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THE UNIVERSITY OF ALBERTA

MILITARY AUTHORITARIANISM AND DEVELOPMENT: NORTHEAST BRAZIL,
1964-1974

by



DANIEL GATES ZIRKER

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH
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For CAROLYN
Minha Companheira

and

For BOBBY
Professor, Colleague, Friend

"And when one day our human kind becomes full-grown,
~~it will not define itself as the sum total of the~~
whole world's inhabitants, but as the infinite unity
of their mutual needs." Jean-Paul Sartre

ABSTRACT

The "Brazilian Miracle", a period of rapid economic growth between 1969 and 1973, has been widely attributed to the superior policy performance of the Brazilian military presidential administrations after 1964. In particular, the argument has been forcefully put that military authoritarianism can have a positive conditioning effect upon the development process in at least some Latin American countries.

This work examines the historical and ideological bases of the commitment of the Brazilian military to national and regional development, the sources of continuing underdevelopment in the Brazilian Northeast, and the policy performance of the Brazilian military government of President Emilio Garrastazu Médici (1969-1974) as it regards the development of this region. With a population of approximately thirty-five million people, the Northeast is the largest concentrated poverty area in the Western Hemisphere, and has been the object of a wide variety of Brazilian federal development policies since the 1870s. Given the distinguished tradition of the Brazilian military establishment in matters of national development, and the apparent concern of post-1964 Brazilian military presidents with improving conditions in the region, it is plausible to infer that Northeast regional development has been a real objective of federal policymakers since 1964. The marked persistence of underdevelopment in the region therefore suggests the presence of a countervailing factor at the center of the policymaking apparatus, i.e., the crucial effects of military authoritarianism upon development policies.

A hypothesis of this work is that military authoritarianism and federal expenditure policy for Northeast Brazilian development are inversely related after 1964. Historical analyses of both the unique Brazilian military commitment to national development and the long-term national concern with the development of the Northeast are explored in the early chapters in the context of the considerable literature of Brazilian politics and development. An analysis in Chapter Five of the estimated federal expenditures for the region in the 1960s and 1970s concludes that total expenditures for regional development did suffer a serious decline after 1969. This is substantiated in large measure by the "Development Index", a statistical measure of the longitudinal changes in standard development indicators for the region, a device that emphasizes both the "modernizing" and distributive dimensions of development. It follows an analysis of the effects of ideology on the development process: the concern of the most authoritarian of the post-1964 military administrations, the government of General Médici, with

questions of "national security" apparently hindered the prosecution of national and regional development. An analysis of the effects of ideology on the development process strives to clarify the process whereby development policies have been coopted by interests representative of industrialized Center-South and multinational capital.

PREFACE

"Brazil, its government and its Armed Forces are the victims of a gigantic and deliberate campaign of perversion and distortion of the facts of the Brazilian reality, seeking to mobilize international public opinion against us and to frustrate our accelerated development." Gen. Orlando Geisel, Minister of the Army¹

"The economy is doing very well, but the people are doing very badly." Gen. Emílio Garrastazú Médici, President of Brazil²

The economic "miracle" of 1969-1973 is one of the paradoxes of modern Brazil. A period of accelerated economic growth in some sectors and regions of the country, it was regarded as "evidence of the incompatibility of democratic political institutions and rapid economic development in Brazil and elsewhere."³

¹ "O Brasil, seu governo e suas Forças Armadas são vítimas de gigantesca e deliberada campanha de perversão e distorção de fatos da realidade brasileira, que procura mobilizar contra nós a opinião pública internacional e frustrar nosso acelerado desenvolvimento." Quoted in O Estado de São Paulo, 27 November 1970, p. 40.

² Quoted in The Times (London), 11 March 1978, p. IV of "Special Supplement". Also quoted (in varying translation) in Washington Post, 27 May 1973, p. C5.

³ Albert Fishlow, "Some Reflections on Post-1964 Brazilian Economic Policy," Authoritarian Brazil; Origins, Policies, and Future, ed. Alfred Stepan (New Haven: Yale Univ.

Some observers thought that this proved that military dictatorships could surmount the obstacles to development in the Third World. On the other hand, the concentrated pattern of economic growth associated with the "miracle" provided little or no benefit to many Brazilians, and has subsequently come to be regarded as a mixed blessing for other reasons as well.

This work is an attempt to increase our understanding of the interaction of military authoritarianism and regional development in Brazil. Chapter 1, a methodological introduction, surveys the related themes of public policy analysis, ideology, nationalism, statism and dependent development in Brazil. Chapter 2 traces the history of the Brazilian military before 1964 in establishing the origins of its commitment and contribution to the process of development in Brazil. Chapter 3 examines the golpe of 1964 and outlines the contemporary ideology of Brazilian military authoritarianism that subsequently became a primary policy determinate. Chapter 4 reviews the magnitude and history of underdevelopment in the Brazilian Northeast, the largest concentration of poverty in the Western Hemisphere.

Repeated and varied attempts to alter this basic condition have suggested its analogy with what Thomas Kuhn calls the "crisis-provoking problem." Chapter 5 analyzes the political and economic policies of the Médici presidency, the most authoritarian and economically "successful" of the

(cont'd) Press, 1973), p. 69.

post-1964 dictatorial presidencies, placing particular emphasis on the character of its Northeast regional development expenditures.

The hypothesis that is examined in Chapter 5, that Brazilian military authoritarianism and federal expenditures for Northeast regional development are inversely related after 1964, derives originally from my own experiences as a Peace Corps Volunteer in Northeast Brazil between 1970 and 1972. The passivity and stagnation of the federal development efforts in the state of Sergipe during those years were perplexing, even if one conceded Albert O. Hirschman's point that "understanding and motivation, or objective and subjective factors of change, are usually out of phase with each other at any one point of time." The striking political repression of those years seemed to be an embarrassment to many Brazilians, and I was surprised upon returning to North America to hear that the policies of the dictatorship were regarded as the basis of an economic "miracle".

The subsequent decade has seen both a lessening of political repression and a general reassessment of this period in Brazil. The military establishment continues to control the political processes of the country, however, and the spectre, if not the reality, of military dictatorship still threatens a great number of the other countries of the

* Hirschman, Journeys toward Progress; Studies of Economic Policy-Making in Latin America (New York: W.W. Norton, 1973, 1963), p. 237.

world, some of which have virtually no recent tradition of military involvement in politics. C. Wright Mills warned of the likelihood of military dictatorship in our time, given that politics is a contest for power, and violence is "the ultimate kind of power...."⁵ Furthermore, no country is exempt from the threat that some form of military intervention might be considered in the future as a means to "control" the problems of economic and political change. The author of a study of German military politics has voiced the hope that "perhaps reflection upon the history of another people, whose political aspirations were defeated in part by their inability to set proper limits to the activities of military leaders, may help us avoid dangerous mistakes in our own time."⁶ It is hoped that this dissertation will shed some light on the justifications of a political phenomenon, military authoritarianism, that has deeply affected the politics of Latin America in the past two decades.

⁵ C. Wright Mills, The Power Elite (New York: Oxford Univ. Press, 1967), p. 171.

⁶ Gordon Craig, The Politics of the Prussian Army, 1640-1945 (Oxford, England: Clarendon Press, 1955), p. xx.

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GLOSSARY AND ABBREVIATIONS

ADESG	The Alumni association of the Superior War College
AI-5	Institutional Act Number 5, the severe declaration of increased military authority made in December 1968
ARENA	The National Renovating Alliance, the official government party between 1965 and 1979
BNB	Banco do Nordeste Brasileiro, the Northeast Development Bank
BNH	Banco Nacional de Habitação, the National Housing Development Bank
<u>cassação</u>	The formal nullification of someone's political rights by the federal government for a specified (usually ten-year) period
CDE	The Economic Development Council, a dominant policy making body during the Geisel presidency
CHESF	The São Francisco Hydroelectric Company
CMN	The National Monetary Council, a dominant economic policy making body during the Médici presidency
<u>coronelismo</u>	The politics of largely rural political chiefs ("colonels") who controlled large blocks of votes
CVSF	The São Francisco Valley Commission

<u>desenvolvimentismo</u>	"Developmentalism," the commitment to large development (desenvolvimento) projects
DNOCS	The National Department of Anti-Drought Works
Entreguismo	The willingness to "sell out" Brazilian resources to foreign interests
ESAO	The Officers Finishing School, a qualifying school for junior officers
ESG	Escola Superior de Guerra, or the Superior War College, a school for senior officers and civilian managerial elites
<u>Estado Nôvo</u>	The dictatorship of President Getúlio Vargas between 1937 and 1945
<u>estagiário</u>	Literally a professional trainee; the preferred title for students at the ESG
FEB	The Brazilian Expeditionary Force that fought in Italy in World War II
FUNAI	The National Indian Foundation, established in 1967 to replace the disbanded Indian Protection Service
<u>getulianto</u>	The first extended presidency of Getúlio Vargas, 1930-1945
<u>golpe</u>	Military intervention
GTDN	The Working Group for the Development of the Northeast, the commission that investigated the drought of 1958 and proposed the essence of the SUDENE legislation
ICM	A general tax on merchandise that was reorganized in 1967

IFOCS The Federal Inspectorate for Anti-Drought Works

IPES The Institute of Economic and Social Studies, a research institute supported by business interests from Rio de Janeiro and São Paulo in the early 1960s which lobbied for the "internationalist" views of the ESG

ISEB The Institute of Advanced Brazilian Studies, the nationalistic research institute established during the Kubitschek presidency

jeitismo Reliance on the ability to "muddle through" or exert influence

linha dura The "Hard Line" current within the armed forces, characterized by authoritarian anti-communism and, to a lesser extent, nationalism

litoral The tropical coastal region in Brazil, usually characterized by heavy rainfall.

