommittee on Western Hemisphere Affairs.

Teleg. 07/14/1971 Telegram thanking telegram sent for Brazilian Independence Day.

Letter 07/15/1971 Thanking participation of Barbosa in speech.

Letter 07/21/1971 Declaration of 200 miles.

Letter 07/28/1971 Letter for Pele.

Memo 08/05/1971 Letter on perspectives of the use of the EXIM Bank for Brazil.

Memo 08/13/1971- Confirming date of President Médici's visit.

Telegram 08/28/1971 Telegram congratulating Brazilian independence.

Letter 09/07/1971- IO 8, CO 21 , FE1123 . Thanking President of Eximbank.

Memo 10/06/1971- With respect to not releasing documents of the National Security Council for the GAP of Brazil papers.

Letter 10/07/1971 –congratulating an American that recently arrived from an exchange in Brazil.

Memo 10/15/1971 Schedule of Medici's Visit.

Memo 10/27/1971 – Requiring a fact sheet on Brazil for a delegation traveling to Latin America.

Letter 10/07/1971 – Letter of presentation for Secretary Fish traveling to south America.

Memo 11/12/1971 Memo on the convenience of contacting Wight Patman.

Memo 11/23/1971 Confirms date of second meeting of Nixon and Médici.

Nixon Papers - Subject Files - CO - (countries) - Box 12 - CO 21 - Brazil 01/01/1971

Memo 05/05/1971 – Attempt to move date of Médici visit.

Letter 03/17/1971 – Thanking participation in UCLA speech.

Memo - 02/04/1971 Letter to Médici from Nixon through Mr. Zumwalt.

Telegram 02/18/1971 – Thanks for the telegram congratulating the arrival of man on the moon.

Letter 03/03/1971 - Letter to Medici communicates message sent to Congress in relation to foreign policy and importance of Brazil.

Letter 03/26/1971 – Response to letter sent through Mr. Zumwalt.

Memo 02/03/1971 – Communicates change in Brazilian Ambassadors.

Memo 01/06/1971 Communicates receipt of correspondence expressing thanks for gifts.

Box 12 - CO 21- Brazil 01/01/1971 -[1969-1970] [not in numerical sequence]

Telegram 11/21/1968 –Thanking telegram sent at Nixon's inauguration.

Telegram 11/21/1968 – Thanks for conversation between Nixon and Magalhães Pinto.

Telegram 01/23/1969 – Telegram from JK congratulating Nixon on inauguration.

Memo 01/30/1969 – Response to JK telegram considered inopportune.

Letter 02/03/1969 – Letter on forum at the University of Arizona with Brazilian students.

Telegram - 02/07/1969 - Inopportune to reply in writing to Lacerda.

Memo 02/20/1969 Presents diplomatic credentials of incoming Brazilian Ambassador.

Telegram 02/21/1969 Telegram of CBS requesting priority on satellite channels so as not to prejudice transmission of Nixon's trip to France.

Letter 02/21/1969 Response letter to letter presenting new Ambassador Barboza.

Letter 02/21/1969- Idem.

Protocol instructions 02/21/1969- Presentation of credentials.

Memo 02/20/1969 Preparation of presentation of credentials of Ambassador Barboza.

Memo 02/19/1969 Recommendations for presentation of credentials together with a summary of the political situation in Brazil, biography of the Ambassador.

Resignation letter of Leitão.

Memo 03/19/1969 Reply to Nixon's press conference
 Memo 03/20/1969 Request for meeting with the President by Mr. João Calmon.
 Telegram 03/24/1969 Reply to Mrs. Teresa Fonseca for stitched handkerchiefs
 Telegram 04/04/1969 Expressing thanks for telegram expressing condolences for death of Eisenhower.
 Memo 05/12/1969 Request for signature on extradition of Eugene Arling Williams, American citizen jailed in Brazil.
 Telegram 10/06/1969 Telegram thanking Telegram congratulating the flight of Apollo X.
 Memo 6/11/1969 Message of ex-President Goulart through a Petroleum head of Louisiana wanting to pass message personally.
 Letter 04/13/1969 Presentation letter accompanying Rockefeller on his arrival to Brazil.
 Telegram 09/07/1969 Telegram thanking Telegram congratulating US independence
 Letter 07/14/1969 Letter responding to letter delivered by Rockefeller.
 Telegram 07/21/1969 Telegram from the House of Representatives of Recife congratulating the flight of Apollo XI.
 Telegram 07/ 26/1969 Gratitude for telegram congratulating the Man on the Moon.
 Memo 08/08/1969 Request of ESG group to meet with Kissinger- Denied.
 Letter 08/18/1969 Request for autograph.
 Letter 04/19/1969 Congratulations for the exposition of Atoms in Action, nuclear science demonstration center in São Paulo.
 Memo 05/09/1969 Liberation of 15 political prisoners in exchange for Ambassador Elbrick.
 Telegram 05/09/1969 Cancellation of the September 7 celebration in deference to the kidnapping of the Ambassador.
 Telegram 07/09/1969 Telegram congratulating Brazil on its Independence Day.
 Telegram 07/07/1969 President Nixon thanks efforts for the liberation of Ambassador Elbrick.
 Memo 09/11/1969 Brazil Capital Market Course.
 Letter 10/ 09/1969 Letter to Nelson Rockefeller.
 Telegram 10/29/1969 Telegram congratulating inauguration of President Médici.
 Memo 11/03/1969 Response of Mickey Mouse to Brazil Capital Market Course at Central Bank.
 Memo 11/09/1969 Biography of Gibson and short summary of current situation in Brazil instructions for meeting with Ambassador.
 Letter 11/10/1969 Thanks for present sent by Brazilians.
 Telegram 12/01/1969 Thanks for telegram sent for Apollo XII.
 Telegram 12/19/1969 Telegram expressing condolences upon death Costa e Silva for widow.
 Telegram 12/19/1969 Ibid, for the government.
 Letter 01/21/1970 Communicating Medici's assumption of power.
 Telegram 02/21/1970 Telegram for victory in the World's Cup.
 Memo 03/02/1970 Maritime relations with Brazil.
 Memo 05/07/1970 Ibid.
 Letter 09/12/1970 Coffee Policy
 Telegram 07/24/1970 Telegram thanking Telegram sent for Independence Day.
 Memo 01/20/1970 Request from USAID for audience of six Brazilians with President.
 Memo 12/17/1970 Reply to USIA reductions in Latin America.
 Telegram 12/20/1970 Telegram condolences for death of Ambassador Valente.
 Letter 12/24/1970 Changes to date of Medici's visit.

BOX 12

Ex- CO 21- Brazil 111-71 [3 of 41 - Box 12 - WHCI (White House Central Files) - S- J - co
 Letter 11/28/1971 – Invite to gala dinner for Medici's visit.
 Memo 11/30/1971 – Memo on presents to be offered to Pres. Médici
 Memo 12/11/1971 – Invite for arrival of President Médici
 Memo 12/11/1971- Ibid.
 Memo 12/31/1971 – Topics to be discussed between the Presidents.
 Letter 12/3/1971 – Letter accompanying visit of Fich to Brazil.
 Letter 12/4/1971 – Letter for Minister of Foreign Relations Barboza
 Memo 12/6/1971 – Requisition of photographic material from Marines for reception for Pres. Médici.
 Memo 12/6/1971 – Topics to be discussed with Médici, sale of radars.
 Memo 12/07/1971 - Protocol for President Médici.
 Memo 12/07/1971 - Gift- Exchange information.
 Memo 12/07/1971 – Informed of participation of Flávio de Almeida Salles in a meeting .

Confidential files not yet available

[Ex] CO 21 Brazil [1969-1970]

12/01/1970 - CO 21 Memo - Kissinger to Machnanoff - Relations with Brazil.

2/21/1969 - Co 21- Scenario- Presentation of credential by ambassador designate of Brazil Mario Gibson Barbosa - Special File
02/21/1969 - Co 21- Idem
03/24/1969 COI 9 CO 21 Barbosa Mario Gibson – letter to President Costa e Silva regarding : Latin America
6/26/1969 CO 21 PR 1-2/MT For Kissinger. Regarding : João Goulart and Lu Mattene.
10/23/1969 me 3-3/ co 21 -co 21 Telegram for Secretary of Estado from Ambassador in Rio de Janeiro suggesting changes in letter to be sent by Pres. Nixon to Pres. Médici.
12/03/1969 FO 4-3 CO 21 . Roy V. Edwards to Kissinger – regarding : Nelson + Co, inc, problems in Brazil.
9/15/1970 - CO 21 FG 21 Sec Stte to Peter Flanighan .
11/30/1977 - TA4 / Coffe -CO 24- FG 11To Mr. Kissinger from Fred Bergstein- Brazil and the coffee agreement.
12/09/1970 - FG-I / COI - 9 - CO 21 FG 32 Horgan-Huste From Kissinger to Macnaroff Request For Rockefeller Report Background papers.
3/26/69 - CO 21 - COI 9 FG 11 - John P. Walsh to Mr. Moore. President’s Letter to the President of Brazil - Special file.
5/25/1971 CO 21 Memo From Dwight Chapin to Davis . State visit of Medici.
4/28/1971 FG6 - 11 Kissinger CO 21- CO 162 - CO 9 - To Dr Kissinger To Hewitt. Luncheon at the Bazillion Embassy.
09/06/1971 COI 03 - CO 21 - 00115 - Memo - To Haig from Chapin – Visit of Medici and King Hassan.

Box 13 - WHCF - Nixon _ CO- 1/01/1971 - CO 21

Letter 02/20/1971 Response regarding UCLA/Brazil conference.
Letter 02/10/1971 Incident in Rio de Janeiro. American tourists shot by Brazilian sentry after failing to stop at guardpost.
Letter 02/20/1971 Prison for Vinicius Caldeira Brandt.
Memo 03/19/1971 Response to letter – impossibility to act in case.
Memo 04/01/1971 Response to request from press.
Letter 04/14/1971 Invite from Hemispheric Association for war on poverty.
Letter 06/17/1971 Letter from Kissinger to Boer (Chief of O Estado de São Paulo).
Letter 06/24/1971 Professor from Araraquara thanking for American basketball team.
Letter 06/24/1971 Letter to Brazilian student on exchange
Telegram 07/06/1971 Taiwanese resident in Brazil requiring self-determination to return.
Letter 07/08/1971 Thanks present for 150 years of Brazilian independence
Letter 11/01/1971 Letter from representative of Baptist church
Letter 11/15/1971 Response to information for anti-drug campaign
Letter 11/26/1971 Press coverage for Médici visit.
Letter 12/02/1971 Coverage by Manchete of Médici - Kissinger meeting.
Letter 12/15/1971 Response to suggestion of American congressman on how to improve US-Brazilian relations.
Letter 09/12/1971 Ex- Ambassador of Argentina.

Box 13 - WHCF - Nixon - S J - CP 01/01/1971 - CO 21

Letter 01/13/1972 Invitation to dinner for Kissinger.
Letter 01/25/1972 Response to letter
Letter 02/02/1972 Letter for Jucelino Kubitschek .
Letter 12/15/1972 American businessman living in Brazil comments on Medici’s impressions on his visit.
Letter 02/14/1972 Response letter to businessman
Letter 02/31/1972 Request to include Nixon’s visit to China.
Letter 03/27/1972 UCLA requests State Department official for talk with Brazilian students.
Letter 04/06/1972 Refugee Romeno wants to enter the US.
Letter 03/30/1972 Response to information request for purchase of 100,000 cups of beer in Brazil by the Republican Party.
Letter 04/29/1972 Response to Boy Scout letter.
Letter 05/17/1972 Response to Boy Scout letter about land donation.
Letter 07/26/1972 Response to pastor
Translation and Original 08/05/1972 Letter from candidate for dictator of Bolivia requesting American support.
Letter 10/18/1972 Requesting credentials for Brazilians.
Letter 11/03/1972 Response to __ sent by Brazilians.
Letter 11/10/1972 Request for autographed copy of Kissinger’s book by João Leitão de Abreu (Chief of Staff).
Telegram 11/16/1972 Congratulations for Nixon.
Telegram 11/21/1972.

Part II: Case Study

1. The American documents on the 1964 Coup d'Etat

1.1. The Defeat of Joao Goulart, the defeat of a project

At a certain moment in Brazilian History, the country seemed to be destined to be governed by the military. During this period, the rank of president was the highest of the military career and it was enough to have the fourth star in order for candidates to have a certain, shall we say, *preferential ascendancy*. The military movement that overthrew President João Goulart had the objective of liberating the country from corruption, communism, and paradoxically, to restore democracy. João Goulart, the legitimate successor of Jânio Quadros, (who resigned), suffered a severe boycott when he assumed the presidency in September of 1961. His assumption of the Presidency, supported on one hand by part of the union leadership, and on the other hand by one nationalistic military current – based within the Third Army - would signal the return of the 'petebismo'³⁰ of the Vargas era, but in the context of larger social pressures and mobilization.

Goulart's economic and political program did not bring any new developments, and tried to place social and economic development in the context of an active mobilization of human resources. Goulart approved the expropriation of several North American companies, including the National Telephone Company and the Electric Company of Rio-Grandense, executed by Leonel Brizola. These measures tried to insert Brazil in a worldwide current of nationalistic and reformist movements searching to put in practice the much-dreamed about economic development and international political independence. This current of development, included Egypt, Iran, Iraq, and later, after the Algerian Revolution, the Soviet Union began to show signs of interest, in the way in which aspirations of reform and independence of these countries affected the interests of the occidental powers, especially the U.S.A.. In truth, the search for autonomy based on the nationalist-reformist movement, took other routes in Latin America. In light of the heavy presence of the U.S., and the options taken for the most part by the economic elite of the time, the emphasis on autonomy had started to lose vigor. At the same time, proposals of dependent development associated with international capital, in development theory, gained force during the 50s and 60s as a counter to nationalist-statism. Countries such as Brazil, Mexico and Argentina had still been able to experience some spurts of industrialization during this period.

Far from being the archetype socialist, João Goulart the politician tried risky moves in this context of invariable geometry that was the Cold War. For example, in keeping the Independent External Policy (PEI), coherently represented by the chancellor Santiago Dantas, he would end up paying a high price. In a telegram addressed to the Department of State, the American ambassador Lincoln Gordon bestows great compliments upon Santiago Dantas, defining him as a man of extreme " *vanity and talent* "³¹. With the resignation of Jânio Quadros, on August 25, 1961, Tancredo Neves became chief of staff of the first parliamentary cabinet, and Santiago was given the area of Foreign Relations. A controversial figure, the diplomat defended the permanence of

³⁰ "petebismo" refers to PTB (Partido Trabalhista Brasileiro), created by President Getúlio Vargas .

³¹ Consists of a telegram dated July 3, 1962, in which the then- American ambassador describes the crisis generated by the nomination of Dantas for the post of First Minister and instilling him with full authority for international negotiations.