MDB The Brazilian Democratic Movement, the official opposition party in Brazil between 1965 and 1979

MINTER The Ministry of the Interior as reorganized in 1967

Nordeste The Northeast region of Brazil, defined after 1967 as the nine states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe and Bahia

PAEG The Economic Action Program, the basis of the stabilization policies of President Castelo Branco and his chief economic advisor Roberto de Oliveira Campos

PED The Strategic Development Program, a national development coordination plan covering the years 1968 to 1970

- personalismo A political tendency sometimes said to be typical of Latin America in which the charisma of particular leaders is thought to play a determining role in political events
- PIN The National Integration Program, which initiated the Trans-Amazon Highway Project, introduced in 1970
- PIS The Social Integration Program, introduced in 1970
- PND The National Development Program, introduced in 1971
- poder moderador "Moderating Power", the mediating role of the Emperor in the nineteenth-century political system, later--though somewhat ambiguously--assumed by the armed forces
- Polonordeste Program for the Development of Integrated Areas of the Northeast, introduced in 1974
- Proterra Program for the Redistribution of Land and the Stimulation of the Agroindustry of the North and Northeast, introduced in 1971
- Provale Special Program for the São Francisco Valley, introduced in 1971
- PSD Social Democratic Party, a pre-1964 political party that became the government party after 1979
- PTB Brazilian Labor Party
- SEPLAN Brazilian Planning Secretariat
- sertão The Brazilian interior; in the Northeast, the semi-arid inland plateau afflicted by periodic drought

<u>sistema</u>	System; usually the Brazilian socio-economic and political system
SNI	The National Information Service, the major intelligence agency of post-1964 Brazil
SUDAM	The Superintendency for the Development of the Amazon Region
SUDECO	The Superintendency for the Development of the Center-West
SUDENE	The Superintendency for the Development of the Northeast
SUDESUL	The Superintendency for the Development of the Southern Region.
SUVALE	The Superintendency of the São Francisco Valley
<u>técnico</u>	Technician, or technocrat
<u>tenentismo</u>	The political activism of the junior officers, many of whom were lieutenants (<u>tenentes</u>), between the early 1920s and the mid-1930s
UDN	The National Democratic Union, a pre-1964 political party
<u>zona agreste</u>	The forested transitory zone in the Northeast which lies between the coastal band (<u>litoral</u>) and the semi-arid inland plateau (<u>sertão</u>)

I. THE PROBLEM IN THEORETICAL PERSPECTIVE

A. Background to the Study

Introduction. The economic "miracle" experienced by Brazil between 1969 and 1973 gave hope to the people of that diverse country that an encompassing process of national development was finally under way. The continuing underdevelopment of the Northeast region, in particular, has baffled and frustrated generations of academics and policy makers, not to mention the millions of nordestinos who have long constituted the greatest concentration of poverty in the Western Hemisphere. The unprecedented growth of the Brazilian gross national product after 1968, commonly attributed at the time to the salutary effects of military authoritarianism on an industrializing society, has subsequently raised some puzzling questions, however. First, what is the relationship between authoritarianism and development in Brazil? Of crucial importance to this question are: the definition and analysis of development itself; the perennial problem of development in Northeast Brazil; and the character of the development pattern that emerged in Brazil after 1964. Second, what is the role of the military establishment in Brazil? The historical and ideological affinity of that institution with the development of Brazil is an important aspect of this question. Finally, what are the historical and ideological

predispositions and barriers to the post-1964 military support of a wideranging and distributive process of national and regional development? The so-called "Brazilian Model" of development, as it unfolded between 1969 and 1973; is of central concern to this question. The following study will analyze some of the historical and ideological background of these questions before turning to a closer look at the 1969 to 1973 period. In order to elaborate and analyze that period more clearly, a hypothesis will be adopted and explored in Chapter 5: that military authoritarianism and effective federal expenditure policy for Northeast regional development are inversely related in post-1964 Brazil. While representing considerably more than simply a test of this hypothesis, this dissertation is ultimately concerned with the wide ranging questions that such a hypothesis raises.

The historical involvement of the Brazilian military in the development of Brazil, the derivation of an authoritarian military ideology implying the need for political intervention, and the striking and persistent underdevelopment of the Northeast region, are three such questions. Furthermore, a primary aspect of the hypothesis is its dependence upon several arguments. One is the contention that the military dictatorship after 1964 can be characterized as having evinced discrete "ideological" periods. A second contention is that these periods are reflected in significant variations in expenditure policy.

Third, the development of the Northeast, for a variety of historical and ideological reasons, can be seen to have been of major importance to the military presidential administrations after 1964. Finally, it is argued that ideological periodization reflects, at least in the first decade of the military dictatorship, some variance in the political representation of differing economic, and/or class, interests.⁷ These contentions will be substantiated in the following chapters with a view to providing background to the critical years of the government of General (cum president) Emílio Garrastazú Médici, especially 1969-1972, commonly referred to, albeit in increasingly ironic tones, as the "Brazilian Miracle". It is this period which is also regarded as a paradigmatic instance of authoritarianism in post-1964 Brazil, as well as one of unusually varied government options owing to a highly favorable economic outlook.

The operational conceptualization of ideology is crucial to this work. A central endeavor of the following chapters is the identification of regime goals for the development of the Northeast, as reflected in government expenditures and ultimately in changes in the level of development in the region. Relatively discrete periods can

⁷ Colin Leys, in criticizing the field of political development in general, notes that this is a common weakness in many such studies, with "development" being regarded uncritically as an unquestionable "good", regardless of the long term consequences for differing class interests. Colin Leys, Underdevelopment in Kenya; The political Economy of Neo-Colonialism, 1964-1971 (London: Heinemann, 1977), p. x.

be defined within the post-1964 "revolutionary" military administrations which have evinced differing ideological attitudes as reflected in the performance of the government in policies of Northeast regional development. The hypothesis explored in Chapter 5, that military authoritarianism and effective federal expenditure policy for Northeast regional development are inversely related after 1964, is based upon certain conditions or assumptions. One of these is that Brazilian presidential administrations since 1964 have manifested important differences in their goals and aspirations for national and regional development, and that these differences are reflected in regional development funding.

The increased understanding of these differences is held to be of critical importance in analyzing the "Brazilian model", a term which has increasingly come to be employed in the description of military regimes of countries in the southern part of South America. The "model", at least in its Brazilian setting, is neither static nor readily predictable, as recent changes in the Brazilian political milieu demonstrate. It remains ambiguous as to its intentions for explicit forms of national and regional development, and thus conforms, at least in this sense, with what Juan Linz has termed the authoritarian regime.

* Linz defines authoritarian systems as "political systems with limited, not responsible, political pluralism; without elaborate and guiding ideology (but with distinctive mentalities); without intensive or extensive political mobilization (except some points in their political development); and in which a leader (or occasionally a small

Page five has been removed due to lack
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Page five is a map of Brazil.

The source for this map is:

IBGE, Anuário Estatístico do Brasil, 1980
(Rio de Janeiro: IBGE, 1981), pp. 24 and 25.

examples of which tend to be characterized by "pluralist" legitimacy formulae and hence "the coexistence of competing legitimacy formulae." The authoritarianism that characterizes Brazil (and certain other Latin American countries) by the late 1960s, and particularly after 1968,¹⁰ however, must be regarded with more emphasis upon its military origins than Linz is apparently willing to concede to the authoritarian model, derived as it is largely from Franco's Spain. Hence I will define military authoritarianism, borrowing from Linz and Guillermo O'Donnell, as

authoritarianism characterized by a rigid, technocratic, military establishment which dominates the political milieu, including the process of presidential succession.

(Public policy analyses of post-1964 Brazil invariably focus upon the military and its stress upon national development and national security. However, as Barry Ames observed in 1973,

though Brazilian military leaders see themselves as both political and economic modernizers, Brazil's regime has been placed in the development-proficient camp less frequently than Peru's, evidently because its nationalism does not preclude receptivity to

(cont'd)group) exercises power within formally ill-defined limits but actually quite predictable ones." Juan Linz, "An Authoritarian Regime: Spain," Mass Politics; Studies in Political Sociology, edited by Erik Allardt and Stein Rokkan (New York: Free Press, 1970), p. 255.

¹⁰ Linz, p. 270.

¹¹ According to one interpretation, the selection of Médici "marked the highpoint of the states's 'militarization.'" João Quartim, Dictatorship and Armed Struggle in Brazil, Trans. David Fernbach (London: NLB, 1971), p. 75.

foreign investment, and because it has not instituted land reform, preferring instead the provision of incentives to agriculture for self-modernization. However, Brazil fits no better in the conservative-incompetent category, because the regime has emphasized economic growth and has transformed the political system in the interests of modernization.''

The analysis of the policies of Brazilian military governments with respect to the important issue of regional development, one which taps the military commitment to development, provides one way of understanding authoritarian regimes. Recent changes in Brazilian development policy, including the implementation of a tentative agrarian reform program in the Northeast,¹² further suggest the special importance of exploring the variations within the post-1964 "model" on the important issue of Northeast regional development.

The development of the Northeast region, the largest area of concentrated poverty in the Western Hemisphere, remains of crucial importance to Brazilian development. The commitment, at least in principle, of Brazilian military governments to regional development in general, and to Northeast regional development in particular, is well-documented. The history of the Brazilian military prior to 1964 stresses the traditional priority accorded to

¹¹ Barry Ames, Rhetoric and Reality in a Militarized Regime: Brazil since 1964 (Beverly Hills: Sage Publications, 1973), p. 11.

¹² Latin America Weekly Report, 80, No.12 (March 21, 1980), p. 5, and LAWR, 80, No.7 (February 15, 1980), p. 11.

the national interests,¹³ and the Brazilian presidents since then have repeatedly committed themselves to the development of the Northeast. The first post-1964 military president made his commitment very forcefully by underscoring the national impact of poverty in the Northeast. He concluded that "it is not possible and will not be possible for the same people to continue existing, side by side, two Brazils, one underdeveloped and the other in the full phase of enrichment."¹⁴ The central focus of this dissertation, which runs against the grain of much of the literature on the authoritarian exigencies of contemporary development,

¹³ John J. Johnson wrote in 1964 that "the armed forces become involved [in politics] when provincialism is reflected politically, as when representatives of the economically advanced states oppose broad programs that their constituents would have to finance, and thereby make it difficult to get a clear-cut consensus on broad issues of public policy. In such circumstances the armed forces, national in scope as they are, and charged as they are with the nation's defense, do not feel obliged to stand aside indefinitely in favor of politicians whose thinking does not transcend issues of interest to their patrons. On such occasions the officers conceive of their role as 'consolidators in a federation beset by regionalism.'" Johnson, The Military and Society in Latin America (Stanford, California: Stanford Univ. Press, 1964), pp. 213-214.

¹⁴ "Na realidade, em face do Nordeste, dos seus problemas e até do que a sua pobreza representa para a própria unidade política e territorial do Brasil, devemos convocar quantos possam ajudar a União nessa batalha decisiva para o futuro do País. Não é possível e não será possível continuarem existindo lado a lado, habitados pela mesma gente, dois Brasis, um subdesenvolvido e outro em plena fase de enriquecimento." General Humberto de Alencar Castelo Branco, as quoted in "Vigorosa Política Rural," O Estado de São Paulo (June 7, 1964). Subsequent presidents, including Médici, have expressed similar sentiments.

¹⁵ Robert Ward noted in an analysis of development in Japan, for example, that "the Japanese experience seems to suggest...that authoritarian forms of political organization can be extraordinarily effective in the early stages of the modernization process...." Ward, "Political Modernization

suggests that some military goals may be eclipsed by others, and that national security and national development may be mutually antagonistic, at least in practice. This argument, however, will be further explained and tested in the following chapters.

The Médici presidency, the period that receives particular attention in Chapter 5, is of increasing interest to students of Brazilian development, despite its relative lack of critical analysis before the late 1970s. Aside from epitomizing the fundamental characteristics of post-1964 Brazilian military government,¹⁵ this period of military dictatorship was directed by a president who is considered to have exercised "the most complete control of any president in Brazil's history...."¹⁶ It is regarded as the most authoritarian of the military presidencies, and possibly the most reflective of a discrete military ideology. This latter point, especially important for the purposes of this thesis, is further suggested by the political events of 1968 and 1969, in which a civilian vice-president was prevented from succeeding an incapacitated President (General) Costa e Silva, and the military "moved even further into taking direct control of the government: more clearly than ever before they were

¹⁵ (cont'd) and Political Culture in Japan," World Politics, 15, No. 4 (July, 1963), pp. 588-589.

¹⁶ Peter Flynn writes that "by April 1969, five years after the military coup, the essential features of Brazil's new authoritarian state had been clearly defined." Flynn, Brazil: A Political Analysis (Boulder, Colorado: Westview Press, 1979, 1978), p. 425.

¹⁷ Flynn, Brazil, p. 447.

seen, and perceived themselves, as masters of the country."''

The Médici presidency, moreover, displayed the most promise for success in national development policies. It encompassed what was in some respects the richest period of national economic growth in Brazilian history, the "Brazilian Miracle" (1969-1973), which was itself the zenith of a prolonged and important period of national development.''' Government coffers were bloated, trade balances favorable and foreign reserves in plenty. It was a unique chance for the military government to carry out its development priorities, and hence it offers an important insight into the process of public policy formation in an authoritarian regime.

Public Policy, Ideology and Development. Federal political systems, even those governed by military dictatorships, do not formulate policy with a single "mind". Mediation of conflicting regional interests, moreover, is only one of the factors that serves to weaken the unanimity of the government of a country as large and diverse as Brazil. Class conflict and sectoral competition intensify the

'' Flynn, Brazil, p. 438. He adds that this development further determined that the future selection of presidents would be entirely a military function.

' ' Sylvia Ann Hewlett observes that the tripling of the Brazilian population between 1940 and 1977 contrasted with the tripling of the national product during the years 1960 to 1977. Hewlett, The Cruel Dilemmas of Development: Twentieth-Century Brazil (New York: Basic Books, Inc., 1980), p. 32.

dilemma of both civilian and military rulers, as well as facilitating the emergence of competing ideological perspectives among different elite sectors, such as the officer corps. This reflects the larger cleavages within the country as a whole. Unanimous military decision-making has been far from the reality of the post-1964 dictatorship.

Nevertheless, as will be seen in subsequent chapters, there are common goals and aspirations which are shared by the political elite within the military and bureaucracy, although they do not always follow a clear pattern--even when such goals are explicitly identified. It remains relatively unpredictable which of these commonly held views are likely to bring about change in the political and socio-economic order. A serious problem therefore exists for students of Brazilian politics. On the one hand, the careful identification and elaboration of stated military goals is incapable of providing a key as to which of these goals will tend to emerge as dominant in the development process. On the other hand, detailed analyses of political and socio-economic development lack the capability to predict major regime interventions in the development process. Fernando Henrique Cardoso contends that civilian participation in stable authoritarian governments underscores the role of the executive while creating tensions between the executive and the military officer corps, most of whom have little to do with direct government

management.²⁰ The result tends to be a sharp contrast between the largely ideological demands of politically inactive officers and the actual practice of the military president and his "core group", who are ostensibly charged with fulfilling them. This gap between theory and practice works to the detriment of both. In the absence of a direct relation with development patterns, the identification of "serious" regime goals remains conjectural, and a subsequent analysis of development based on this identification remains insensitive to major ideological changes until well after they have expressed themselves in the development process.