Cuba, already under the regime of Fidel in the name of hemispheric unity. In truth, the neutrality of Santiago Dantas would provoke, internally, the anger of the right, and externally the diffidence of the American diplomacy.

If on one hand the effort to construct an independent foreign policy demonstrated to the nation the qualities of the chancellor, on the other hand it discontented the conservative forces, already antagonistic to Goulart. The House of Representatives refused to indicate Dantas' name in the formation of a second cabinet, and to this it added the created by Dantas' promotion of the base reforms, announced in 1958. In January of 1963, the presidentialist regime is re-established and João Goulart delivered the Ministry of Finance to Dantas and the Planning Ministry to the young economist Celso Furtado, who formulated a monetary stabilization plan. At the time Dantas was responsible for Brazil's integration into the international political and economic scenario, with a focus on world peace, but also for the defense of the principles of non-intervention and self-determination. The reaction to this policy was growing, because at the same time that Brazil attempted to intensify commercial relations with various countries, including those of the Soviet bloc to increase exports and revenues, it received fierce pressure for unrestricted acceptance of the *Alliance for Progress*³².

In the internal plan these base reforms were not destined to implement a socialist society, but they had frightened the American representatives in the country. For the first time in Brazil, the redefinition of a nationalist-statist project would begin to incorporate ample popular participation. At this moment, the tone and the meaning of the political discourse began to move. In contrast to the Vargas Era, where a conciliatory tradition was still part of the official discourse, the current tone of politics would be the confrontation of the more preeminent social problems. Resistance to this new direction was quick to appear.

President João Goulart tried to implement base reforms, but the Congress, whose the parliamentary majority represented the interests of the elite, was opposed to these reforms. Measures to contain the remittance of profits abroad, for example, were opposed by the U.S. and groups linked to international capital.

The manifestation of the complete aversion to national-statism are expressed in the telegrams of the American ambassador Lincoln Gordon. Gordon thought these values to be an impediment to Brazilian economic development and he created an unfavorable picture of Brazil before the American State Department. His prosaic aversion to this policy is demonstrated by his initial indifference to the indication of Francisco Diogo Brochado da Rocha as Justice Minister in the cabinet of Goulart. On July 9, at 12:21, Gordon sends a message to Washington characterizing Brochado da Rocha as a "modest, moderate and nationally unknown" jurist. However, three hours later, at 3:54, the previous words of Gordon assumed more emphatic positions when associating the figure of Brochado with the name " Brizzola " (sic).

João Goulart began to radicalize his discourse and actions. Seeking support of the population, he stimulated public marches and demonstrations. Trade unionists, workers, students, artists and intellectuals began to support his reform plan on several fronts. Agrarian reform preceded the creation of a populous class of small rural landowners and the plan received broad support from the Peasant Leagues, led by Francisco Julião. Urban reform sought planning for regular growth of the cities and tax reform, jointly with banking reform, took away emphasis on the collection of direct taxes

³² FAGUNDES VIZENTINI, Paulo. *Relações Internacionais e Desenvolvimento. Nacionalismo e Política Externa Independente, 1951-1964*. Petrópolis, 1995. pp. 289.

and attempted a courageous progressive income tax. But popular support was not enough to neutralize the reaction of conservative forces.

In the National Congress disputes were emphatic, although the Partido Trabalhista Brasileira (PTB) and other reformist parties had registered important advances, the PSD and the UDN still contained a conservative majority. In the states, after the elections of 1962, the left registered success in Pernambuco and Rio de Janeiro with Miguel Arraes and Badger da Silveira, but these were not sufficient to contain the advancement of the right that would still maintain political hegemony by electing Meneghetti in Rio Grande do Sul, Adhemar de Barros in São Paulo and Carlos Lacerda in the recently founded state of Guanabara. In other states like Minas and Paraná, the conservative leadership of Magalhães Pinto and Ney Braga were at the center of a strong opposition to Goulart.

An impasse began to form. The plebiscite of 1963 re-established the political powers of Goulart. Economic, what followed was a significant frustration to the Goulart Administration because the plan elaborated by Celso Furtado was unsuccessful. The Three-Year Plan did not last three months, severely frustrating Goulart's reform project. In the historical impasse that divided Brazilian society into a reformist movement - supported in large part by civil society organized around a progressive project - and a traditional elite allied with large business groups, would be the victors of this conflict³³.

Lincoln Gordon suspected that Goulart was attempting to force an *autogolpe* to assume greater powers. Based on the opinions of the director of the newspaper *Ultima Hora*, Samuel Wainer, and the director of Manneesmann Group, Jorge Serpa, a personal friend of João Goulart, the American Ambassador believed in the hypothesis of a coup designed by progressive social groups. According to a recent interview,³⁴ Lincoln Gordon affirms that because information was received from persons so intimately connected to the President, there was no doubt as to the intentions of Goulart. At this point, Gordon no longer believed in an exit for João Goulart's government in crisis, and saw the possibility of the 1965 presidential elections as increasingly distant³⁵.

In an assembly carried out in Rio de Janeiro's Central Train Station two weeks before the coup d'état, João Goulart announced a rent ceiling, and the nationalization of foreign oil refineries, passing them to the control of Petrobrás. The speech also mentioned the base reforms, but did not enter into details. That was enough to reinforce the fear of the American embassy in Rio de Janeiro regarding the supposed *autogolpe* articulated by Goulart. At the same time, the opposition had already come to the foreground of the international environment, with the polemic interview of Carlos Lacerda with *The Los Angeles Times*.

Additional details of that fear and consequent American reaction can be evidenced by the telegrams of days prior to the military takeover³⁶.

³³ I will come back to the terms of that impasse in Part III, when the problem of *inclusion* and *participation* in civil society of the period is considered.

³⁴ *O Estado de São Paulo*, 6 of May of 2001.

³⁵ Skidmore, pp. 14.

³⁶ See Annex

1.2. The Brother Sam Operation and the involvement of the American embassy

On March, 31 1964, the troops commanded by General Olímpio Mourão Filho left Minas Gerais for Rio de Janeiro. What made this coup d'état somewhat idiosyncratic in Brazilian history was its spectators. Hurriedly, on the second day of April, 1964, the National Congress at the same time declared the Presidency vacant and temporarily filled the Presidency with the inexpressive Ranieri Mazzilli. Days later, the members of the house of representatives would attend the "election" to President of the Chief of Staff of the Army, Marshal Humberto de Alencar Castello Branco. At this moment, in Rio de Janeiro, the American military attaché in Brazil was Colonel Vernon Walters³⁷, who fought side by side with Castello in the Fifth American Army on the Italian Front between 1944 and 1945. The solidarity of the battlefield helped generate a deep friendship and mutual respect. On the day of coup, the two, separately, and for different objectives, had waited for the outcome of the uneasy night of the 31st of March. The first, Castello, would take office on April 15, and would use of Institutional Acts as instruments of repression to close civil associations, forbid strikes to intervene in unions, and to annul the mandates of politicians. Vernon Walters, in turn, would become, from this moment on, one of the main consultants on Brazilian affairs, to the point of being requested in 1969, while serving as military attaché in France, to prepare a report on the Brazilian political situation for Henry Kissinger.

The documents found in the National Archives, demonstrate the serious intentions, that one year and nine months before the overthrow -- in a closed-door meeting recorded in the Oval Office of the White House between President Kennedy, the American Ambassador Lincoln Gordon, and Presidential aide Richard Goodwin -- demonstrated in defeating the "red danger". The specific subject of the meeting was Brazil and possible aid of \$8 million in investments. An interpretation of the destination of that sum, without too much hypothesizing, could conclude that it was destined to opponents of the regime. The link between American capital in Brazil, the frequent visits of Carlos Lacerda to the United States, the affection of the Americans that Castello would later enjoy, and the "fatality", make the facts surrounding the military action of 1964 extremely mysterious. Even today, the investigations are greater than the facts³⁸.

A possible answer could be in the latest book by Lincoln Gordon, the American Ambassador in 1964, the primary fan in the cheering section against Joao Goulart's government. In his new book, *Brazil's Second Chance: En Route Toward the First World*, Lincoln Gordon exempts the American government of any responsibility in 1964 coup. Lincoln Gordon weaves critiques and comments on the "chances" that Brazil had to reach first-world status but lost throughout its recent history. What chances were these? The chance to become a modern country, an open economy, a future of greatness approaching, perhaps as early as the next elections.

The book does not bring answers or grand revelations of years and months prior to the 31 of March. The former-ambassador moves away from any expectation that he will clarify the facts. The few lines dedicated to the period of the coup were used to refute the main historiographic arguments about American participation in the military coup of 1964. It is limited to affirming that the American government did not give economic support to the opponents of Goulart, nor did it employ its intelligence

³⁷ Skidmore pp.14.

³⁸ Audio NARA. June, 30, 1962.

employees to plan a coup along the lines of the Chilean coup, that would occur ten years later in that country. If read with distanced objectivity that the passage of time brings, it would still create an unquieting suspicion. And if the Americans had not participated so directly in the Chilean coup? Isn't it easier to believe that the coup was the work of Americans rather than an unsatisfied military aligned with activist *udensitas* (of the UDN's party).

Part of this question has been answered by the Uruguayan historian, Rene Dreifus, in his doctoral thesis, published in 1981 by Editora Vozes (*1964: A Conquista do Estado. Acao politica, poder e golpe de classes*). In this book, Dreifus refutes Thomas Skidmore's characterization (*The Politics of Military Rule in Brazil, 1964-1965*) and innovates the criteria for the study of the facts of the period by abandoning the division between the groups aligned with Castellos (Castelistas) and those of the hard line (*linha dura*). Dreifus emphasizes a triangle of relations formed by the followers of the IPES - Instituto de Pesquisas Economicas e Sociais - (Geisel, Golbery and Leopoldo Figueiredo – cousin of the general Joao Batista Figueiredo), the extremists (Silvio Heck), and the traditionalists (Amaury Kruel and Justino Alves Bastos). In addition to this, the author points to the IPES as the ideological source of the coup and the new regime, blurring the focus that was always on the Superior War College (*Escola Superior de Guerra, ESG*).

However, it is not possible to reflect on the facts that are more intimately connected to March 31, 1964, without first doing that brief study of the political conditions led to the coup d'etat. The victory of the military movement defeated Joao Goulart may have been a surprise to many. However, the objective of "opening" the Brazilian economy had been articulated since the middle of the 1950s, by way of American diplomatic representatives. The now-undeniable Operation Brother Sam, was designed to guarantee two objectives, an immediate one and a medium-term one: theoretically, to guarantee the evacuation of American citizens in the case of civil resistance and provide petroleum in the case of a supply crisis.

A quick reconstruction of the processes that resulted in the military coup d'etats against progressive governments in Guatemala, Ecuador, Brazil and Argentina, for example, in the 1950s and 1960s showed that beyond the specific circumstances of internal conflicts in each country, there was a strategic American ambition: reinforcement of an anti-communist message, that it was based on clear political and economic demands. In Brazil, where documents from the American Embassy destined for the State Department classified President João Goulart as a man in favor of communism, the coup d'etat that defeated him in 1964 was interpreted, in a telegram of March 3, as calm and without the need of a task-force.

In the American point of view, protecting American markets³⁹, giving continuity to the status quo, and contributing to the defeat of the political and economic plan of the global national-reform movement was the backdrop of American ambitions. The national-reform movement was important to Soviet interests because reformism and independence affected the interests of western powers. The deployment of a naval force based in Panama to the Brazilian coast is more than verified by the sequence of secret telegrams sent by the American Embassy in Rio de Janeiro to the State Department. A few hours after the coup d'etat, a simple authorization would remain at the disposal of

³⁹ HAINES, Gerald K. *The Americanization of Brazil: to study of OR.S. cold war diplomacy in the Third World, 1945-1954*. Wilmington, Del. : MR. Books, 1989. pp. 250

Ambassador Lincoln Gordon, to dispatch a transport task-force to supply weapons and fuel against any possible attempt of resistance whenever necessary.

Diplomatic voices would say that the American deployment to the Brazilian coast only served to guarantee a safe exit to American citizens in case they were threatened. Lincoln Gordon still insists that, beyond the hypothesis that the deployment of a task-force days before the coup had the objective of supplying petroleum reserves for the internal market, sending ships had been a request of businessmen concerned with the scarcity of petroleum in the internal Brazilian market⁴⁰. On the other hand, the fact that Operation Brother Sam was aborted when it became clear that there was no civil or military resistance does not exclude or support the predisposition of a show of support in case there had been civil resistance. Even if the documents of the State Department reveal the totality of equipment aboard, in this case the speak for themselves. Even if the intention of military intervention existed - as is clear from in documents reading of the documents – in case the coup were to fail, that fact could not be proven until the moment it occurred, therefore many documents still demand the use of the FOIA- Freedom of Information Act. Practically speaking, the fact is that nothing was necessary, because the military launched a coup with resistance controlled by force and Goulart was forced to leave the country on the same afternoon.

1.3. The Alliance for Progress and American Diplomatic Action in the Coup d'état

In the beginning of the 1960's, the world watched a true escalation of the bipolar world. The Cold War between the two great powers and their respective blocks of allies was a mandatory landmark for the comprehension of political and economic relations. The Era of military dictatorships in Latin America had a great watchman, the U.S.. Whenever American interests were threatened, the force responsible for democracy and the *Pax Americana* did not delay in making its presence known. This was true in the years prior to the coup d'état of 1964, and, more clearly, in Chile. The joining of interests of the Latin American elites and the ranking of priorities in the American political agenda came to favor the proliferation of coups at the end of 1950s and into the 1960s.

Despite its geographic distance, Latin America was a special setting for the East-West conflict. The persistence of an attempt at economic integration and delayed development generated an asymmetry with the countries of the north, in the external panorama. Even in the domestic environment, a vast social mobilization of political proposals, to a smaller or larger extent, a revindication of the continuity of the national-statist past, and questioned the delay and continued dependence, while offering alternatives of social and economic development.

Not gratuitously, the counterproposals of a dependent development and association with international capital gained strength during the 1950s, by virtue of the proposal of Kennedy Administration, the Alliance for Progress. In order to receive economic assistance, economic, legal, and political reforms occurred. Fighting inflation, reinforcement of free trade, and regaining confidence of foreign investors were the principal priorities of the program that intended, during a ten-year period, apply \$20 billion, supplied by the American government, to income redistribution programs, elimination of the illiteracy, public housing and integration of the Latin-American

⁴⁰ The ex-ambassador Lincoln Gordon recognized a link to Operation Brother Sam in statements formulated for *O Estado de Sao Paulo* on 3.31.1994, on the thirtieth anniversary of the military coup, transcripts by Roberto Campos. pp. 550.

economies into a common market. However, the deterioration of relations between the Goulart Administration and the U.S. increased as the months passed. When the Coordinating Committee of the Alliance for Progress met in São Paulo in November of 1963, João Goulart gave a speech that practically ignored the Alliance, instead concentrating on the World Conference on Trade in Geneva. The disinterest of the Brazilian government was another motive to reinforce the arguments of American diplomats in Rio de Janeiro and Brasilia regarding Goulart's slide to the left, along the lines of peronismo. The interruption of financial assistance to the Brazilian government was only partial, because state governments that complied with the Alliance for Progress continued to receive funding.