One of the primary conditions of this study is that Northeast Brazilian regional development policy is likely to afford a sensitive barometer to differences between the ideological orientations of the separate Brazilian military administrations after 1964 if, indeed, such differences exist. The principal reasoning behind this argument is that military ideology in Brazil has traditionally stressed the critical military function of national development. Recent writings and speeches of key military ideologues stress the extent to which this function continues to be taken very seriously by the military High Command. Furthermore, the

²⁰ Cardoso, "On the Characterization of Authoritarian Regimes in Latin America," The New Authoritarianism in Latin America, ed. David Collier (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 41. This explains the need to examine military presidencies, although it might be reiterated that the Médici presidency was in many respects the most reflective of military policy, the least subject to clashes within the military, and the most authoritarian of the post-1964 governments.

underdevelopment of regions such as the Northeast is regarded by them as a direct restraint upon the process of national development.²¹ A secondary, and in some ways more speculative, line of reasoning points to the complex interrelations of military officers and (civilian) technocrats in the formation of federal public policy. The proven ambivalence of important civilian ministers in post-1964 federal governments vis-à-vis the issue of Northeast regional development has, in effect, necessitated the intervention of military authorities (and particularly the presidents) to a much greater degree in this policy area. Although this may have been accompanied by a more restrained commitment of federal resources, and hence a relative shortfall in the regional development response to such initiatives, it is nevertheless an important condition for the purposes of this study. Variations in federal expenditure policy for Northeast regional development programs across post-1964 presidencies are more reflective of military priorities than are similar variations regarding the wider Brazilian economy because dominant civilian interests, which tend to reflect the interests of concentrated capital in Center-South and multinational corporate organization, are either expressed elsewhere or directly challenge the interests of the Northeast and hence compete with the military plans for the region.

²¹ See the excerpt from the Castelo Branco speech (footnote 7).

The second major assumption of this work, also to be substantiated in the following chapters, is that there is a crucial heuristic value in the focus upon the Médici presidency, 1969-1974. This particular regime was by far the most authoritarian of the military presidencies, and thus is an important case for the comparison of the relative effects of this prominent dimension of military government in Brazil. Increased authoritarianism in this case, however, also suggests the greater likelihood of military influence in the conduct of policy making at the federal level, given the crisis of military unity just prior to the Médici selection, and the overriding value that he attributed to (and the success that he achieved in) maintaining the widespread support of his government by the officer corps. This ultimately explains the ability of the Médici regime to maintain its initial exercise of unqualified control over the political processes,²² in contrast to both its predecessors and successors. It had, moreover, a relatively free hand to exercise policy options because of positive national trade balances and unparalleled growth rates. But perhaps most important was its explicit commitment to national economic development, in many respects the "touchstone of the government strategy, from which it derive[d] its own legitimacy."²³

²² Flynn notes that "Médici...came to office not only with a virtual mandate to maintain tight control, but with wider constitutional powers vis-à-vis Congress and civil society generally to allow the regime to impose its will." Flynn, Brazil, p. 442.

²³ "...o desenvolvimento econômico passa a ser a pedra de

Hence it is both the most authoritarian and potentially most desenvolvimentista of the post-1964 military presidencies, a key case in the observation of the interrelation of these two policy dynamics within the contemporary Brazilian setting.

The problem of detecting coherent regional development policies, given the sporadic character of Brazilian policy formation in general, is admittedly a challenging one. Indeed, there is mixed opinion as to the homogeneity of Brazilian military aspirations. Some analysts, including Barry Ames, argue that the military government has achieved a total hegemony of the Brazilian political processes based on concrete and articulate goals.²⁴ A contrasting view stresses that there is considerable disagreement within the ruling coalition, and that "the technocrats and middle sectors do not share the political paranoia of the hard-liners and the latter do not really understand the economic strategies of the former. Brazil today appears to lack any explicit consensus on its goals and the means to achieve them."²⁵ Thus the issue of the homogeneity of the ideological "goals" of the ruling regime presents itself as

²³ (cont'd)toque da estratégia governamental, que dele deriva sua própria legitimidade." Maria Lucia Werneck Vianna, "O Governo Médici: Uma Análise de Conjuntura", Encontros com a Civilização Brasileira, No. 14 (August 1979), p. 71.

²⁴ "Prominent among these goals has been the desire to institute a new kind of policy-making, replacing personalism, nepotism, and corruption with 'planning,' 'rationality,' and the 'public interest.'" Ames, p. 5.

²⁵ Thomas E. Skidmore, "Politics and Economic Policy Making in Authoritarian Brazil, 1937-71," Authoritarian Brazil; Origins, Policies, and Future, edited Alfred Stepan (New Haven: Yale Univ. Press, 1973), p. 19.

a problem in the analysis of regime goals. Nevertheless, the problem is similar to the kinds of problems that have been dealt with in other studies.

Of crucial importance to this enterprise is a well-known work by James W. Wilkie, The Mexican Revolution: Federal Expenditure and Social Change since 1910.²⁶ Wilkie demonstrated, by linking sporadic policy formation with demographic indicators of socio-economic change, that the Mexican Revolution "has been governed by the intellectual currents which have been prevalent in different periods."²⁷ A central area of interest in Wilkie's study is a comparison of Mexican federal expenditure policies (within various categories) and specific presidential administrations.

B. A Comparative Public Policy Analysis

The Wilkie Methodology. It might be argued plausibly that the comparability of the Mexican and Brazilian cases is a sine qua non of any attempt to apply substantial portions of Wilkie's methodology to an analysis of development policy in the Brazilian Northeast. Although Wilkie and others discount the absolute necessity of such a precondition, it is significant that a great degree of comparability does in fact exist between the two cases. The question of interest here is the applicability of Wilkie's methodology to the Brazilian case, the answer to which would appear to be

²⁶ (Berkeley: Univ. of California Press, 1970, 1967).

²⁷ Wilkie, p. 278.

straightforward, particularly given the dimension of case comparability mentioned above. Wilkie observes that "since we have shown that presidential power in Mexico is closely related to the expenditure system which gives the chief executive great flexibility of operation, the question arises as to whether or not the locus of power in other presidential systems may not stem largely from the same type of arrangement." He concludes that "to develop a more sophisticated analysis of quantification of ideology than is presented here, we need to have some studies of budgetary policy in other countries. It is hoped that the method developed in this analysis will aid scholars in carrying out and refining such undertakings."²¹

Wilkie's work presents time-series data that cover a significant period of the Mexican Revolution, and careful attention is paid both to projected and actual federal expenditures. Moreover, Wilkie argues that "since no direct link between federal expenditures and social changes can be established, we may suggest the results of each governmental period of ideology by evaluating the decrease in poverty in relation to economic change."²²

²¹ Wilkie, 284. It is useful to note Robert Daland's recent comment that "the dominant personality of the bureaucracy has always been the President of Brazil." Daland, Exploring Brazilian Bureaucracy: Performance and Pathology (Washington, D.C.: University Press of America, 1981), p. 57.

²² Wilkie, p. xxviii. This remark is substantiated by the general observation of Robert Putnam that "understanding such a complex topic as ideology and politics inevitably involves a process of triangulation, establishing and then reconciling several different perspectives on the phenomena in question." "Studying Elite Political Culture: The Case

As indicators of the level of development, he presents the Mexican census data on illiteracy, fluency in only an Indian language, residence in communities of less than 2500 population, percentage of population habitually wearing sandals, percentage of population going barefoot, percentage of population regularly eating tortillas instead of white bread, and percentage of population living in residences without sewage disposal.³⁰ These socio-economic indicators are then used to analyze the policies of presidential administrations in their ideological setting.

A prominent conclusion of Wilkie's study is of central interest in the following chapters. He contends that "the quantitative summaries of expenditure in the Mexican Revolution reveal four periods of ideological action."³¹ Wilkie traces each period through an analysis of both projected and actual government expenditures, and substantiates the efficacy or inefficacy of governmental policy making, and hence the validity of the "ideological periods", by correlating expenditure periods to "Poverty Index" periods with some allowance for time lag. The statistical indicators of development for the Brazilian Northeast that have been employed (in Chapter 6) are, obviously, different from those employed by Wilkie for the Mexican case,³²

²⁹ (cont'd) of Ideology", American Political Science Review, 65, No.3 (September, 1971), 651.

³⁰ Wilkie, 205.

³¹ Wilkie, 35.

³² The availability of different sorts of data, as well as pronounced differences in culture between Mexico and the

although the significance of this part of the analysis is similarly regarded as crucial to the study. It forges a direct link between "policy"¹³ and "policy outcome", and hence indirectly between ideology and its effects on the sistema. It is, in short, a necessary validation of an analysis of Brazilian development policy.

The Analysis of Policies of Development. The notion of "development" is, in itself, a complex concept that introduces a whole range of theoretical considerations. Gabriel Almond and G. Bingham Powell focus upon one general definition when they note that development occurs as the result of challenges to the system which elicit extraordinary responses.¹⁴ Although Almond and Powell's definition allows for the possibility of regressive, as well as progressive, development, it does not provide--as do neo-Marxian and related approaches to the literature of

¹³ (cont'd) Brazilian Northeast, require the use of a different set of development indicators for this latter region.

¹³ This would seem to be particularly important in view of the comments of Elliot J. Feldman, who cautions that "no term in social science has suffered more ambiguity and abuse in the 1960s and the 1970s than 'policy'." Feldman, "Review Article: Comparative Public Policy, Field or Method?" Comparative Politics, 10, No. 2 (January 1978), p. 288.

¹⁴ They admit, moreover, that such "development" (particularly in the area of political change) can be regressive, to the detriment of the society involved. Gabriel Almond and G. Bingham Powell, Comparative Politics: A Developmental Approach (Boston: Little, Brown and Company, 1966), p. 34. Other useful definitions of development can be found in Dankwart Rustow, A World of Nations: Problems of Political Modernization, and Almond, Political Development: Essays in Heuristic Theory (Boston: Little, Brown and Company, 1970).

development--a general structural explanation of underdevelopment as a basic component of the definition of development itself.³⁵ One such explanation provides a useful definition of economic development for the purposes of this work. Paul Baran notes that

economic development has historically always meant a far-reaching transformation of society's economic, social, and political structure, of the dominant organization of production, distribution, and consumption. Economic development has always been propelled by classes and groups interested in a new economic and social order, has always been opposed and obstructed by those interested in the preservation of the status quo, rooted in and deriving innumerable benefits and habits from the existing fabric of society, the prevailing mores, customs, and institutions. It has always been marked by more or less violent clashes, has proceeded by starts and spurts, suffered setbacks and gained new terrain--it has never been a smooth, harmonious process unfolding placidly over time and space.³⁶

Analysts associated with the Economic Commission for Latin America (ECLA), who generally represent a non-Marxian perspective, have tended to agree with Celso Furtado that in Latin America, "obstacles to development are mainly of an institutional nature, a circumstance that makes it doubly

³⁵ There is a great degree of substantiation in classical Marxism for neo-Marxian concerns with the relation between inequality and underdevelopment. Two writers in the area of underdevelopment in Africa note that Marx "argued that the inequalities of the bourgeois society of his day increasingly meant that the potential of the available industrial machine would not be realized; inequality and muffled productive forces thus went hand in hand." Giovanni Arrighi and John Saul, "Socialism and Economic Development in Tropical Africa," Journal of Modern African Studies, 6, No.2 (1968), p. 141.

³⁶ Paul A. Baran, The Political Economy of Growth (New York: Monthly Review Press, 1957), pp. 3-4.

difficult to try to identify evolutionary trends in the region."¹⁷ Further interpretive complications arise from the "ethos of economic development" which has pervaded Brazilian post-war institutions.¹⁸ A hiatus exists between the formation and implementation of policy decisions, underscoring the important distinction between these two dimensions of the development process, and necessitating an awareness on the part of the observer "that decision making does not automatically and necessarily imply either the adequate implementation of the decision or the clear fulfillment of its aims."¹⁹

The central barriers to an identification of recognizable patterns within the process of Brazilian public policy formation are the sporadic and episodic characters both of the development process itself, and the hiatus between policy making and policy implementation, and this is particularly apparent in the area of policy funding. Expenditure policy in developing countries is often supportive of one type of development--non-integrated (or

¹⁷ C. Furtado, Economic Development of Latin America; A Survey from Colonial Times to the Cuban Revolution (Cambridge, England: Cambridge Univ. Press, 1970), p. xiii.

¹⁸ "The ethos of economic development has been a central theme since 1945, at least. Since 1964, it has become, in fact, the dominant manifest function of the Brazilian government. The present military regime is committed to particular goals to achieve 'economic development.' The primary emphasis is given to industrialization, economic self-sufficiency, growth in the gross and per capita outputs of the economy, inflation control, and a strong national security posture." Daland, Exploring, p. 170.

¹⁹ Wanderlay Guilherme dos Santos and Olavo Brasil de Lima Júnior, "Public Policy Analysis in Brazil," The Structure of Brazilian Development, ed. Neuma Aguiar (New Brunswick, New Jersey: Transaction Books, 1979), p. 205.

partially integrated) industrial production of what are loosely termed "luxury goods". This has been held by many writers in the field to be directly and positively correlated with protracted underdevelopment, primarily because of the waste of resources that is involved ("waste" having been defined in general as 'not in the long-term social interests'). The direction of development policy is therefore intimately linked to the efficacy of national and regional development efforts.

Writing about the process of development in tropical Africa, Giovanni Arrighi and John Saul emphasize that the development of limited, luxury-oriented and wasteful industrial complexes (geared to elite markets) constitutes "perverse growth", a condition which the authors associate with international capitalism. They argue that the limited growth of the rural economy stultifies the development of the "modern sector" by circumscribing expansion of the internal market. In this context, luxury-oriented industrial expansion represents "growth which undermines, rather than enhances, the potentialities of the economy for long-term growth."⁴⁰ The definition of "luxuries" can only be made in the context of the society, and for a rural, "developing" system could easily include items considered necessities in another system, e.g., automobiles, electric appliances, etc. The applicability of these arguments to the Brazilian case is suggested by Peter Evans, who notes

⁴⁰ Arrighi and Saul, p. 150.

that between 1960 and 1970, when Brazilian industrialization experienced striking growth and "the top 5 percent of the population doubled their average income, the 80 million on the bottom remained stagnated at incomes averaging below \$200 a year."⁴¹ The problem of assessing the distributional character of development is thus emphasized.

A central function of a development index, based on a selection of indicators determined by a factor analysis of primary development indicators for Northeast Brazil and presented in Chapter 5, is to provide a set of criteria by which to assess the efficacy of the federal government's Northeast regional expenditure policy. Brazil is an interesting case in this respect because it is one of the more developed of the underdeveloped countries, at least in some major respects:

The possibility that the subsidized (and relatively sophisticated) industrialization of the Northeast region might fail to promote regional economic development, however, is implied by the general arguments of Samir Amin, who notes (again, in a very general context) that:

in the more developed of the underdeveloped countries there are sometimes groups of light industries, either foreign-owned or native-owned. Due, however, to the lack of basic industries, these industries producing consumer goods are extremely dependent on the outside world, which provides the equipment and semi-finished goods they need. They therefore have no "integrating" effect, and, being concerned directly with ultimate consumption, carry out only minor exchanges among themselves.⁴²

⁴¹ Evans, Dependent, p. 96.

⁴² Samir Amin, Accumulation on a World Scale; A Critique of the Theory of Underdevelopment, trans. Brian Pearce (New

Amin calls this the "disarticulation of the economy," and notes that it "prevents" the development of any one sector from having a mobilizing effect upon the rest. Any such effect is transferred abroad, to the supplying countries: the sectors of the underdeveloped economy appear as extensions of the dominating advanced economy."⁴² This is a useful description of the regionalized structure of the Brazilian system, with the possible caveat that the relatively sophisticated industrial complex that has evolved over the past decades complicates the relationship with the "dominating" Center-South economy.

If we extrapolate from Amin's international analysis to an analogous assessment of the Brazilian federal system, it is possible to argue that regional economies, in their relation to the national economy, can likewise be subject to this economic disarticulation.⁴³ Expenditure policy, moreover, does not indicate the extent of development merely by its magnitude; the character of policy planning, and hence the underlying--or what Wilkie and others have called the "ideological"--goals and intentions of the federal regime is also of great importance in the analysis.

This further substantiates the utility of linking an analysis of federal expenditure policy with actual levels of

⁴² (cont'd) York: Monthly Review Press, 1974), p. 16.

⁴³ Amin, p. 17.

⁴⁴ Hicks notes, for example, the tendency of national economic centers to continue to grow at the expense of peripheral regions despite significant changes which ostensibly lessen their superior economic advantage. J.R. Hicks, Essays in World Economics (Oxford, England: Clarendon Press, 1959), p. 163.

development, through the employment of a "development index". The longitudinal correlation of a series of indicators, including variables indicative of lifestyle and relative income levels, as well as production and consumption data, through factor analysis, is directed at establishing the basis for assessing the development patterns of the Northeast since 1960, and hence relating positive and negative change to specific presidential administrations. The establishment of a link between policy goals and policy outcomes would seem to be the only way of clarifying and elaborating the linkage between regime goals and the formation of expenditure policy vis-à-vis the question of regional economic development.