To reach their objectives, soon after the coup, the Economic Action plan of the Government – PAEG was launched. The magic formula to open the country to multinational companies would, according to the Plan, generate jobs and economic growth. To put the plan in practice, the government relied on the support of the American government. The American plan of action consisted of economic assistance to countries in development, but without clear objectives, therefore it was difficult to distinguish between economic and financial assistance.

The U.S. was ambivalent about the purpose of the Alliance for Progress because on one hand, it wanted reforms in the countries that received resources, and on the other hand it did not want reforms that would provoke an "*infection of the left*". Such ambiguity was the product of a combination between motivations of a missionary character and the typical objectives of a political power. Finally, the greatest ambiguity of the Alliance for Progress was the encouragement of state economic planning. That idea was in contrast to basic American principles such as private enterprise, which provoked great resistance in the American Congress.

The process of breaking with the national-statist project became clear in the attitudes of the Castello Branco government. The creation of the Land Statute, the precursor to land reform that not only did not happen, but didn't stop the cities from becoming dense and populous during the 1960s and 1970s. Beyond the annulment of the Base Reforms, the law of 1962 that controlled profit remittances abroad had also been annulled. The Brazilian government intended to put an end to the economic crisis by diminishing public expenses and a strong wage controls.

The American writer Ambrose Bierce in his *Dictionary of the Devil* said two centuries ago that "diplomacy is the art of lying in the name of the country". Lincoln Gordon denies even today, despite his ability in that period to manipulate information and privileged contacts, the knowledge of any conspiracy. But contradictorily, the Ambassador would greet with enthusiasm the fall of Goulart on the 1st of April. In the beginning of May, at a speech to the Superior War College in Rio de Janeiro, he exalted the "revolution", comparing it to the resolution of the Cuban Missile Crisis, the blockade of Berlin and the Marshall Plan - in which he had participated - to the great events of the history of the 20th Century. American recognition of the coup arrived 24 hours later. Washington did not conceal its satisfaction with the change in regime, principally by a man of its confidence. Even though Castello did not rigidly follow Washington's dictates during his three years in the power, the friendship of Vernon Walters would change the political situation - classified five days before of the coup as "Psychological: Negative"

by the then-counselor for foreign affairs, John Keppel - to the warm reception of the new regime⁴¹.

Supported openly by the UDN and the IPES, the arrival of Castello to power was articulated by their main leaders, to which the general himself was connected. Together with Carlos Lacerda, Juracy Magalhães, Milton Campos and the ultra-conservative Bilac Pinto, they conspired openly against Goulart and they were the civil arm of Castello to convince him that the only way to preserve democracy would be to take power. The UDN wagered that perhaps with its political arithmetic, it would play the role of protagonist in the "restoration" of the democratic order. The plans of Lacerda and his political group did not result as expected. First, because with the AI-1 issued on April 9, 1964, in spite of its validity prior to decompression in 1966 - its article 11, "The present Act enters in vigor on the present date until January 31, 1966; revoking all arrangements in contrary" -, internal disputes would end up making the regime more long-lasting, against even Castello Branco's wishes. It is interesting to notice that, ironically, the regime never assumed an authoritarian facade, because Congress continued functioning and the restrictions on civil rights were always presented as temporary.

When Castello Branco assumed power, the majority of his Ministry was from the Superior War College (ESG), an institution that was responsible for the Doctrine of National Security. The ESG group, connected to its intellectual mentor, Golbery de Couto e Silva, was nicknamed the 'Sorbonne Group'. From these people, monsters such as the SNI - the National Information System - would be created, responsible for the fight against the "subversive war" in Brazil. The task of the coup plotters, as expressed in the report sent by Castello on March 30, stated two objectives for the coup. The first was to frustrate the communist plan to gain power and defend military institutions, and the second was, to re-establish order as legal reforms proceeded. However, the attitudes and internal conflicts between the Sorbonne Group and those wanting to extend regime would betray the intentions of the Sorbonne Group.

A current in Brazilian history is the conciliation between the forms of power and violence. Brazilian democratic tradition did not exclude forms of external coercion and violence where, by the frestas of authority, the State used force discriminately many times. That earned the assertion of Sérgio Buarque de Hollanda, a symbol of the Brazilian conscience: "Brazilian democracy was always a lamentable misunderstanding". No other interpretation would apply to the golpistas of 64. The Constitution of 1946 did not allow precedents for the substitution of the president, with the exception of resignation, impeachment, or exile from the country without legislative approval. The basic condition of governance for the new regime would once again, be repressive military option based on the use of Institutional Acts. It is worth remembering that not even the most vociferous adversaries of Goulart were able to remove him from power, because they did not have the necessary votes to begin impatient proceedings.

⁴¹ Telegram, March, 28, 1964. RG 59 1964-1966 - Box number 1932

1. The present situation in Brazil will not require the presence of a task-force with water planes to the south of the country, in agreement ordered in the ref A. (...)

2. Agreed, with the instructions contained in the ref. That the action is cancelled.

Resume the forces under its command to their positions. 3. Continue observation ref B. GP-3

Telegram: 3 of April of 1964, 1:48pm. RG 59 1964 1966 - Box number 1932

Part III: Conceptual Fundamentals

1. United States and Brazil: Concept of Brazilian Political Culture, Between Rhetoric and Practice

1.1. Comparisons Between Brazil and the United States

Without risk of exaggeration, it is possible to affirm that Gabriel A. Almond and Sidney Verba contributed decisively in defining the contours of what today is understood by Political Culture. This is because, among other reasons, their theoretical reflections do not lose sight of what passes in the political world inhabited by contemporary citizens. The theory of the authors is based on a causal connection between public opinion and the possibility of the emergence of a democratic system and its stability. According to the idea of Almond and Verba, the explanatory axis of politics is no longer political institutions, but the electorate with its passive behavior and irrationality in the vote⁴².

The originality of the work of both is due the fact that the basic presumption of the concept of Political Culture could be recognized in several political behaviors. These behaviors could be measured by the use of research and specific techniques that would enable the recognition of behavior and preferences of certain parts of the electorate. However, this work became dated from the moment that critics of Almond and Verba began to identify faults in the process of institutional conformity in its peculiar national and historical contexts. Because individual historical experiences provide the basis for individual institutional conformity. Without a doubt, the initial presence of "*The Civic Culture*" in the context of the Cold War served to classify Political Culture in certain countries through their democratic reputation: are limitations on political competition? Are there expressive portions of the population to which the vote would be denied? In the case of affirmative answers, the regime would not be classified as democratic and therefore compromised in its political-cultural beginnings.

That true dichotomy between authoritarian regimes without any participation and democratic regimes with broad participation, did not allow the imposition of a research agenda from the 1960s to question the chances of a democratization process in the group of countries with authoritarian regimes. The possibility of passage from one to another passed completely unconsidered in that period. Although those that were adept in so-called Modernization Theory tried argued that the point of culmination of stable democracies would contain prior development in education, mass communication, bureaucratization, public health systems, and liberalization of domestic markets, etc⁴³. An important contribution for theoretical reflection on contemporary democracy was done by Robert Dahl. Dahl considered that even effectively- functioning democracies were poor approximations of the democratic ideal,

⁴² ALMOND, Gabriel. To: VERBA, Sidney. *The Civic Culture*. Newbury Park: Sage, 1989.

⁴³It is possible to draw a more or less clear division between the concepts that defend the existence of some level of relationship between political culture and political structure. In that sense, classical works by Downs; Lipset; Almond, Verba (1989a), were absorbed in more recent works as that of Diamond (1993); Tulchin, Romero (1995) and Camp (1996). It is possible to draw preliminarily two positions between the authors that link a relation between Political Culture and Democracy. The first is an understanding that an unlinear path exists in the relation between Democracy and Political Culture: a civic culture, for example, in the Latin American mould can have an effect on Democracy, but Democracy does not have an effect on the constitution of a civic culture, ex. Almond, Verba, 1989. Another link is that it breaks from the principle that Political Culture can be influenced by democracy, but the maintenance of the regime does not necessarily depend on a prior adhesion to its values but does depend on strategic cost-benefit considerations calculations by the political actors in conflict p.ex.Dahl, 1989.

and suggested that these be referred to as Polyarchies. The author approached the problem of democratization – defining it as a process of progressive enlargement of political participation and competition. It would be possible to evaluate any country according to these two axes- competition and participation – clearly and reasonably, as defined by a country's larger or smaller proximity to the democratic ideal. The author also contributed to the retreat from this field of knowledge of the social and pessimistic current regarding the democratic chances of underdeveloped countries. Until that time, the main modes of thought understood that democracy would only be possible in countries that had developed in the 19th Century. Poor countries, therefore, would be condemned to authoritarianism and underdevelopment.

The point of departure of Dahl's theory was exactly the rupture with the classical defenders of Modernization Theory: Lipset, Moore, and Huntington. The development of variables linked to the political world would come to gain autonomy and explanatory power. For Dahl, democratic institutions were the best predators of their own, because democracy is the object of a cost-benefit calculation constantly done by political actors in conflict. As Hobbes affirmed that laws don't exist without swords, Dahl breaks from the premise that in each and every political setting, one group prefers to repress rather than tolerate its adversaries. However, the costs of that premise are incalculable due to their unpredictability. In these terms, democracy sustains itself through equilibrium of forces where adversaries prefer to adhere to it and mutually repress themselves.

For Seymour Lipset,⁴⁴ on the contrary, the ideal structure would be the transformation of social pyramid, composed of a vast base of poor classes, into a lozenge of a growing middle class, according to the author, "a society divided between a large poor class and a small elite will result in an oligarchy (dictatorial domination of a small upper class) or in tyranny (dictatorship with a popular base)". In this way a numerous middle class would temper the conflict between classes by favoring moderated and democratic political parties and complicating the actions of extremist groups, which would represent a transformation of the social conflict, subordinating it to the political sphere. Lipset did not disdain political institutionalization, and even admitted that it had some importance, but it would always be secondary and subordinated to a predetermined political structure. Nevertheless, it was clear that the perspective of regime transition was completely forgotten in his argumentation. There was no space for political action that could contribute directly to democracy. That possibility only existed through its support of modernization. But it is important to remember that for the author, modernization did not lead to democracy, therefore in no hypothesis would development lead to democracy, but it would favor the maintenance of democracy when, and only when, from the democratic regimes were already constituted.

This perspective, beyond not opening space for the constitution of a fully democratic regime in underdeveloped countries, also sought foundation in a historical theory still very marked by evolutionary and positivist linearity. Supposing that history was the same in each and every country, Lipset deduced that all countries would pass through the same evolutionary stages. Consequently, their political cultures would have the same training periods and would basically depend on an alliance of classes during the same modernization process⁴⁵.

⁴⁴ LIPSET, Seymour M. "Social Requisites of Democracy: Economic Development and political Legitimacy", *American Political Science Review*, 53: 69-105, 1959.

⁴⁵ LIPSET, Seymour M., *The Political Man*, New York, Doubleday, 1960

However, contrary to the forecasts of Lipset, the advent of the Cold War, which created a favorable setting for Latin American dictatorships, and the political events of the 60s and 70s, seemed to associate the idea of modernization of underdeveloped states to the emergence of authoritarian regimes. Alternative explanations to those of Lipset were invoked continually during the 1970s to justify the failure and weakness of the modernization process of countries of the so-called Third World. Samuel Huntington⁴⁶ proposed an alternative explanation starting from the principle that, in theory, democracies would be threatened by the entrance of the masses in the political arena, adding that modernization in dictatorial regimes would destabilize democracy by intensifying the social conflict. Following that same line of thought, Huntington affirmed that the relaxation of controls in authoritarian political systems could often have explosive effects in the cases in which the process escaped the control of those who created it⁴⁷.

Based on Huntington's arguments, any diagnosis that could be done for Third World countries would not alter their luck in moving to complete political impotence. Already for Dahl, a follower of the pluralist school, societies are distinct not by their position on a continuous evolutionary scale, but by agreement with their level of pluralism. In plural societies amplified participation combined with political competition provoked a change in the composition of political leadership, and therefore no social group would have exclusive access to any of the resources of power. In other words, no social group could guarantee its dominance over others. In this way, the democratic chances of underdeveloped countries would not depend on historical invariable, but on the grade of plurality of the society, and therefore there would not be an intrinsic incompatibility between democracy and underdevelopment.

Starting from a Dahlist perspective, how can one explain Brazilian political culture, which in contrast to the American system, combines a low adherence to values connected to the government and to those that govern, with a high adherence to attitudes related to systemic characteristics such as participation, periodic elections, democracy and equality?

1.2. The Limits of Political Culture in Brazil: A Paradox and a Perspective

Since the studies that attempted to find a causal nexus causal between economic development and construction of democratic practices in Latin America in the 1960s, to the dependency theories of the 1970s, there is an ever-present question in academic debates: Which will be the pre requisites for the installation and consequently, the security of democracy? An important chapter in *Polyarchy: Participation and Opposition* focuses on the entrance of the masses into the political system. Contrary to the studies overseen by the modernization theorists, the Dahlian pluralist school of thought does

⁴⁶ HUNTINGTON, Samuel, *Political Order and Changing Societies*, New Haven, Yale University Press, 1968.

⁴⁷ An important aspect of Huntington's work on the is *The Easy Choice: Political Participation in Developing Countries*, Cambridge, Harvard University, Press, 1976. Three years before, the author had been invited by the Brazilian government to participate in a series of seminars aimed at comparing the Brazilian decrease in political institutionalization with the Mexican experience. The presence of Huntington in Brazil immediately awoke an intense debate. According to Thomas Skidmore in his book, *The Political Military Rule in Brazil 1964-1985* pp.324-326, Wanderley Guilherme dos Santos presented a solid counter argument for controlled political liberalization. Wanderley Guilherme had six aims, in decreasing order of importance, to restructure the democratic regime: judicial independence, freedom of the press, *habeas-corpus* and others individual rights, freedom of organization for political ideas, rules relative to political disputes; and finally, well defined lawful procedures for the use of coercion.

not concentrate on the study of difficulties of incorporating the masses into the political system as Lipset and Huntington did. The masses, for the pluralistas, are an aspect which should be incorporated into an order of advancements along two axes: competition and political participation. The logic of the process comes from the principle that democracy is the fruit of a cost-benefit calculation, and that all political groups and participants in political conflict prefers to repress rather than tolerate its adversaries⁴⁸.

In this way, Francisco Weffort⁴⁹ presents the first paradox that touches the incorporation of the masses- in the axis of participation - and the institutionalization of the conflict - liberalization- in the specific case of Brazilian political culture. According to Weffort, the masses were incorporated into the political system through populist practice and corporatism of the State. The populist model was based on a compromise between social classes and the State, including a manipulative relationship, where *"they – the masses- only served the legitimacy of the State in the way in which, paradoxically, they would also be also 'masses of manpower' for the groups that controlled political power"*⁵⁰. The ambiguous situation in which sectors of Brazilian civil society found themselves allows us to prove, according to the author, that they themselves opted for the national-statist ideology and even by the emotive adhesion to populist leaders, combining these factors of passivity with the absence of their own political representation.

*"The political order inaugurated in Brazil in 1988-89 reflects a process of transition in which two dimensions of democratization (liberalization and participation) had an extremely uneven growth. The increase in liberalization (from the right to information and expression) was much greater than that of participation – that is, the capacity of the people to influence the government and its politicians, through elections or other democratic means"*⁵¹

Following the model proposed by Dahl, Wanderley Guilherme dos Santos⁵², deepened the argument proposed by Weffort, reminds us that the bases from which the full development of political institutions is possible are social pluralism⁵³ and the development of the institutionalization of political polyarchy, in that which affects the relations between Society and the State. In case there were to be an incompatibility between polyarchy and the right of the State over society, mainly as in the case of Brazil where there was a structuring of the State along clientelist lines. On this point, in the case of Latin America (according to the author), social policy no longer served as an instrument of political integration and became an obstacle to institutionalization. Given

⁴⁸ DOWNS, Anthony, *An Economic Theory of Democracy*, New York, Harper end Row, 1957, pp. 23. Examines democracy in its formation. Downs, to avoid premises that to democracies themselves support a regime of gallows, defined democracy as the enumeration of certain characteristics, which prove that the procedures and rules of the game are, for the author, what makes it singular. It would exist only under a series of conditions that had to be satisfied. Unlike Robert Dahl, therefore, Anthony Downs does not postulate that democracy levels possibility, nor that adhesion to democratic rules is contingent and circumstantial, but only considers its existence or not. For Downs there is no space for any kind of debate about democratic content: a society is democratic or it is not.

⁴⁹ WEFFORT, Francisco C. *O Populismo na Política Brasileira*. Rio de Janeiro: Paz e Terra, 1980.

⁵⁰ WEFFORT, 1992, pp. 123

⁵¹ WEFFORT, 1992, pp. 21-22

⁵² DOS SANTOS, Wanderley Guilherme, *As Razões da Desordem*, Rio de Janeiro, Rocco, 1993, pp. 37

⁵³ With other objectives, but opening space for studies of political culture, are Simon Schwartzman, *As Bases do Autoritarismo Brasileiro*, São Paulo, Campus, 1998, and Raimundo Faoro, *Os Donos do Poder: Formação do Patronato Político Brasileiro*, Rio de Janeiro, Globo, 1987, V. 2, that, through different approaches they give elements to understand Brazilian social factors in the practice of politics.

that: “a) the process of political incorporation came before the process of institutionalization of political competition; b) social policy was utilized as an instrument to direct the solution of the problem of participation in the context of low institutionalization; and c) the constitution of a collective identity of the main political actors came before the liberal establishment”⁵⁴ .

The recent tendency to constitute a “modern, dynamic and pluralist society”, that would serve as the base of a political competition in which the horizontal axis (example of the American political system) did not become concrete in Brazil, especially due to the resistance of established clientelist structures.

In the recent historical process of incorporating the masses in politics, and in the recent transition from authoritarian regime to democracy there was discordance between the institutionalization of political competition and an enlargement of participation. Bolívar Lamounier affirms, while still arguing about the incompatibility between polyarchy and the tutelage of the State over interest groups, that, in case of the analysis of transition and democratic consolidation, a third axis should be added to Dahl's theory (liberalization and participation). From an axis defined as the structural un-concentration of the socio-economic dimension of the consolidation of the regime, can be measured by levels of mobility and social equality obtained by democratization. Lamounier, while not entering into details about which mechanisms of these would be, considered that this third axis would be decisive for the gauging of a stable polyarchic process⁵⁵.

According to Weffort's perspective of political culture, Brazil exists in a historically dual system, in which marginalized and integrated actors are opposed, and where only the latter are able to access the mechanisms of participation. If formal democratic institutionalization enables, in theory, the participation of diverse interest groups, marginalization in the socio-economic area, diminished organizational capacity of those groups is what makes the Brazilian case peculiar within the logic of collective action, in the model proposed by Mancur Olson⁵⁶. Disorganized sectors have been forbidden from the exercise of democracy, leaving them only with attitudes related to “*civic participation*” in periodic elections.

In the specific case of Brazil, it can be historically verified that the state-owned bureaucracy, the armed forces, and the intelligence organized their collective identities around a liberal ideology that permitted the extension of their *axis of participation*. The incorporation of these groups into political parties by the State also respected a logic that was different from the American one in the formation of historical and national political parties. Still, in the Brazilian case, collective identities did not form around political parties, but came before national parties. Only from the end of the Vargas Era at the end of the Second World War, when interest groups, participated actively.

⁵⁴ DOS SANTOS, idem pp. 37

⁵⁵ LAMOUNIER, Bolívar, *Perspectivas da Consolidação Democrática: O Caso Brasileiro*. Revista de Ciências Sociais, São Paulo, n. 4, Jun, 1987. pp. 56.

⁵⁶ OLSON, Mancur, *The Logic of Collective Action*, Cambridge, Harvard University Press, 1965. More recently some critics have begun to study the size of interest groups in the paradox of Olson. According to the paradox, large groups would have less success in the maximization of interests and the consequent incorporation of slices of the public good, by counting on the explicit action of a larger number of free-riders and rent-seekers, than small groups where the devices of control and rewards are more efficient. see: Ray, Debraj and Esteban Joan, "Collective Action and the Group Size Paradox" in *American Political Science Review*, Vol. 95, Nº 3 September 2001.

It is possible to see how there was an incorporation of these groups by large political parties. And it is during this period that the working and ownership classes were incorporated into organized political life, via corporatism. The instrument that made this form of incorporation possible was the social policy of *trabalhismo*, formed in the moulds of the Welfare State⁵⁷.

⁵⁷It is curious to note that in the presidential campaign of 1932, Herbert Hoover, began a debate about the forms of state intervention in the economy and the administration of the collective good, even establishing that the U.S.A. entered the biggest economic crisis economic of its history, he insisted on affirming that it was not the function of the State to intervene. Hoover's loss in the 1932 election to Roosevelt demonstrated that, next to Keynes, an organized state-owned apparatus of intervention in the economy guaranteed bases of support for more three decades of social welfare. See: SHERWOOD, Robert, Roosevelt and Hopkins, Rio de Janeiro, 1988, pp. 54.

1.3. Final considerations

That which Antonio Candido one day named as *ornamental liberalism*⁵⁸ is a possible indication to unmask the absence of a democratic spirit in the American models. The absence of a true democratic spirit arose from a deficiency in the concept of participation. In Brazil, participation was at the mercy of state actions in a paternalistic fashion. In case of the U.S., in a Dahlian fashion, there was a sequence of social liberalization around specific interest groups and later the participation around national parties. In the Brazilian case, in contrast to the American experience, first there was a widening of the participatory space and then political institutionalization by the incorporation of the masses in the dynamics of political competition. The incorporation of the new urban actors through populism, and State corporatism, was based on a compromise between social classes and the State, to balance social pressures but not eliminate contradictions.

In order to attempt to explain the concept of a Brazilian political culture, that combines a low adhesion to values connected to institutionalization, with a high adhesion to attitudes related to participation, civic-democratic practices and periodic elections, it is not possible to leave out the case of the Vargas labor party that thought itself capable of universalizing political participation of the working classes. The masses legitimized Vargas' power in the way in which they pressured the State for social and economic incorporation. This social policy was utilized, including during the boom of the national-developmental period in 1950s and 60as, as an instrument to reply to the problem of greater political participation by civil society in the context of low liberal institutionalization.

Beginning with the government of João Goulart, the peculiarity of trying to resolve the problem of the participation, in the context of low institutionalization, through a return to populist politics and a strategy of national-statism, had the effect of creating a real threat to the *status quo*. In March 1964 this tenuous social fabric ruptured.

⁵⁸ Preface of *Raizes do Brasil* of Sergio Buarque de Holanda, Companhia das Letras, Rio de Janeiro, 1999.

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WASHINGTON DISSENSUS
*IN SEARCH FOR THE PROPER ROLE OF THE STATE IN BRAZIL AFTER ONE
DECADE OF STRUCTURAL REFORMS*⁵⁹

By

Joao Paulo M. Peixoto

The paper will analyze the changing role of the state and its implications for Democracy and Political Culture in Brazil. Its main focus explores the proper role of the state in Brazil after one decade of 'neo-liberalism'. It also addresses related questions such as: why within a decade (1900-2000) did Brazil break from its state-led tradition and adopted economic policies identified with neo-liberalism? What was the weight of globalization in this change? Does the pragmatic approach mean a change in the political culture of Brazil? This paper also intends to fulfill a basic scholarly function for social scientists: that is to offer the better and more convincing explanation to a given social or political fact.

A substantial part of the research was developed at the Woodrow Wilson Center, mainly from the followings sources:

- a) Selected bibliography on the subject, including articles, books, academic reviews and other informative materials and publications;
- b) Interviews with public policy makers at the World Bank, IMF and Inter-American Development Bank;
- c) Interviews with political scientists and economists;
- d) The Library of Congress and the WWCenter Library;
- e) Other written sources;
- f) Woodrow Wilson Center programs meetings.

It is fair to mention the fact that the leadership as well as the academic atmosphere in the Latin American program and at the Brazil Project is crucial to the scholar's successfulness.

I hope the following draft will show it.

Only in the state does man have a rational existence... Man owes his entire existence to the state, and has being within it alone. Whatever worth and spiritual reality he possesses are his solely by virtue of the state.

G.W. Hegel

Lectures on the Philosophy of World history: Introduction
(1830, translated by H.B. Nisbet, 1975)

⁵⁹ Draft to be submitted to the Latin American Program (Brazil Project) at the Woodrow Wilson Center. Another version of this paper was sent to the VI CLAD Congress to be held in Buenos Aires, Argentine (November 5 – 9, 2001).

Introduction

After the demise of Soviet communism and the birth of the “Washington Consensus”, Brazil experienced a decade of structural reforms. Without completing its reform agenda, the country is now facing an intense political debate, centered on concerns about the direction of further economic reforms and what is the proper role for the state.

The purpose of this paper is to address questions related to the proper role of the state in Brazil, after one decade of neo-liberalism inspired by the Washington consensus; a successful but exhausted economic stabilization program, and the emergence of the new international political economy. This paper also deals with the impact of the changing role of the state and its implications for democracy and political culture in Brazil.

The proper role of the state has been the subject of much debate. No matter the political regime or the political ideology, the search for an efficient state has been among the top priorities on the political agenda of politicians and reformers in almost every country in the world. Since 1990, the old-new political divide between the left and the right on economic issues, such as capitalism versus socialism, monetarism versus structuralism, orthodox liberalism versus Keynesianism and/or free marketers versus state’s economic interventionism, has been a key aspect of the debate concerning state reform and public sector modernization.

Regardless of the political or economic framework, governments do make a difference in citizens’ lives. The bigger the role of the government, the lower the self-governance the society tends to be. Big government means small civil society as the intrusive state impedes the development of full citizenship.

With the collapse of Soviet communism, the notion that the masterminded, directive, centralized and self-sufficient state could bring social justice and economic development for developing countries came to an end.

By the early 1990s, a new “wave” of democratization had spread throughout the world, reaching Eastern Europe, the former Soviet Union, Asia and Africa. Along with democracy, market-oriented reforms took place in almost every country in these continents, pushed by the new forces of globalization.

The rampant upcoming of liberal democracy was so impressive that it led to a very provocative article by Francis Fukuyama arguing the end of history. This was understood as the victory of liberal democracy and economic neo-liberalism as the ultimate form of political and economic organization for all nations.

The end of communism in 1989 was also accompanied by the Washington consensus. This set of liberal economic policies constituted the new ‘light’ for state reform and economic restructuring in Latin American countries. Brazil was not an exception (Williamson 1990; Evans 1992-1995; Bresser Pereira 1995-1997; Przeworski 1992; Haggard and Kaufman 1993).

Although state patronage of economic development was certainly present throughout Latin America before that time, economic development became even more heavily dependent on the state beginning in the 1930s and continuing up to the mid-1980s. This model was in accordance with the Interventionist State that existed until the breakdown of the import substitution model in the 1980s. The previous model meant a greater role for the state and a far smaller one for civil society. Today, the situation seems to be inverted, because reforming the state has to be seen as a new strategic initiative for development, less dependent on the state and based more on the

strengths of free market economics. All this without losing sight of the proper role of government of providing ‘public goods’ such as education.

On the state and state interventionism

The origins of the state are missing in the mists of history. Since ancient times, civilizations have been organized around two main categories of people: governors and the governed. Similarly, state intervention in the lives of citizens can be also traced to the times of ancient Egypt, China and India.

The rise of the modern state in the wake of the Peace of Westphalia (1648), resulted from the emergence of merchant, financial, and industrial capitalism in the late Middle Ages, and it developed towards the nation-state of the Renaissance, when monarchs and their allies built up state administrations for financing and managing the armed forces.⁶⁰ The process of state building was conducted through regular taxation and militarisation.

Since its foundation, the idea of the state has been attached to maintenance of internal peace; territory conquest, unity and expansion; and sovereignty. The academic jingle, ‘War made the state and the state makes war’⁶¹ thus, seems to have some ground, despite all the controversy that it evokes. As mentioned by Peter Evans: “Making war and enforcing internal order are classic roles, shared by ancient and modern states. In modern times, a third role has increasingly stolen the limelight. As political survival and internal peace are more often defined in economic terms, states have become responsible for economic transformation.”⁶²

In other words, states matter and can have a positive role in the process of economic development.

The state can be broadly described as the political organization of the society (nation). In a more strict sense, it means the institutions of government.

Italian statesman Niccolò Machiavelli, in his *Il Principe* (The Prince, 1513) popularized the use of the term “state” as it became known in the 15th century and on. The study of the state gave birth to modern political science as a discipline. From Machiavelli to Marx and beyond, the role of the state, its shape and political ideology have been crucial to the politics of economic development and for the political organization of modern states.

It is worth remembering some key political philosophers whose contributions formed the basis of state theory. Hobbes and his Leviathan; Machiavelli with his classic book *The Prince*, his pragmatism and ‘reason of state’ concept—even though he was not a genuine political philosopher; John Locke and his liberalism; Rousseau with his ‘general will’; Hegel and his distinction between state and civil society; and Marx’s elaboration of the socialist theory; whose political philosophies and ideas shaped the political organization of the different states we have seen flourish and decay during the past century.