Ideological Periods and Public Policy Formation. The problem of identifying and periodizing the Brazilian military ideology based upon presidential administrative performance respecting development policy for the Northeast is of central interest to this dissertation. Three considerations are immediately apparent in this regard. First, the relatively short time frame, 1964-1980, presents a possible problem in identifying and measuring distinct periods within this frame. Second, the emergence of the five presidents since 1964 from a single institution (the Brazilian Army) might be thought to mitigate many of the distinguishing ideological differences between them. Third, the traditionally sporadic character of Brazilian policy

formation necessitates the careful examination of longitudinal data if discrete presidential policy patterns are to be discerned.

There is extensive evidence in the literature of post-1964 Brazilian politics which points to the existence of significant differences between the administrations of the five military presidents. Despite the protestations of General Castelo Branco that he would be "the President of all, not the head of a faction,"⁴⁵ it has been observed that

all three of the first military presidents were compromise choices, arrived at after severe, even bitter, disagreement, and the political stability of the system has been threatened and the tone of politics embittered by severe rivalries between senior officers, not only on personal grounds, but as representatives of substantially different interests, both inside and outside Brazil.⁴⁶

The effects of such internecine political struggle have led to the deterioration of military unity,⁴⁷ although such deterioration is clearly mitigated by the limited rotation of military factions into the primary source of systemic power, the presidency.⁴⁸ Furthermore, the generally anti-communist and anti-subversive character of post-1964 military presidencies, which tended to submerge some of the

⁴⁵ "President Castelo Branco's Inauguration Address," Brazilian Bulletin, XX, No. 451 (May 15, 1964), p. 6.

⁴⁶ Flynn, Brazil, p. 518.

⁴⁷ Alfred Stepan noted that "nine years of Brazilian military rule have gravely injured military unity. The military experienced major internal crises in October 1965, November 1968, and September 1969." Stepan, "The New Professionalism of Internal Warfare and Military Role Expansion," Authoritarian Brazil, p. 65.

⁴⁸ Cardoso, "On the Characterization," p. 42.

major differences between the first three presidencies, according to Stepan, did not apparently prevent the emergence of significant differences on other issues, particularly that of development.⁴⁴ The prospect that major ideological differences have expressed themselves in public policy for the Northeast after 1964 is thus a plausible thesis, although one which suggests the need further to elaborate the use herein of the concept of "ideology".

The notion that ideologies may best be described as actively competing viewpoints suggests a problem that is latent in the task of identifying an ideology within Brazilian public policy: the extent to which ideologies might be said to 'mask' or confuse the range of policy options, and hence their relation to the process of development. Karl Mannheim has argued, in this regard, that the presence of an ideology suggests "that ruling groups can in their thinking become so intensively interest-bound to a situation that they are simply no longer able to see certain facts which would undermine their sense of domination."⁴⁵ Although this explanation might be reminiscent in some respects of certain neo-Marxian interpretations of ideology which tend to stress its opposition to science, its invisibility to its exponents, and its consequent

⁴⁴ Stepan, The Military in Politics; Changing Patterns in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1971), p. 235.

⁴⁵ Karl Mannheim, Ideology and Utopia, translated Louis Wirth and Edward Shils (New York: Harcourt, Brace and World, n.d.), p. 40.

falsity," it is perhaps more useful to regard ideology as a "given", thereby contending that its "truth" or "falsity" is irrelevant. What is important, in this view, is its mere presence as a dynamic constituent of the political system. It is this argument which offers perhaps the most convincing rationale for the study of the relationship between ideology and public policy in Northeast Brazil. The exploration of ideology in this sense constitutes a search for missing information (at least some of which would appear to be purposely mystified or otherwise obscured). It is, in other words, a search for all of the sources of motivation which underlie public policy formation," and thus calls for a relatively inclusive definition."

" Nicos Poulantzas, Political Power and Social Classes, trans. ed. Timothy O'Hagan (London: NLB, 1976), p. 207. Poulantzas argued that, "as opposed to science ideology has the precise function of hiding the real contradictions and of reconstituting on an imaginary level a relatively coherent discourse which serves as the horizon of agents' experience; it does this by moulding their representations of their real relations and inserting these in the overall unity of the relations of a formation. This is certainly the fundamental meaning of the ambiguous metaphor of 'cement' used by Gramsci to designate the social function of ideology." P. 207. Emphasis in the original.

" Hirschman notes that in Latin America "ideologies are in their accustomed roles, holding men in their grip, pushing them into actions that have important effects, both positive and negative, on economic growth." Hirschman, "Ideologies of Economic Development in Latin America," Latin American Essays and Comments, ed. Hirschman (New York: Twentieth Century Fund, 1961), p. 36.

" In One of the more penetrating definitions of ideology, Erik Erikson defines it as "an unconscious tendency underlying religious and scientific as well as political thought: the tendency at a given time to make facts amenable to ideas, and ideas to facts, in order to create a world image convincing enough to support the collective and the individual sense of identity. Erikson, Young Man Luther; A Study in Psychoanalysis and History (New York: W. W.

The analysis of ideology is thus an attempt to locate certain factual dimensions of the process of public policy formation which are both relevant to, and perhaps omitted from, the efforts to fulfill wider policy goals. In the context of policy analysis, it is the identification of effective policy intent, as well as public manifestations of support for specific policy options.

The history of development efforts in the Northeast, at least prior to 1964, appears to be an example of one way in which a consistent pattern of understanding policy making in general, an ideological preconception, can interfere with the process of development. In this context, there appears to be some promise in exploring the process of Brazilian policy making after 1964, with a view to isolating and observing the compatibility and continuity of the Northeastern development policies of successive military regimes. This is particularly the case insofar as it is frequently argued that the Brazilian military government after 1964 adopted a relatively specific ideological frame of reference, first developed at the Escola Superior de Guerra (ESG), or Superior War College,⁵⁴ in which the

⁵³(cont'd)Norton: 1962, 1958), p. 22. Robert Dahl notes, in contrast, that "leaders in a political system usually espouse a set of more or less persistent, integrated doctrines that purport to explain and justify their leadership. A set of doctrines of this kind is an ideology." Dahl, Modern Political Analysis (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1964, p. 20.

⁵⁴ Stepan notes that "at the Superior War College [prior to 1964] an ideology developed that both questioned basic structural features of the political system and implicitly envisioned a new political role for the military." The Military, p. 155.

concepts of national security and development were explicitly and inextricably linked.⁵⁵ On a cursory level, national potential, the ability of the nation to wage modern and protracted war, was the seminal concept underlying this connection. However, with the refinement of concepts such as 'internal warfare' and 'revolutionary war', the link between security and development was strengthened: development was increasingly conceived of as the preventative measure necessary to forestall the "illness" of socialism.

There is a crucial and specific reason for the concern in this study with the identification and elaboration of specific Brazilian military ideologies of regional development. The central problem with many macro-analyses of public policy formation is substantiation of the contention, whether implicit or explicit, that an apprehensible pattern, a particular 'rhyme-and-reason' for policy decisions, can ultimately be discerned.

⁵⁵ Alfred Stepan, "The New Professionalism of Internal Warfare and Military Role Expansion," Authoritarian Brazil, edited by Stepan, p. 38. Ames, in describing the governments immediately following the 1964 coup, observed that "the ESG itself did not rule Brazil, but the ruling coalition of officers and civilians grounded their policy orientations in ESG doctrine. Their positions included short-term responses to the economic crisis, such as halting inflation and restoring economic growth, and long-term economic goals, such as maintaining private enterprise, a strong state role in the economy, and friendliness to foreign investment. Ideologically, they were strongly anti-communist and sided with the United States in the Cold War. Their institutional commitments included reducing party strife and eliminating demagoguery by populist politicians and union leaders. In policy-making, they were committed to authority and decision-making by planning and rationality." Ames, p. 9.

Substantiation of the existence of policy patterns, the necessary precursor to an understanding and prediction of future policy making, thus becomes an important step in the macro-analysis of public policy formation.

Richard Simeon observes that one can argue cogently that "the stress on ideas implies an unrealistic view of the policy process, seeing it as explicitly goal-oriented, in which some group of decision-makers with clear ideological purposes simply promotes policies that conform to its ideology." Simeon is persuasive in his conclusion that a policy process cannot conceivably be structured in so straightforward a manner; policies are, in his words, "much more chaotic and incoherent...." They

are the result of long accumulations of small decisions; decision-makers, especially in non-crisis situations, seldom do self-consciously select a single purpose; policy is the result of a complex bargaining process. But that process does go on within a framework of assumptions, norms, and values concerning both the procedure and the substance of policies, and from a long-term and comparative perspective it is this framework that is most important."