Hobbes’ idea of an absolute state was the assumption that the “natural condition” of mankind is a “war of every man against every man.” The only way to avoid this war, Hobbes argued, was through the maintenance of a state ruled by a sovereign (man or assembly) with absolute authority. Machiavelli, the Republic enthusiast and strong supporter of the state simply took for granted the absolute authority of the state. John Locke, whose ideas along with Montesquieu’s theory of the separation of powers are at the core of the American political system, saw the formation of the state as the way to protect the natural rights to life, liberty and property. From

⁶⁰ Klaus Bussman and Heinz Schilling, eds. , *1648-War and Peace in Europe* (Munster/Osnabruck.: The European Council of Exhibition: 1998) p.13.

⁶¹ Jonh Keegan, *War and Our World*, (New York: Vintage Books, 1998) p. 31.

⁶² Peter Evans, *Embedded Autonomy*, (Princeton, New Jersey: Princeton University Press, 1995) p.5.

that perspective Locke's political theory gave birth to liberalism. Rousseau's theory of the social contract and the general will is at the base of the French system of government. The French *Declaration of the Rights of Man and of the Citizens* begins with an assertion that the purpose of political association is to preserve natural rights, that sovereignty belongs to the people, and that law shall express the general will. Rousseau also sustained the legitimate right of the state to force individuals to obey the general will as a way to be "forced to be free", considering that obedience to the law is followed by true freedom. Hegel idealized the nation and venerated the state as the embodiment of national aspiration. The German philosopher's political theory was aimed at subordinating the individual to the state, rejecting the individualist notion of freedom. Freedom would come from justice and the public good, he stated. Hegel also drew a sharp distinction between the state and "civil society." The political thoughts of Hegel and Locke are clearly opposed. The first sees the state as an end in itself and the latter sees it a means to the ends of its people. Marx, communists and anarchists, all defend the elimination of the state as it has been conceived. To Marx, the state is an instrument of class rule and oppression, and its institutions are designed to maintain the existing [capitalist] economic system. Marxist-Leninists and anarchists do not see ethical or moral values in the state. For them the state represents only and simply the institutions of government. Engels and Lenin explained the evolution of Marxism and its following stages of socialism and communism as the final type of political and economic organization in a classless society.

Communists and anarchists believe in the abolition of classes and assume that a communist society would allow people to achieve complete freedom. Therefore, there would be no reason for the existence of institutions designed to enforce law. These political circumstances would lead to the ultimate abolition of the state itself. For the anarchists, the state is both harmful and unnecessary, because it corrupts those who govern, divides those who are governed, and above all, is inefficient.

These political ideas shaped the three predominant forms of the state we have seen throughout the 20th century: the liberal, the socialist and the welfare state.

The crises of the state in the last decade of the past century impacted all these political ideologies. Soviet communism disappeared; liberalism became more embedded in social contents; and social democracy became more open to the market economy, under its third way revisionism. The changing role of the state is being shaped by this mutating political context.

The interventionist state is naturally associated with its emergence as a distinct institution, the imposition of its interests upon societies, and its modernization.

Based on economic theory, Holanda Barbosa argues that, "state intervention is justified by market failures such as natural monopoly; the existence of public goods, externalities, or incomplete information; and the absence of certain markets."⁶³ The quality and the extension of state intervention in the political or economical spheres raise big controversies between liberals and non-liberal players, and among liberals themselves. In fact, there is no consensus, even among liberals, on the limits of state intervention in the economic realm. The limits of intervention can be defined depending on ideology and other political and economic features, with no easy compromise. The functions of the state and its limits are at the core of citizen political disagreements today. How much the state should give or provide is a political and economic question permeating the whole debate of state reform. The arguments of the business world and free-marketers that protest against any participation of the state in economic affairs

⁶³ Fernando de Holanda Barbosa, "The Efficiency of State Intervention in the Economy," in Werner Baer and Joseph S. Tulchin, eds., *Brazil and the Challenge of Economic Reform*, Eds. (Washington: The Woodrow Wilson Center Press, 1993) p.69.

have many followers around the world; but the complexities and pervasiveness of economics will force every government into economic participation, economic influence and economic regulation, or even economic control. As a matter of fact, in the past century the governments of the world exerted more and more influence upon economic life. The limits of its appropriate activities are determined by the circumstances in which a state [government] finds itself, sometimes by its ideology, purpose, or even by some other pragmatic reasons.

Assuming that a strictly non-interventionist state has never existed and will probably never exist, the recurrent dilemma is not whether the state should intervene in the economic sector, but what are the limits and scope for such intervention.

On Public Administration and Reform

State, government and public administration all have their own specific definitions and spheres of action, despite being intertwined with the nation-state.

The traditional definition for public administration is connected to the activities of carrying out the policies and programs of government, focusing mainly on the planning, organizing, directing, coordinating, and controlling of government operations. Public administration is present in all nations, no matter what its system of government.

The need to establish permanent bureaucracies emerged in Western Europe from the need to express and preserve the will of the nation-state, regardless of the changes of government or systems of government.

Like the state, public administration has ancient origins. The earliest records of civilizations in China, Asia and Egypt contain references to practices identified with the notion of public administration. A prototype of state, government and public administration can be delineated from the beginning of civilizations.

Modern public administration is associated with the emergence of the nation-state and the growth and centralization of power in monarchical courts, in need of full-time, specialized and stable corps of public administrators to work in different fields of national activity. The United Kingdom and the United States played central roles in the development of current systems of public administration in different countries, including in developing nations such as Brazil.

The industrial revolution in the late 18th and early 19th centuries, and the reform of the civil service in the 19th century, changed the social origins of public servants in England, who instead of being recruited from among rural dwellers, started to come from the mercantile and business classes of the cities.

In the last century, public administrators in England were selected by merit through competitive examinations of university graduates mainly from Oxford University and Cambridge University. Administrators were perceived more as policy advisors to ministers and less as internal managers.

There are basic differences between the British and the American models of public administration. The American model is based on presidentialism, a federalist system with limited power given the national government; and de-concentration and diffusion of power to avoid the 'tyranny' of the executive branch over the other two powers of the state. Another major difference is the nature of the American public service due to the liberal framework of its political regime, which allows the government to recruit thousands of political appointed officials out of the public administration corps. In England, a minister has only a couple of positions that can be filled with permanent non-civil servants.

The polar opposite of the U.S. and Great Britain systems of public administration is the one developed in the Soviet Union after the Russian Revolution of 1917. The Soviet system was based on the subordination of the individual citizen to the dominance of the state; a high degree

of concentration of power; a one-party system, party control of every single agency, and the monopoly of public policy; and the movement in the direction of a technocratic administration led mostly by engineers, production managers and scientists.

Reform was a basic theme for public administration in the 20th century. From the developmental state of the 1960s to the contemporary regulatory state, the role of government and the new public administration was at the center of new literature in the field, mainly after 1989. In that period of time, government planning saw periods of glory and ostracism. Public administration followed the same line.

After World War II the interest in the administrative systems of other countries increased in an extraordinary manner due to the following reasons: the necessity of cooperation among the allied countries; the formation of international organizations; the occupation of defeated countries and the administration of economic recovery programs for Europe and the Far East; and aid and technical assistance programs for developing countries. Comparative public administration also gained interest. Along with it came the golden years of the developmental state and the perception that public administration was the administration of planned change in societies. Government became a principal innovator in the postindustrial era, a determinant of social and economic change, and an entrepreneur on a major scale. Undoubtedly, from that period until late 1970s the state was at the center of economic development in Brazil and other countries.

Administrative reform has been a recurrent theme for public administrators, not only as a consequence of changes in government, but also as a matter of improving public sector efficiency and introducing modernization. Due to changes in the international scene caused by globalization and its new paradigm, the agenda of state reform and public sector modernization has captured governmental attention everywhere.

The present world situation clearly shows that developed and developing states face increasing external and internal pressures to rapid adaptation to the changing cultural, economic, political and social conditions.

Phases of the Brazilian Government

With regards to the Brazilian government, it is useful to characterize four distinct phases of its political evolution.

The first phase occurred soon after the Proclamation of the Republic (1889), when the country established her first republican constitution (1891), and ended with the eruption of revolution in 1930. Already, from the close of the century to the end of the second decade of the 20th century, Brazil was predominantly rural and oligarchic. The second phase and Modern Brazil began in 1930 with the Era of Getúlio Vargas (1930 to 1945)⁶⁴. He incorporated into the government apparatus the need for change and modernity, ideals that were generally the same as those in the Revolution of October 1930, which brought him to power. When looking at the first period of Vargas rule, it is convenient to specifically look at the last eight years, a period called the “New State”. It was during this period of dictatorship that political parties were abolished, the Congress was closed, interventors nominated in the states and rigorous censorship of the press established. Vargas seized the opportunity to introduce substantial changes in the public

⁶⁴ The Vargas Era means a specific political and economic model experimented in the two different periods that president Getúlio Vargas governed Brazil (1930-1945 and 1951-1954). The first was essentially characterized by authoritarianism and modernization, and the second was characterized by nationalism and populism. Both profoundly marked the Brazilian political and economic development, and levied long after president Vargas's death in 1954.

administration and, particularly, institutionalize the centralization of power in the federal government, making the state and the figure of the president, practically, unique and omnipresent in the Brazilian politics. It can be said that during the New State, Vargas practically abolished the Federation, ruling Brazil as if it were a unitary state and not a federal one.

The third phase immediately followed Vargas's first period in office. Politically, it was characterized by a new liberal constitution that inaugurated a period of redemocratization. Economically, it was characterized by the development impulse of the Kubitschek years (1955 to 1960), although at a very high inflationary cost and also at the expense of a rising public sector deficit.

The fourth phase began with the 1964 Regime and lasted up to its end in 1985. During these twenty-one years, successive presidents ruled Brazil, motivated basically by the two-fold ideology: national security and development. Modernization, development, and economic and political stability were features of the regime, although with unavoidable political and social costs.

A fifth period began with the so-called "New Republic" (1985), which hosted the first civilian president (Tancredo Neves) after two decades of military regime. Neves never took office, victimized by a fatal illness. His vice-president José Sarney governed the country from 1985 to 1989. During his administration Brazil experienced high inflation (80 percent a month in his final days), public service deterioration, and a new constitution (1988)—marked by the return of economic nationalism and pro-state orientation, despite progressiveness in some social aspects.

We are still in this fifth period that has seen the inauguration of the first directly elected president of the republic after 30 years, and the first impeachment of a president (Fernando Collor de Mello) in Brazilian history. Also in this period the nation re-elected the president for the first time in its republican years (Fernando Henrique Cardoso), and has experienced major political and economic transformations due to the process of state reform.

State's golden years in Brazil: from Keynesianism in the 1930's to "neo-liberalism" in the 1990's

In half a millennium of existence, the Brazilian state has experienced major political changes.

The Revolution of 1930 started the continuous period of great industrialization.⁶⁵ Its commitment to modernization was felt among the political, economic and public sector institutions of the Brazilian state. In the political sphere a new ruling class identified with the tenentes and the civilian 'liberal constitutionalists', and implemented their ideals of reform and modernization of the Brazilian institutions, replacing the old rural (coffee) oligarchy leaders and its values.

According to Celso Furtado, industrialization introduced by import substitution was strictly a phenomenon of the 1930s and the war period in Argentina, Mexico, Brazil and Chile. State action, leading to the creation of basic industries, was to open up a third stage in the process of

⁶⁵ Werner Baer argues that, differently from industrial growth, "industrialization is present when industry becomes the leading growth sector of the economy and causes pronounced structural changes." For more details see Warner Baer, *The Brazilian Economy- Growth and Development* (Westport: Praeger, 1995, 4th Edition) p. 39. See table 1.1`

industrialization in Latin America.⁶⁶ In fact, in that period the Brazilian economy has seen the first wave of continuous industrialization as a state's strategic goal.

As a result of the breakdown of orthodox liberal economic policies, in the wake of the 1929 international economic crisis, the Brazilian government under Vargas expanded the federal role in national industrial development. Through direct and indirect intervention the state has enlarged its role in promoting economic development in Brazil.⁶⁷ Combining nationalism and the need of industrialization, the state called for centralized planning, the development of national steel production, and technological aid to manufacturing, transportation, and heavy industry. These measures followed structuralism, were based on Keynesian and neo-Keynesian policies of governmental stimulative actions, and were accompanied by basic institutional changes that will encourage economic development and modernization.

The macroeconomic theories of John Maynard Keynes sustained the whole process of social insurance reforms for capitalist democracies and authoritarian regimes alike. These reforms were accompanied and followed by state intervention aimed to produce economic development and social justice at the same time. Keynesian economics produced a reverse idea in public spending by arguing the developmental economic advantages of spending even at the cost of public deficits, contrasted to the previous assumptions of policymakers favoring balanced budgets. This debate continues under another label: monetarism versus structuralism.

This period of rising Keynesianism coincided with the need of government social policies to alleviate the effects of massive economic and social tragedies, as it happened in the decades after the Great Crash in 1929.

The Great Depression, industrialization, urbanization, growing militancy among industrial workers, and an activist president all worked to expand the state's sphere of influence.⁶⁸ Growing state intervention in the economy marked the Vargas years⁶⁹ and continued to be characteristic of Brazilian development from the early 1930s to the end of the 1980s.

That interventionist state became broadly known as the 'Vargas Era'. The time, during which this economic policy model coincided with President Getúlio Vargas's tenure in office (1930-1945 and 1950-1954), inaugurated an era of Keynesianism (i.e. interventionist government and the welfare state) as the economic model to face the free-market crisis of the 1920's.

On the economic side, contrary to the Mission Cook recommendations,⁷⁰ the Vargas-era was characterized by nationalization and rising state intervention in the economic realm. That government also drew Brazil into the policies of economic nationalism. The constitutions of 1934 and 1937 incorporated those views expressed by some Brazilian leaders. Restrictions were applied to commercial and industrial activities of foreigners in the banking, insurance, newspaper, magazine, and other industries. In the agricultural sector foreigners could not own

⁶⁶ Celso Furtado, *Economic Development of Latin America-Historical background and contemporary problems* (Cambridge: Cambridge University Press, 1976, second edition) p. 117.

⁶⁷ First Republic industrialization did not include capital goods as well as basic industries. For a detailed account of that period, see Steven Topik. *The Political Economy of the Brazilian State – 1889-1930* (Austin: University of Texas Press, 1987). In this article we follow the standard assumption that expanded state interventionism has its origins in the centralized, authoritarian, nationalist, intrusive, Vargas Regime.

⁶⁸ Steven Topik, in *Modern Brazil*, Michael L. Conniff and Frank McCann, eds. (The University of Nebraska Press, 1989), p. 100.

⁶⁹ Getulio Vargas was the head and the heart of the system. As such, he dominated the political life of Brazil, whether as a president, or *in absentia*, but exercising political power due to his influence on the Brazilian political scene, for 24 years, a fourth of the first hundred republican years.

⁷⁰ The Cook mission recommended that the task of industrialization should be left to the private sector, while the government should concentrate on general industrial planning, developing industrial credit facilities, and providing technical education. See Werner Baer, *Ibid*, p. 43.

land until they had established permanent residence as farmers or had worked in agriculture in Brazil for at least a year. The restrictions continued in the labor market by not allowing foreigners to constitute more than one-third of the employees or receive more than one-third of the wages or salary in any industrial, commercial, or public-utility enterprise, except in certain industries, unless permitted by the government under special circumstances.⁷¹ Normally, statism and nationalism go together. Vargas' New State followed this pattern by issuing several nationalist decrees. For example: "At least twenty percent of all the coal bought by factories must be Brazilian coal. Some alcohol from Brazilian sugar must be mixed with all gasoline. Manioca flour must be mixed with wheat flour. In those ways the government lent a helping hand to struggling Brazilian industries."⁷² Such protectionism favored the industrialization program of the country, and maintained the role of the state in business.

It should also be pointed out that the Vargas administration established new government standards, centralizing the powers of the federal government in the political, economic and administrative sphere. This was to the detriment to the relative autonomy the states had during the period before 1930. The administration also expanded the government machinery with the creation of new ministries (Ministry of Labor, Ministry of Industry and Commerce, Ministry of Education and Health and other organs). It also emphasized nationalization state intervention in the economy. The federal bureaucracy grew. Political, economic and administrative centralism in effect for decades was institutionalized, although with alternating periods of major decentralization.

It seems fair to say that Vargas shaped almost all state and government institutions of modern Brazil. As a matter of fact, some of these institutions have been resisting the reformers and are still in place, almost unchanged. This may be due to the fact that no one prior to Vargas—and probably after him—has ever held greater power while ruling Brazil.

Even the first attempt to reform and modernize the public sector occurred during the first Vargas period in office. The same modernizing ideals of the movement that brought Getúlio Vargas to power contributed to the creation of the first modern civil service apparatus (DASP-Departamento Administrativo do Serviço Público) in 1936 and to the implementation of administrative reform designed to eliminate nepotism and clientelism in the Brazilian public service.

Setting an important precedent for these reforms was the Northcote-Trevelian Report (1854) in the United Kingdom. This report criticized the uncoordinated, inefficient, and patronage-ridden public employment system and recommended its replacement by an alternative based on three principles:

1. Provide a merit-based examination system to foster the recruitment of more efficient public servants.
2. Merit-based promotion and an organizational culture of efficiency and hard work.
3. Reduction of organizational fragmentation and improvement of coordination among government agencies.

⁷¹ Lawrence F. Hill, ed., *Brazil* (Berkeley: University of California Press and London: Cambridge University Press, 1947) pp. 303-4.

⁷² Austin F. MacDonal. *Latin American Politics and Government*. (New York: Thomas Y. Crowell Company. 1954) p. 152.

Similarly, the Pendleton Act (1883) in the United States, which was designed to end the spoils system that favored staff recruitment on the basis of political loyalty, formed an important basis for Vargas' administrative reforms. In short, it was during the 1930s that Brazil began to introduce principles of rational-legal administration based on Max Weber's bureaucratic framework.⁷³ The universalization of public service access through merit-based recruitment was a keystone in the process of public sector modernization in the country. The merit system introduced a new era of government efficiency in the tropics, replacing a system based on spoils, clientelism and nepotism. Thus, the first cycle of state modernization in Brazil, as in the United States, drew upon the three enduring principles of the Northcote-Trevelyan Report: entrance by examination, promotion by merit, and the unification of administrative functions.

The Era of Getúlio Vargas implemented notable changes in Brazil's social and economic structure. In fact, those modifications can be attributed more to him personally than to the structure of the state or to its political and economic machinery.⁷⁴

The Vargas-era institutions stayed in force for decades afterwards, and built up the style of the Brazilian economic development, which remained almost unchanged until the end of President José Sarney's term in 1989.

Vargas deposition from the presidential office did not change substantially the political economy of Brazil in the following years. The continuation of Brazil's industrialization process after World War II followed the same state-led pattern.

The goal of transforming Brazil into a modern, independent and industrialized nation, able to play an important role in the international scene, was pursued by successive administrations. Brazilian political elites viewed industrial development as a symbol of a modern economy. Development was a national goal, even though there was no consensus among politicians and planners on the means to achieve it. The dispute lay between the nationalist state-led interventionist model vis-à-vis classic economic liberalism.

Despite differences in style, the Vargas period in office and succeeding administrations were all in favor of industrialization and free enterprise capitalism. The state has been used as an agency for planning, coordinating and supplementing this effort.

The administration of President Juscelino Kubitschek (1955-1960) very much enlarged the role of the state in promoting industrialization and building infrastructure, and also opened the economy to foreign investments. In that period nationalism lost ground to developmentism. Anchored in the *Plano de Metas*, the economic results were impressive: between 1955 and 1961 industrial production grew 80 percent (steel production: 100 percent); mechanical industry: 125 percent; electricity and telecommunication: 380 percent; and transportation materials: 600 percent. From 1957 to 1961 GNP grew 7 percent and per capita income 4 percent. During the entire 1950s the growth of Brazilian GDP was almost three times bigger than the rest of Latin America. The price for that increase in government expenditure, plus the cost of building the new national capital, was a growing public deficit and inflation. Brazil eventually ruptured with the International Monetary Fund in a political maneuver intended to protect national sovereignty from them and international bankers.⁷⁵

Historically, during the republic, economic development in Brazil has revolved around three different approaches: classic liberalism, radical economic nationalism and national

⁷³ James P. Pfiffner and Douglas A. Brook, eds., *The Future of Merit* (Washington, D.C. and Baltimore: The Woodrow Wilson Center Press & The Johns Hopkins University Press, 2000) p.1-16.

⁷⁴ Jose Maria Bello, *A History of Modern Brazil 1889-1964* (Stanford, California: Stanford University Press, 1966) p. 280.

⁷⁵ Boris Fausto, *História Concisa do Brasil* (São Paulo: Edusp e Imprensa Oficial, 2001) pp. 239-240.

developmentism. Liberals and orthodox nationalists have been the major losers over the years, and the center-oriented nationalists-developmentalists have been the big winners.

The Changing International Context: Spreading Democracy and Free-Market Economy after the Berlin Wall Fall and the Collapse of Soviet Communism

The fall of communism in Eastern Europe is broadly understood by the collapse of socialist governments in Poland (June 1989), Hungary (October 1989), East Germany (Nov 1989), Bulgaria (June 1990), Czechoslovakia (December 1989), Romania (December 1989), and Albania (June 1991).

The statement made by the Politburo member on television on the night of November 9, 1989, that East Germans were free to travel “without meeting special provisions” and that the new rule would go into effect “immediately,” were clear enough. The words of Gunter Schabowski, representing the Communist State’s highest authority, declared at the same time: the reunification of Germany, the fall of the Berlin Wall, and the collapse of Soviet communism.

The Soviet Empire imploded, ruined by economic deterioration and by Mikhail S. Gorbachev’s renunciation of the force ultimately needed to hold it together. Such unprecedented, unpredictable and unplanned political facts launched a new wave of structural reforms around the world and inaugurated a new political and economic Era for many states in the North and South, East and West.

At the same time the ‘Third Wave’ of globalization was taking force and helping to spread that scenario in an unpredictable manner and with incredible velocity. The mundialization of the economy, global capitalism and other new features took place.

Resurgence of market economy and democracy as predominant forms of political and economic organization were part of that political and economic process accelerated by globalization. They became the ultimate goal of state reform around the world, based on the almost universal assumption that a democratic system of government is the best model to ensure a framework of liberties for lasting solutions to the political, economic and social problems that many nations face.

As the 21st century begins, advocates of the free market have little doubt that they have the upper hand in the economic argument, because socialism is in decay. Moreover, as a means of creating wealth and material progress, market economies and democracies seem to be clearly superior to the radicalism of state centered economic and political models, with its greater level of government planning and social welfare traditional models. But this does not mean that the world has fully embraced capitalism as a definitive economic system or democracy as the ultimate model of political regime.

Partly due to those international facts, policies aimed at reducing state activity in the economic field have been adopted in both industrialized and developing countries, with good initial acceptance.

Structural reforms have been in the political and economic agendas of four of the most populous and most territorially extended countries in the world: Brazil, China, Russia and Canada. This means that they will be affecting the destiny and the quality of life of more than 30 percent of the world’s population, scattered throughout roughly 30 percent of the earth’s surface.⁷⁶ That means that the reforms will reach more than 1.5 billion citizens living in different continents, affecting economies that together, make up for a GDP of more than US\$ 2.5 trillion. If we add another giant like India, which also inserts itself in the theme, we come up to about half of the world population. People whose lives will be affected, one way or the other, by the

⁷⁶UN, World Bank and IBGE.

nature, success or failure of the economic structural changes. The greatness of these numbers and its impact on institutions, citizens, businessmen, workers, politicians and governments of these countries, reflect by themselves the political and economic importance of economic changes. The same can be said about the conflicts, ideological or not, resulting from this process. It reveals itself as a crucial matter of this fin de siècle. These groups of countries, which have some of the largest markets in the world, and at the same time are so culturally and politically distinct, are identified by the development of democracy and the liberalization of the economy. This is more evident in the cases of Canada, Brazil and Russia than in that of China.

Within the Latin-American context, three experiences – Brazil, Chile and Argentina– are especially interesting. The Chilean case is the oldest in the region, built up during the “plumb years” of General Pinochet’s regime. It is basically characterized by radicalism in the implementation of economist Milton Friedman’s ideas and ideologue of the modern economic liberalism from the well-known “School of Chicago.” In addition, among the three analyzed countries, Chile was the only one where economic openness preceded political openness. Argentina, on the other hand, experienced increased political openness before it attempted economic reform. After a huge militarist wave of nationalist fury, topped by the Malvinas war, Argentina’s second directly elected president, Carlos Menem, of Peronist origin, came to deny his ideological origins and embarked on an overwhelming reform program of the state in the best neo-liberal way. As illustrated by the cases of Chile and Argentina, the state was central for the economic development of the Latin American countries for approximately 50 years, from the early thirties until the end of the eighties. Political changes (re-democratization in Latin America and the collapse of communism in East European countries) as well as economic changes (revival of neo-liberalism and advent of economic blocs in other continents) are deeply transforming the role and design of the state, not only in the developing world, but in developed world countries such as Canada, Great Britain and France.

In North America, the phenomenon has occurred again. Canada also promoted significant reforms, initially pressed by the Canadian – United States Free Trade Agreement (CUFTA) – an agreement signed between Canada and the United States of America, with the intention of suppressing trade barriers between the two countries within ten years – and afterwards by the compelling need to adhere to the 1994 North American Free Trade Agreement (NAFTA), together with Mexico. Furthermore, Canada experienced the pressure of the globalization process, already present. Simultaneously, the U.S. launched the program “Reinventing Government”, under the supervision of Vice President Gore addressed to redefine the role of the U.S. government in many aspects of political, administrative and social fields.

Whatever the case, structural reforms did not end state intervention in the economy – as their opponents proclaim – but regulated its limits, allowing for the national economies to adjust to the new realities brought by globalization. This is complex and difficult task that does not enjoy unanimity among liberals. Those reforms brought a new debate about the nature of economic liberalization: Did it represent the victory of economic liberalism and the end of history as suggested by Francis Fukuyama (1991), or was it the end of ideology proclaimed by Daniel Bell (mid 1960s) or the rising of pragmatism? I think there is clear evidence that pragmatism has been chosen as an important variable to implement those changes regardless of ideological constraints. We will look at the Brazilian case under that perspective.

The Decline of the Legitimacy of the State

A group of structural pressures legitimized the policy of structural reforms implemented in Brazil in the nineties. These pressures included: The collapse of the Soviet State and soviet communism; the election of President Fernando Collor; rampant inflation followed by a grave

fiscal crisis; the end of the political model and the saturation of society with a whole generation of politicians; the incapability of the state to continue financing economic development, the international revival of economic liberalism; and the emergence of the Washington consensus (a *positive* rather than *normative* list of good economic principles and policies)⁷⁷, followed by the Berlin Consensus and the Third Way (Progressive Governance) concept, at the closing of the nineties.

If the liberalization process that began with the military withdrawal from power in 1985 and ended with the 1988 Constitution's progressive outlook in human and social rights can be referred to as Brazil's "glasnost", the reorganization of economic relations, Brazil's "perestroika", was not only far from over but was being impeded by the vested interests in both the state apparatus and in the economy. Thus far, efforts to stop the revision of the most outrageous features of the 1988 Constitution are a clear attempt to continue "glasnost" without "perestroika."

Former president Sarney's administration ended in high inflation, political decay and society's despise toward an entire generation of old politicians. Those circumstances gave birth of a new style of leadership.

The inauguration of President Fernando Collor de Mello on March 15th, 1990 represented a turning point in that previous model. To cope with the crisis of Vargas economic and political institutions, the elected president introduced a vigorous program of structural reforms based on center-of-right neo-liberal economic policies. After a very aggressive campaign Fernando Collor de Melo won the first direct election in thirty years. He promised a new political and economic order to Brazil, along with a vigorous program of structural reforms. This was the main stream of Collor's basic project. His first decision was the implantation of a market-oriented liberalism tempered by moderate social democrat precepts. The sharpest contrast between Collor and his predecessors was Collor's determination to push ahead with privatization of state-owned enterprises, to which Sarney had paid lip service, and to attack inflation at its roots.

Collor took power with a radical and vigorous economic plan implemented by Provisional Measure 155 of March 15, 1990, in order to fight the Sarney administration's legacy of economic disorder. Collor faced inflation of over 70 percent per month, plummeting exports, an overvalued currency, unsustainable budget deficits, lack of investment and an inefficient and oversized bureaucracy, which all called for urgent corrective measures.

This plan was bolder than earlier efforts. All but modest bank deposits were frozen, as were wages and prices, and economic activity immediately reacted adversely. However, evasions of these economic restrictions soon occurred and additional reforms did not take place. As a result, the price restrictions were released, and inflation was back – this time at a much higher annual rate, supported by an expanding monetary supply. Collor's administration responded with Collor II, a feeble effort to regain control of the inflationary process. Its major effort was to recognize that if a tight fiscal policy were to be sustained, prices of public goods that had been held constant would have to be raised.

Following Collor's impeachment in September of 1992, Itamar Franco, a vice president, formally assumed the presidency. Itamar had four finance ministers in the period of 8 months until finally appointed Fernando Henrique Cardoso in June 1993. The Real Plan was the eventual consequence,

⁷⁷ John Williamson, *Democracy and the "Washington Consensus"*. (World Development, Vol. 21, No. 8, pp. 1329-1336, 1993).

coming into formal effect on July 1st, 1994, although some of the steps had been gradually introduced since the beginning of Cardoso's tenure. [Fishlow, 1997]

The Changing Role of the State: The 1995 Economic Reforms

In contrast to Vargas and Collor, in order to face structural factors, Cardoso's government implemented a set of reforms using pragmatism as determinant decision-making method.