The hypothesis discussed in Chapter 5, that effective Northeast regional expenditure policy and Brazilian military authoritarianism are inversely related after 1964, relies very heavily on the assumption that recognizable patterns of federal policy formation exist for the Brazilian military presidencies after 1964, and that these patterns are evident

"Richard Simeon, "Studying Public Policy," Canadian Journal of Political Science, 9, No.4 (December, 1976), p. 573. It is inferred from Simeon's remarks that in crisis situations, a recognizable policy pattern is much more likely to emerge.

and distinguishable in the important area of Northeast regional development. There are several fundamental purposes in exploring the hypothesis: first, the exploration of the relation between authoritarianism and regional development promises to illuminate the complex process of military/technocratic policy formation in Brazil. Second, the identification of separate development "phases" or periods in the "Revolução Brasileira" may contribute to a greater understanding of the future course of the enigmatic "modelo brasileiro".⁵⁷

A focus upon ideology is especially interesting in this regard because of the relative difficulties involved in applying facile labels to "the model". Stephan Robock has argued that "although the model has been called 'capitalistic', the label is misleading. Brazil's pragmatic policy has made use of whatever capital, technological, and entrepreneurial inputs were available." After examining it for more than a decade, his analysis of the 'model' was paraphrased in his observation that "depending on the specific situation it has been receptive to foreign business firms; it has encouraged private domestic companies; it has

⁵⁷ Peter B. Evans underscores the importance of the "Brazilian model", at least insofar as it has been associated with the Brazilian "economic miracle": "the attractiveness of the Brazilian model to the elites of other Third World countries is apparent, especially if they are willing to discount negative welfare effects as temporary or of secondary importance." Peter B. Evans, "The Military, the Multinationals and the 'Miracle': The Political Economy of the 'Brazilian Model' of Development," Studies in Comparative International Development, 9, No.3 (Fall, 1974), p. 42.

created large government enterprises in critical production areas."⁵⁴ Although unconvincing in his argument that the 'model' is economically non-capitalistic, Robock nevertheless reinforces the case for establishing further criteria by which to analyze and evaluate the "modelo brasileiro". Finally, the development of the Brazilian Northeast itself constitutes a fundamental development problem in itself. The exploration of questions raised by the hypothesis is ultimately intended to broaden the understanding of this problem.

C. Politics and Public Policy Analysis

The Task of Public Policy Analysis. Simeon recognizes that "ideas do not provide complete explanations." His contention, rather, is that such orienting ideas are general in their definition of problems and solutions: "in this sense they are especially important in providing the assumptions which define the problems and limit the range of policy alternatives considered at any point."⁵⁵ Simeon explains the important interrelationship of public policy and ideology from two contrasting perspectives. The first

⁵⁴ Stephan Robock, Brazil: A Study in Development Progress (Lexington, Massachusetts: Lexington Books, 1975), p. 41. Octavio Ianni argues that there are very few distinctions between the public policies of the first three presidencies after 1964. Ianni, Estado e Planejamento Economico do Brasil (1930-1970), 3a. edição (Rio de Janeiro, Brazil: Civilização Brasileira, 1979), pp. 225-226.

⁵⁵ Simeon, p. 573.

assumes a great degree of clarity and cohesion, with policy seen as the unambiguous reflection of the ideological orientations and goals of the policy makers. The second reflects the view that policy results from conflicting interests and goals, and is therefore the ambiguous product of a complicated bargaining process, rather than the reflection of monolithic goals and orientations. While Simeon largely agrees with this second interpretation, he stresses that the bargaining process is conducted within a "framework of assumptions, norms, and values concerning both the substance and procedure of policies, and from a long-term and comparative perspective it is this framework that is most important."⁰

Barry Ames, in a policy analysis of the post-1964 Brazilian military regime, observes that traditional interpretations of the public policy of military dictatorships "make the assumption that final policy outcomes indicate a regime's 'true' intentions."¹ Ames discounts an important presumption of these interpretations, however, in his argument that "the ability of any military elite to implement its preferred policies depends upon the political context in which it is embedded. Military elites join coalitions, depend upon supporters, and surround themselves with clienteles."² These "constraints" upon policy implementation complicate the analysis of policy

⁰ Simeon, p. 573.

¹ Ames, p. 12.

² Ames, p. 12.

outcomes qua indications of the ideological goals of regimes, although Ames suggests that Brazil is an interesting case for this kind of study because of the propensity of the post-1964 military regimes for combining relatively severe political repression with realistic assessments of the country's economic potential.³ It is useful to remember that this does not mean to imply that a basic federal public policy area, such as Northeast regional development, will necessarily reflect regime preferences directly. Ames notes that "a regime's success is limited by scarce technical and financial resources."⁴

An analysis of policy patterns should account for the residual effects of prior policy commitments, and ideally will evince a sensitivity to the importance of time lag in this regard. This is the primary rationale for the inter-regime comparison of public policy formation herein. In short, the basic economic and administrative changes between the post-1964 regimes have lent increasing significance to a comparative (longitudinal) analysis of regime-specific government preferences.

The distinction between economic and social policy for the Northeast is not a minor one,⁵

³ Ames, p. 10.

⁴ Ames, p. 15.

⁵ The two are interrelated at various levels, and the basis of the distinction involves the presence in the former of a direct commitment of expenditure resources for the purpose of adjusting macro-economic and development indicators. The latter, on the other hand, includes a wide range of policy options which may or may not require substantive budgetary expenditures, but which are distinguished by a direct concern with long-term social values which tend not to be

and the focus of this study upon economic policies (government expenditures) should not be regarded as a denigration of the import of regional policy considered to be more of a "social" character. The importance of the Brazilian military's social policy is underscored by Skidmore, who noted in 1973 that:

the military governments have enjoyed more 'freedom' in policy making because they have repressed certain social sectors, such as labor and the rural masses, whose economic shares have correspondingly fallen. Other sectors, such as the officer corps and foreign investors, who were well placed to pressure the government, have gained. Unlike the anti-Peronist Argentine military of the 1960s, Brazil's military government has had the will and the ability to impose a socially regressive policy over an extended period."

Furthermore, one line of argument stresses that there is an overriding social character (many would argue "anti-social" character) to post-1964 development policy for the Northeast.

It is nevertheless a basic assumption of this study that it is the economic, and not social, policy of the federal government which constitutes the crux of its effective Northeast regional policy, although it is recognized that the two levels of policy are interrelated. Dos Santos and Brasil de Lima Júnior imply the utility of

 "(cont'd) readily measurable in their direct economic effects. The distinction is by no means a facile one. Wilkie notes that "social expenditure is classified differently from economic expenditure, for the former is long-term and its results are hard to measure. A dam may take ten years to build, but specialized education of a youth may take twice that long, and even then there is no concrete result." Wilkie, The Mexican, p. 10.
 "Skidmore, "Politics," p. 28.

the focus upon expenditure policy in their apt (albeit general) description of the preferable short-run objectives of public policy analysis: the establishment of a relation (or relations) between specific political structures and the character of their policy decisions, between such decisions and their effective implementation (through intermediary steps) and between policy decisions and their final implementation, "aiming at establishing possible gaps between the intention of the decision and the actual consequences of the chosen policy." An analysis of expenditure policy can aspire to address these considerations.

Furthermore, limitations upon regime resources (e.g., those mentioned by Ames--above) do not necessarily discredit this argument, as the Mexican case indicates. Although seriously limited in his economic policy options by the world depression of the 1930s, Mexican President Lazaro Cárdenas "was able to shake the roots of the old order by budgetary policy." He was able to do this, according to Wilkie, because "he injected the federal government into the social and economic life of the nation by de-emphasizing the passive role of the state."¹¹ Furthermore, turning to the post-1964 Brazilian example, a period of central interest to this thesis (1969-1972) is characterized by an abundance of federal budgetary resources. Federal expenditure policy, in short, was given the unique opportunity of spearheading

¹¹ Dos Santos and Brasil de Lima Júnior, p. 204.

¹² Wilkie, p. 77.

general policy objectives in a number of areas. The consistency of policy with policy outcomes likewise was enhanced by the regime's ability to depart from "zero-sum" budgeting. Given the potential import of expenditure policy, it is hypothesized that an important component of federal policy for the Northeast will be detectable in effective regional development funding, and it is from this important hypothesis concerning the nature of public policy that the analysis proceeds.