On January 1st, 1995, Fernando Henrique Cardoso from the Party of Brazilian Social Democracy – PSDB was inaugurated as President of Brazil. After being elected by a pragmatic political alliance with the Liberal Front Party – PFL, he pledged to continue the fight against inflation with the Real Plan as his main political objective. Most importantly, he also promised to reform the Brazilian State, in order to regain the government's capacity to effectively govern the country.

Having been elected by a landslide majority in the first round of the 1994 Presidential elections, Fernando Henrique Cardoso presented the constitutional and statutory changes that had not been possible during the Constitutional revision process (1993) as one of his main goals. Immediately after his inauguration in January 1995, the Cardoso administration was able to concentrate on its economic reform agenda. The aim of these reforms was to establish an open market economy that would assure both economic stability and the continuing struggle against a return of hyperinflation. A major factor in Cardoso's presidential victory was because of the success of the economic stabilization program (Plan Real) that had sharply reduced inflation. State reform was necessary to ensure the anti inflation program continued to be successful. Consequently, the monthly consumer price index fell from 42.2 percent (January 1994) to 3.3 percent (August 1994) to 0,4 percent (February 1996). The yearly inflation rate for 1995 was the lowest in 23 years. Nonetheless, the continuing success of the stabilization plan was based on fiscal responsibility, and a lowering of public expenditures.

The economic reform advanced steadfastly during 1995. Despite the political opposition's anti-reform program, the government was able to push through the legislature a number of constitutional amendments that basically achieved what the revision process had attempted to do, without success, two years earlier. Much of this success was due to an effective coalition among Cardoso's supporters. No political force in Congress has been able to successfully oppose the government's voting block composed of more than 370 Deputies and 60 senators. However, since Brazilian political parties are well known for their lack of cohesiveness and discipline, there was a constant need to assure these votes are cast in favor of the government proposal.

Four major groups vigorously opposed the reforms. Important forces are the left-wing political parties, a group that included the PT (Workers' Party) and the PDT (Democratic Labour Party). Luiz Inácio Lula da Silva lead the former, while former Rio de Janeiro Governor Leonel Brizola commanded the latter. Both men were presidential candidates in 1989 and 1994, and were defeated by Mr. Cardoso. Other smaller political parties were part of that opposition alliance such as the PC do B (the Brazilian Communist Party) and the PSTU (a far left splinter group that moved out of PT). Strangely enough, these parties' representatives had refused to sign the 1988 Constitution, arguing that it was the result of numerous concessions made to the right wing. Nowadays, however, they are very keen at defending its "social advances".

Another source of opposition to the reforms was the major trade union organizations. The most militant of these organizations has been the CUT (Central Única dos Trabalhadores) which has close political ties with the PT. The CUT's major backing comes from trade unions, which organize public sector workers, who are extremely active and important within this union. Both the leadership and the rank-and-file of these unions have been strongly antagonistic to both the privatization program and the social security and administrative reforms. Among trade unions,

one important exception in favor of the reform movement has been Força Sindical (Trade Union Force, an organization that is strong among the metalworkers in the city of São Paulo). Força Sindical is in fact CUT's main competitor within the Labour movement.

Another important anti-reform group is made up of the militant employees' associations of the state owned enterprises. The most active organizations include the employees' association of the State Oil Company (PETROBRAS), the State telecommunications holding company (TELEBRAS) and the federal banking corporation (BANCO DO BRASIL). These entities have even gone as far as to pay for advertisements on television attacking the reform program. They argue that the program is designed to "sell out the wealth of the Brazilian people" and compromise its "national patrimony." Still another group is formed of many "civil society" organizations, ranging from the Brazilian Bar Association (OAB), the Brazilian Press Association (ABI) and even the Catholic Bishops' Conference (CNBB). The main argument these groups presented is that the reforms would seriously jeopardize the social and economic rights that have been included into the Constitution in 1988 as well as challenge national interests.

As soon as he took office, President Fernando Henrique tried to put together a pragmatic pro-reform alliance. He has strongly stated his position in favor of constitutional reform, and used all the instruments at his disposal to further the reform program in Congress. The president unequivocally established the need to accomplish the reform program, to ensure that economic stabilization continued to be successful and that the economic liberalization effort was carried on without any legal obstacles. The Constitution's slanted federalism had bankrupt the central government and made the country ungovernable. The Charter had transferred very large revenues to the states and municipalities without shifting the corresponding services to them. Constitutional reform was needed to reduce the size of the central state structure and to achieve a new "federal pact" that would allow the federal system to operate adequately.

The center and center-of-left parties, while many were divided on the issue, have in the end come out in favor of the reform. Most importantly were the three political parties that made up the electoral coalition that elected President Fernando Henrique in 1994. These are the President's own party, the Brazilian Social Democratic Party (PSDB), the Liberal Front Party (PFL) and the Brazilian Labor Party (PTB). Besides these three political organizations, that have supported him during the electoral campaign, the President was able to organize a viable legislative coalition that comprises the Brazilian Democratic Movement Party (PMDB). Although PMDB had been hegemonic at the time of the 1987 Assembly, it had now demonstrated serious anxiety about the wisdom of many of the constitution's provisions.

The Brazilian Progressive Party (PPB), which was the party that had given legislative support to the military regime, had come out in favor of the reforms, which were consistent with his plank of economic liberalism. Although clearly convinced that the reform drive could be a political plus for Mr. Cardoso's presidency, the party had fought in Congress to keep the reform from being sidetracked by left wing pressure. From May 1996 on, the Party became even more involved in governance, by becoming a full-fledge partner of the governing coalition. One of its members of parliament, Deputy Francisco Dornelles, was appointed to the Cabinet the as Minister of Industry and Commerce and currently has been appointed Minister of Labour. Prati de Moraes, another member of the PPB, also has been selected to serve in the Cabinet as the Minister of Agriculture. Those political parties implemented their positions under pragmatic circumstances, according to the new national and international scenarios and pressures of the economic reality. A second element in favor of reform are business organizations that are extremely concerned with issues such as privatization, tax reform, foreign investments and the end of state monopolies. Among these key institutions are trade associations such as FIESP (the

São Paulo state Industrial Association) and its national counterpart CNI (National Industrial Confederation). Business groups have lobbied the legislature in favor of reform. In the case of telecommunications, a lobby group was organized precisely to argue the case for liberalization of constitutional provision regarding it. It is being financed by major private enterprises directly involved with the sector. Some workers' organizations such as the São Paulo metalworkers' Union, and its national organization (Força Sindical) came out for the reforms. According to this scenario the political battle over the reforms were confined to distinct arenas: ideologists versus pragmatists.

Regarding to the pragmatic nature of the domestic electorate, Minister of Social Security Roberto Brant stated in an interview to the Brazilian newspaper *Correio Braziliense*: "I never changed my ideology, but voters don't link ideology to political parties. PMDB, PFL and PSDB could be one same thing."

Economic Reforms by the Constitutional Way

"Desestatization" was firstly used in Brazil, during the Figueiredo's government.

The post 1988 structural reforms, including those in the Desestatization National Program – which had as one of their objectives the sale of telecommunications, oil and electric energy sectors state companies, among others – have strong pragmatic roots.

The openness of the economy, the modernization of the state and privatization after the 1989 elections, were introduced in the Brazilian political agenda in an incisively, continuous and socially legitimate way, never seen before. As central themes in the campaign, they became government priorities since March 15th, 1990 with the inauguration of President Fernando Collor. Collor, nevertheless, was not a militant liberalist. On the contrary, his political practice was much more identified with clientelism and authoritarianism than with modern liberalism. This, however, did not prevent him from practicing economic liberalism during his two years in office. Indeed, his biography is marked by two stigmas: the introduction of neo-liberal economic policies and the impeachment.

President Itamar Franco, earmarked for his reserve before these and other national issues, was not a reformist (not to say a pro-privatization), and let structural reforms vegetate during his administration. On the contrary, he tried without success to block the privatization of *Companhia Siderúrgica Nacional - CSN* and many others that happened to occur during his tenure by mere coincidence, never by conviction.

The next president to give priority to structural reform was Fernando Henrique Cardoso, whose presidential campaign was strongly based on the need to implement deep institutional changes in Brazil. The "Big Project," as the Collor's government program became originally known, had its original version forgotten⁷⁸. But some of its basic principles survived in Fernando Henrique's government because some of its conceivers, although not ideological liberals, held top jobs in the economic area of Collor's and Fernando Henrique's governments. This was the case with present Congressman Antonio Kandir, who served both governments, for better or worse, as a key player in both economic teams.

Notwithstanding the focal point of this article being the national government, these same reform attitudes are necessary on both state and municipal levels, since both suffer the same situation of maladjustment in their public finances. Some are in a state of insolvency, as in the case of Alagoas and Espírito Santo. State governors of several parties, including the Worker's Party (PT), have pragmatically expressed their support for the federal government's

⁷⁸ The "Big Project" had been inaugurated in Brazil's post Fall of the Berlin Wall or the neo-liberal phase of the economy.

administrative reform, apart from their affiliation or political origins, in a clear demonstration from another important group of political actors, that pragmatism is talking louder in the question of institutional changes. The dissonant and most strident voice in this process has been that of the governor of Minas Gerais, ex-President Itamar Franco who insists on ideological positions in a fake defense of the balance of Minas' public accounts.

The 1989 presidential election in Brazil polarized between candidates Fernando Collor de Melo and Luiz Inácio "Lula" da Silva, was a trailer of what would be the struggle for the implementation of structural changes in Brazil. After Collor's victory, Brazil began a stage of neo-liberal inspired economic reforms. This was not because the liberal ideology had suddenly taken the hearts and minds of Brazilians, but rather there was a real wish for change in several aspects of the national life, mainly in the economic field. In this line of thought, Senator Esperidião Amim (PPB/SC) pragmatically noticed: "What we saw in Brazil was not a victory of liberalism, but the total lack of hope in the state model dominated until then".⁷⁹

Brazil had to go through a long process of constitutional changes to make an effective reform of the state that would dismantle the "Entrepreneur-state", holder of several and important economic monopolies, as oil, telecommunications and energy. Or, as Roberto Campos said, "it is necessary to dismantle the three state dinosaurs: the "petrosaur", the "electrosaur" and the "telesaur".

The 1988 Constitution and the Reforms in the Economic Order Chapter

Constitutions affect economies' performance. The 1988 Constitution, favored state capitalism and economic nationalism, over an internationalized free-market economy.

After assuming power, president Fernando Henrique Cardoso, asked the Legislative branch to re-write the Constitution and all the country's laws pertained to a great number of subjects, such as taxes, foreign investments, energy, telecommunications, mining, social security, labour relations and public services. I will examine five paradigmatic points of the proposed changes in the constitutional text. Their approval in the first six months of Fernando Henrique's government did promote an effective economic liberalization and state reform in Brazil. These changes include the abolition of telecommunications and oil state monopolies, the definition of national company, the participation of foreign companies in the mineral sector, and the monopoly of the commercialization of piped gas.

a) The state monopoly in telecommunications (Art. 21, XI)

The first of these points was the one that established the state monopoly in telecommunications as defined in Article 21, XI, of the Constitution. As a consequence, the federal government was allowed to act as a monopoly in the telecommunications sector. Given the constitutional text in force, the maximum the government could do to liberalize the sector was to allow its exploitation by firms whose stock control was held among state companies. The Constitution legitimized the practices already existent in the sector. Since its creation during the military regime, the state holding of TELEBRAS and EMBRATEL, allowed the federal government and some states, such as Rio Grande do Sul, to operate telephone companies, taking apart the private sector with very few exceptions.⁸⁰

Since 1988, the constitutional text about the economic order made it known that Brazil would not open its telecommunications market to the private sector, since such a move would require a

⁷⁹ Interview with the author.

⁸⁰ - There are some telephone companies where TELEBRAS participation is in a minority basis, the main one being Companhia Telefônica Central do Brasil (CTBC), which acts in the Minas Triangle.

change in the very Constitution of the country. Even if a government came to power with a privatization agenda, changes in the Constitution would be needed in order to execute such a program.

The impact of this conditioning aspect on national and foreign investors did not take long. State monopoly was seen as permanent and inviolable to any discussion. This occurred at the same time when the fall in state investments provoked a consequent fall in the quality of services rendered, and a technological backlog which even the huge institutional propaganda by state companies acting in the sector could not hide.

b) Oil state monopoly (Art. 177)

One of the most sensitive issues of the reform was one that determined the definition, on a constitutional level, of the oil state monopoly exerted by PETROBRAS.

From 1953, the year of the approval of the law that created the company and the monopoly, until the promulgation of the 1988 Constitution, the monopoly was defined by law: after a true upgrade in 1988, however, it became a constitutional matter, which obviously made any change even harder.

Several countries in Latin America, such as Mexico and Argentina, traditionally worried about the role of foreign investment in the eighties and nineties. This put them ahead of a world movement to attract not only capital but also state of the art technology to reform their economies. Argentina, under Carlos Menem, privatized its state oil company, the “Yacimientos Petrolíferos Fiscales”, or YPF, which had the monopoly over the exploitation and refinement of oil. At the same time in Brazil, the Brazilian constitution had converted the monopoly into a constitutional commanding.

This monopoly was expanded to include “risks and results of these activities”, and prohibited the Union to grant any sort of participation (in coined money or in value) in the exploitation of oil or natural gas, except what was defined in Art. 20 paragraph 1. It dealt with the royalties that PETROBRAS should pay the oil producing states and municipalities for the oil found in their territories. The state monopoly could only accept state partners.

c) The definition of national company (Art. 171)

The definition of a national company given by article 171 of the Constitution was another extremely important change as a symbolic issue. According to an observer, the “constitutional treatment of the foreign investment was highly controversial and could even delay the economic growth of the country.”⁸¹ In effect, one of the consequences of the new Constitution was to function opposite to the efforts of several governments since 1988 to attract foreign capital. Although certain aspects of the Brazilian economy, like interest rates that were much higher than world levels, had positively contributed for the entrance of foreign capital, it was agreed that such resources went to the financial market, not to productive investment.

A set of specific rules about foreign investment in the country, included in the Constitution, were an extendedly debated subject during the constitutional assembly. The difference of treatment between foreign capital companies and national capital companies was until then limited to a few sectors of the economy, especially areas considered strategic, the main one being computer science.⁸² In reality, the juridical concept used by the constitutional assembly

⁸¹ - Keith S. Rosenin, op. Cit. P.27.

⁸² - Abdo I. Baaklini and Antonio Carlos Pojo do Rego. “The Congress and the National Policy on Computer Science. Revista de Administração Pública, vol. 22, n.2, abril/junho de 1988.

was imported almost literally from the Computer Science Law, as it was called, a remainder of the military regime.

d) Participation of foreign companies in mining (Art. 176, paragraph 1)

The constitutional prohibition that foreign companies invested in mining in the Brazilian soil was as important as telecommunications and oil. According to the Constitution, all mineral resources were defined as belonging to the Union and their exploitation should only be made by national capital companies, or by Brazilian nationals.

Geologists and mining engineers actively defended the approval of this disposition, resulting in a huge flight of capital from the Brazilian mining sector. Mining production was strongly affected by this decision restricting private investment in the mineral sector. In a moment when all Latin American economies were through a process of openness, to attract risk capital, the new constitution became a strong factor for Brazil to be passed by as a focus of attraction of such investments.

e) State monopoly on piped gas.

The last of the five changes was one that ended the monopoly held by the states for the commercialization of piped gas, which left this sector completely under the control of the governments of the 26 federation states.

With the constitutional change, private companies were authorized to operate in this sector. As a result, several states were altering their participation by selling their own companies. The changes made by Congress in the Brazilian Constitution, through amendments by the Executive, followed the same trend other developing countries introduced in their legislation. These changes decreased the restrictions to foreign investment, as well as the existence of state monopolies in their respective economies, accordingly with the post-globalization world trend.

If one examines the constitutional reform process in Brazil in the nineties, one notices that once more it is – as has been said so many times – a question of who wins what, when and how much, the very essence of political science.

The frustrated process of constitutional revision due to end in 1993 can be curiously considered a “well succeed failure”. It allowed the then candidate Fernando Henrique Cardoso to adopt the still uncompleted structural reforms, as one of the main issues of the campaign that took him to the Presidency of the Republic.

Since then, however, important changes have occurred in the Brazilian economy, which has a far different framework from one decade ago. Currently, the oil and telecommunications state monopolies have been abolished; commercialization of piped gas is open to private companies; there is no more significant legal prejudice related to national and foreign companies; and the mining sector is open to international enterprises. But even after these reforms, the Brazilian economy is far from being classified as liberal or neo-liberal according to classic definitions of liberalism.

Raison d'état and Neo-Maquiavellism⁸³

In part due to prejudice, concepts, pragmatism and Maquiavellism, tend to be assimilated in a pejorative manner. Wrong. They are useful tools to understand policies and politics following non-ideological and secular approaches.

⁸³ The term neo-maquiavelism arose from discussions between the author and Franz Kundmuller during the Summer Institute 2000 promoted by the Robarts Centre at the University of York, Canada.

Pragmatism is a term of philosophy (from Greek *pragmata*, “acts,” “affairs,” “business”) chosen by the U.S. logician C. S. Peirce (1839-1914). Etymologically defined as a theory or method of dealing with “real things” can be identified as a philosophical school, a doctrine or mental attitude, which must be understood as a reaction to intellectual speculation and also as a line of action or method. In this work I will examine rational, non-ideological choices. Giovanni Sartori precisely conceived a contraposition between ideology and pragmatism based on a double dimension of the systems of political creeds: the cognitive dimension and the emotional dimension. The ideological systems of creeds are characterized, on a cognitive level, by a dogmatic mentality (rigid, [impermeable], both to arguments and facts) and, on an emotional level, by a strong passionate component, which confers them a highly activist potential. In contrast, the pragmatic systems of creeds are characterized by opposite qualities.

Pragmatism is part of the Anglo-Saxon culture and is frequently used to solve conjectural problems in those governments and societies. It does not mean the absence of values and virtues. On the opposite, it is linked to rationality and a practical approach to problems and affairs. Every government needs some pragmatism to implement their policies. In that sense pragmatism represents non-ideological solutions to political or economic problems, and is more generally used as a name for any approach that emphasizes what can be done in the real world rather than what ought to be done in an ideal world. This is precisely the meaning that has been used in this study. Like many other philosophic labels, pragmatism denotes more an attitude of mind than a system of ideas; it is applied to many different, and often, conflicting systems.

Machiavelli had a secular approach to politics, based on the perception that the states’ destiny was in their hands and no longer in the hands of the Holy Roman Emperor or the Pope. As we know, Machiavelli was not a political philosopher; he was a qualified government employee working in the Florentine chancery. However, above all, Machiavelli was practical. His vision of the state was that the state has autonomous values of its own, and that political behavior should be determined not by an appeal to Christian morality or private conscience but to *raison d’état* – reason of state (Thomson, 1982: 24 - 31).

Structural reforms in Brazil has been pragmatically implemented and oriented by this sort of presidential neo-machiavelism. Following this argument it is important to remember the words of Bresser Pereira, one of the architects of administrative reform during the first period of Cardoso’s administration: “Although ideologues are also part of governments and part of the multilateral institutions, when they act as government or international institutions, they are quite more pragmatic” (Bresser Pereira, 1999: 17). Regarding the new social democrats, Bresser Pereira continues: “They are also more pragmatic, more realistic about the complementary roles of the state and the market are supposed to perform...”(Ibid; 1999: 19).

The Changing Political Culture: Pragmatism as method for state reform in Brazil

Currently, Brazil does not show some of the key features of a liberal state. Accordingly, it is necessary to pay attention to four basic points that explain the nature of the reforms in the process of development in this country: 1) Brazil is not a liberal society, neither economically nor politically; 2) the structural reforms put in place during the 1990s were mainly designed to cope with a grave fiscal crisis and to attend the new non-ideological scenario enforced by globalization; 3) Brazil needs to implement a new development model able to succeed the exhausted ISI stated centered model of the 1930s; 4) there was an emergence of the radical center.

Furthermore, Collor and Cardoso governments were not liberal administrations in the classic sense. On the opposite, despite their intellectual differences and diverse political style they proclaimed themselves center-leftists. President Cardoso, for instance, is taking a vigorous

international step as one of the world's leaders of the Third Way or Progressive Governance as it emerged from the Berlin Consensus.⁸⁴

However, the pragmatic character of Brazilian structural reforms holds a certain ideological profile in the sense of economic and political liberalism, despite the fact that this is not a dominant variable. In addition, neo-liberal ideas are undeniably accepted in influential, if not majority governmental sectors, not to mention their partisanship materialization in the PFL, member of the government coalition and open defender of a quicker pace in the privatization program.

The decision for the adoption of neo-liberal approaches resulted from two different factors: pragmatic adjustment to economic globalization and electoral rationality (Power, 1997; 27). The very President Fernando Henrique Cardoso, although a member of the PSDB, is indeed practicing a new pragmatic economic model based on the ideas of the new Labour (Third Way), which, on its turn, also inspires the economic policy of the present English government of Prime-Minister Tony Blair.

A list of arguments in favor of pragmatism as a vector of reforms include: 1) the abandonment of ideology by the political parties and the very society, the biggest example being the high grade of personalization of the national political life; 2) the absence of a liberal tradition consistent with Brazilian modern political history; 3) the dichotomy between the social-democrat partisanship of the President and of his main policymakers and the neo-liberal praxis inserted in the institutional reforms proposals; 4) the grave fiscal crisis, which demands orthodox economic measures to wipe dry the state apparatus, credit restriction and public expenditure contention, leaving no room for concessions of ideological nature; 5) the extinction of the economic model based on ideology and state interventionism; 6) the external pressure caused by the dissemination of the economic model based on the market-economy, on an international level.⁸⁵

The economic crisis of the Brazilian state is obvious in what pertains the need for a fiscal adjustment aimed at reducing the public deficit to bearable levels, which allowed the government to recover its investment capacity and efficient management of public accounts. This will not be possible without structural reforms that mainly alter the fiscal, administrative and social security realities. The head of government, the state governors and the main leadership in Congress have not ideologically acted on those questions of reform, but reacted to a situation of grave fiscal crisis installed in their political domain. The political and economic goals of structural adjustment will not be achieved because of politically ideological movements, but because of those based on pragmatic actions intended to recover state's financial and economic management capacity in order to promote sustainable development.

The exhaustion of the Brazilian state to pursue its historic task of financing the process of economic development, does not allow it to respond to society's new expectations and returning to its classical functions. The imperative [pragmatic] necessity of the PSDB to make political alliances is vital to its efforts to rationalize the state.

⁸⁴ According to Anthony Giddens, "one of its most prominent expositors outside Europe and the U.S. is the Brazilian President and former sociologist Fernando Henrique Cardoso. The notion has also attracted the attention of political leaders in a diversity of other Latin American countries, including Mexico, Argentina and Colombia. Discussion of the Third Way is gaining pace in Asia too, specially in China and Korea."

⁸⁵ Not to mention the fact that President Cardoso's intellectual background was very much influenced by the years he spent at the Institute for Advanced

International Study in Princeton, New Jersey, working closely with that veteran economist and brilliant pragmatist, proponent of reform by "muddling through,"

Albert Hirschman (Maxwell; 1999: 10).

Final Comments

Brazil, as the rest of South America (with the exceptions of Chile and Bolivia, perhaps) needs more open markets and cultural change to be considered as a liberal or neoliberal society [economy]. In Brazil, statism still prevails. Economic liberalism always lost to developmental economic policies, sustained by the model oriented by state intervention in the economic sphere. In fact, the history of economic development in Brazil is not the history of liberalism but the one of state capitalism and economic nationalism.⁸⁶

Since 1989, however, deep structural changes have taken place. Brazil minimized its ideology and its pro-state past to change its economic models in an unprecedented way. The country, via policy (1989) and constitutional change (1995), extinguished state monopolies, promoted structural reforms in the social security, administrative and fiscal models, pressured by domestic and external factors. The fiscal crisis on the national level, and the unavoidable economic reality imposed by the globalization process forced ideological sophistication to be minimized in the name of pragmatism. The sum of these internal and external pressures made Brazil freeze their pro-state, ideological pasts and enter a new era of pragmatic “neo-liberal” inspired economic policies, although keeping the presence of the state in the social sphere. Brazil’s leaders feel uncomfortable with neo-liberalism, and prefer politically to offer the new concept of the Third Way, theorized by the sociologist Anthony Giddens and being implemented by Prime Minister Tony Blair.

According to Giddens and Blair, the Third Way is not an attempt to split in the differences between Right and Left. It is about traditional values in a changed world, and it draws vitality from uniting the two great streams of left-of-center thought – democratic socialism and liberalism – whose divorce this century did so much to weaken progressive politics across the West. Liberals assert the primacy of individual liberty in the market economy; social democrats promote social justice with the state as its main agent. There is no necessary conflict between the two, accepting as we now do that state power is one means to achieve our goals, but not the only one and emphatically not an end in itself (Tony Blair; 1999:1). How much of pragmatism is needed to implement such new political formulation is a question to be addressed as time goes by.

Undeniably, evidence in several countries of different continents, although with variations among them, show that globalization brought along two main values: the supremacy of democracy as political regime and capitalism as economic system. Ideologically, it may not even be the best and definite model for all, but, pragmatically, it is what is prevailing in countries so different as Bolivia and New Zealand, Nicaragua, Poland, Argentine and Hungary, just to name some non-giants. Pragmatism, in part generated by the globalization process may not be the only force to push the reforms, since there has also been an imperative economic and political reason of national stamp. As such, in Brazil and beyond, for better or worse, ideology has lost space to pragmatism as a motivator factor of structural reforms and of the change in the role of the state in promoting economic development.

To this moment, it is difficult to suppose an ideological “anchor” that can sustain so many changes in the economic field to the benefit of liberalism in such different societies, with no less different or even opposite histories. What shows up as the best variable to explain these institutional changes in the role of the state in relation to economic development, is the adoption of a group of decisions and public policies ‘anchored’ on pragmatism.

⁸⁶ This is coherent to a certain point with our Iberian colonial heritages.

Following “the end of ideology” argument proposed by Daniel Bell, the major political question at the end of this century, regarding the changing role of the state, is pragmatic; concerning principles and values along with rationalization, in order to give the state enough power to fulfill its responsibilities in maintaining freedom without fear. Brazil cannot be an exception.

Not only was contemporaneous Brazil under the aegis of a coalition government, where pragmatic alliances were clearly overlapping ideological aspects, but also this politic coalition, formed by social-democrats and liberals who run the government, is lusty involved in a pragmatic wrapping of reality. No matter what, the Brazilian state exhaustion is such that it will not be able to continue with its historical duty of financing the economic development process.

Brazilian state reform seems to result of a conscious pragmatism, which categorically dictate the social-democratic background of the power nucleus that runs the country.

From the Washington Consensus to the Berlin Consensus, Brazil has experienced one decade of changing in the role of the state, affecting mainly the shape of Brazilian economy, with consequences for its political culture. One of the driving forces in this process, as a method of public policy implementation has been pragmatism, in part reinforced by *raison d'état*, notably under President Fernando Henrique Cardoso's administration.

Finally, it might be noted that a persistent problem for political science is the achievement of a precise definition of democracy, because such definitions depend largely on the values and interests of social science observers. The same can be said about defining the proper role of the state. Any such definition has to take into account not only the beliefs and values of the observer, but also the perceived needs of a given society at a given moment in time.

Accordingly, the search for the proper role of the state in Brazil continues to be a challenge faced by politicians, policy makers and the civil society. It is not an easy mission but a necessary one. The protests against globalization and the prevailing fear of another imperialist takeover covered in this new umbrella make public opinion very cautious regarding to privatization and the consequent retreat of the state in benefit of the market economy. The lack of liberal tradition among the people, ideological disputes and powerful political economic interests are major difficulties as well.

On the other hand the exhaustion of the state-led developmental model does not give much hope for the continuation of state capitalism. Therefore, the options Brazil has to redefine the role of the state will depend very much on the changing in the political culture and the success of structural reforms. Like democracy the proper role of the state will depend on these circumstantial and ideological factors. One thing is true, the idea of one solution to every state's economic problems has proved not to be feasible. After all, for good or bad, each country has its own history and culture, which does not permit the adoption of a standard model of the state.

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Table 1
Brazil's Industrial Structure in 1919 and 1939
(Percentage distribution of total value added)

	1919	1939
<i>Nonmetallic minerals</i>	5.7	5.2
<i>Metal products</i>	4.4	7.6
<i>Machinery</i>	0.1	3.8
<i>Electrical Equipment</i>	-	1.2
<i>Transport Equipment</i>	2.1	0.6
<i>Wood Products</i>	4.8	3.2
<i>Furniture</i>	2.1	2.1
<i>Paper products</i>	1.3	1.5
<i>Rubber products</i>	0.1	0.7
<i>Leather products</i>	1.9	1.7
<i>Chemicals</i>	1.7 ^a	<i>a</i>
<i>Pharmaceuticals</i>	1.2 ^a	<i>a</i>
<i>Perfumes, soaps, candles</i>	0.7 ^a	<i>a</i>
<i>Textiles</i>	29.6	22.2
<i>Clothing and shoes</i>	8.7	4.9
<i>Food Products</i>	20.6	24.2
<i>Beverages</i>	5.6	4.4
<i>Tobacco</i>	5.5	2.3
<i>Printing and Publishing</i>	0.4	3.6
<i>Miscellaneous</i>	3.5	1.0
<i>Total</i>	100.0	100.0

^aThe 1919 total percentage for these three categories was 3.6; for 1939 it was 9.8.

Source: Censuses of 1920 and 1940⁸⁷

⁸⁷ Ibid, p.40.

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