Advantages and Limitations of Public Policy Analysis. The proposal of a multifaceted policy study of recent Brazilian federal development efforts in the Northeast should be recognized for its theoretical contrast to more limited studies of specific development expenditures, or to narrow case studies. In fact, the case study approach includes both the extremes of broad-based longitudinal policy analyses and the relatively narrower analyses of individual policies." Nevertheless, Hugh Heclo contends that "case studies of policy should be distinguished by their

" "...the case study is a mode of analysis capable of dealing systematically with the question of policy innovation; a complementary case study may refine assessments of differences in quantitative policy outputs (e.g., expenditures) with an appreciation for qualitative differences, such as political creativity, equity and humanity. To be sure, there is no agreed format for integrating the variety of quantitative and qualitative factors effectively in play, but this should not obscure the fact that the richness of case studies promises to be more faithful to the complexity of modern policies than might otherwise be the case." Hugh Heclo, "Review Article: Policy Analysis," British Journal of Political Science, 2, Part 1 (January 1972), p. 95.

theoretical perspective, for without such perspective the study is at best an interesting contribution to historical scholarship and at worst an uninteresting episodic narrative."⁷⁰ The excessively "static" character of many narrow case studies,⁷¹ according to Hecló, tends to counter their potential contributions to general hypotheses.⁷²

Richard Simeon observes that "policy emerges from the play of economic, social and political forces, as manifested in and through institutions and processes."⁷³

A case study of periods of public policy formation in a setting such as post-1964 Brazil might encounter certain limitations by adopting a very narrow approach (for example, a detailed analysis of agriculture expenditure policy for a single state).⁷⁴ A broad based case-study analysis, on the other hand, has a greater proximity, or relevance, to the theoretical concepts by which it is directed. Its primary detriment, by the same token, is the facility with which unwarranted generalizations and spurious causal relations

⁷⁰ Hecló, p. 93.

⁷¹ Hecló argues that such studies have focused upon "motions" rather than "transformations", and have tended to limit their analysis to the point at which policy decisions are made. Hecló, pp. 93-94.

⁷² Hecló consequently argues for the more rigorous, longitudinal and broad-based use of case studies within political science, so that use might be made of "an extended series of these observations to test the operational deductions from its theoretical hypotheses. Alternatively, an assembly of cases can be used to unfold the pathology of a particular disease." Hecló, p. 88.

⁷³ Simeon, p. 87.

⁷⁴ Ames argues in this regard that "economic policy outcomes under a new regime are more likely than other policy outcomes to reflect the impact of increased technical inputs." Ames, p. 14.

can be made. The potential for overcoming this detriment through the careful employment of broad-based case study analysis is great, however. The question of the effects of personalismo upon coherent policy orientations is a case in point.⁷⁵ The assiduous choice by the military of non-charismatic presidents after 1964 in Brazil does not completely resolve the question of the effects of personalism, although the employment of extensive historical and ideological analysis further insulates the study from this problem.

An analysis of expenditure policy formation by the Brazilian military government can select, as an important dimension, to focus upon a broad-based political and historical analysis because of its comparative advantages in addressing methodological questions that a more limited study would encounter. Furthermore, the political analysis of multifaceted data is both a challenging and indispensable dimension of the study of public policy formation;⁷⁶

⁷⁵ Wilkie notes with regards to his own study that "the idea that 'ideology' is important in Mexico may bother some who see Mexico as a prime example of a country where the person is the determinant factor in politics, not the idea. However, ideology and personalistic government are interacting forces." Mexican Revolution, p. 40. He adds that "Mexican history shows that the Mexican leaders have acted with certain conceptions of society and the role of the state even if they could not or have not expressed their beliefs. It is important to note, however, that ideas have never come to dominate Mexico entirely, and even today the president of Mexico is the all-powerful master of political life. Yet if he wishes to maintain the party's position, he and his advisors must remain receptive to change." Wilkie, Mexican Revolution, p. 41.

⁷⁶ Mario Henrique Simonsen, a Brazilian economist closely associated with the policies of the post-1964 regime, argues that "the principle obstacle to the study of the Brazilian

nevertheless, this must be done within a framework of interrelations, or factors, which provide for a sense of order. This corresponds to Wilkie's contention that "historical statistics not only do not speak for themselves but must be interpreted in conjunction with other historical materials such as oral history, speeches, newspapers, records of legislative bodies, and contemporary accounts."¹⁷

Simeon argues that three crucial questions emerge in a broad-based study of public policy formation within a single country: "What does government do? How does it do it? And with what effects?" These three questions correspond in turn to the "three dimensions of public policy which are fundamental to Political Science:" the scope, means and the distributive dimension of public policy."¹⁸ This third dimension is perhaps the most problematic. Notwithstanding the claims of the post 1964 military policymakers to the contrary, there is a good deal of evidence to suggest that even the "Brazilian miracle" (as regressive as its distributional dimensions appear to have been) was not the simple product of economic policies adopted by a military elite."¹⁹ Indeed, it is crucial to recall that public policy

¹⁷ (cont'd) development experience resides in the insufficiency of series statistics worthy of confidence." ("Seria ociosa lembrar que o principal obstáculo ao estudo da experiência brasileira de desenvolvimento reside na insuficiência de séries estatísticas dignas de confiança.") Simonsen, Aspectos da Estrutura Brasileira; Estrutura Econômica, conferência na Escola Superior de Guerra, 2 julho 1971 (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 1.

¹⁸ Wilkie, "On Methodology, p. 87.

¹⁹ Simeon, p. 559.

²⁰ Hewlett, p. 48.

analysis occupies a middle-range in political and socio-economic analysis," and the analysis of the potential distributive effects of public policy must be judged accordingly. Dos Santos and Brasil de Lima Júnior argue that the distributive dimension of Brazilian public policy can be analyzed from at least two basic theoretical perspectives: the allocation of social values; and the allocation of scarce resources." Although the former is clearly more applicable to this study, especially given the relative abundance of resources during the Médici period in comparison to preceding and succeeding regimes, the latter probably represents a more promising analytical vehicle for the long term consideration of the distributive function of Brazilian public policy for the Northeast. As the authors conclude, however, the two perspectives are by no means mutually exclusive, and do, in fact, both appear to some degree in virtually any analysis of the distributional effects of Brazilian public policy.

Wilkie's "Poverty Index", the device by which he measures the distributional effects of Mexican public

 " Hecló, p. 84:

" "The Brazilian output in the field of public policy may, for the purposes of discussion and despite the inherent disadvantages of this definition, be separated into two lines of analysis which do not exclude each other but are mutually complementary. Some analyses tend to view government output as a process of value allocation, which would reflect preferences and/or changes in the distribution of political power. Other analyses of a more economic nature tend to view government output as the allocation of scarce resources within a normative framework whose basic assumptions correspond to the principles of the Paretian optimum." Dos Santos and Brasil de Lima Júnior, p. 212.

policy, is pointedly specific to Mexican conditions and culture, and it has been necessary to derive (through the use of factor analysis) an original set of Northeast Brazilian indicators, based upon decennial census data, development agency data banks, and, indeed, other data that are available from a variety of sources, including periodic government sample surveys. Although criticism has been levelled at this general technique, there is little alternative. The analysis of the relation between ideology and public policy requires some verification of policy intent through policy outcome. A development index is a practical measure of such outcomes, while admittedly not ideal. As Wilkie concludes of his own study, "it is difficult, if not impossible, to compress a series of items into a meaningful Poverty Index; certainly the result is an abstract one which does not take into account inconsistencies or variations, but this is the problem with any conceptual tool."

Wilkie, Mexican Revolution, 284-285. This problem is also apparent with respect to the analysis of expenditure data, and two articles in the "Forum" section of the Latin American Research Review, 5, No. 1 (Spring, 1970), indicate the importance of carving out a political interpretation of expenditure (and by inference, development) data. Thomas E. Skidmore and Peter H. Smith take Wilkie to task for ignoring a whole range of data and data analysis techniques, and especially for focusing upon three categories ("social", "economic" and "administrative" expenditures) which "do not define expenditures according to their effects." p. 76. "Because the three categories have not been defined in such a way as to distinguish between 'social' and 'economic' spending for their economic effects, they cannot provide the basis for a useful interpretation of the economic impact of government policy. That is, expenditure has not been broken down in a manner that would make it possible to measure 'effectiveness' by the ordinary yardsticks of economic

D. Brazil: A Complex Development Process

The Military in Power. Although several important studies of Brazilian federal policy making have already been undertaken, and some have focused attention upon its sporadic and episodic character, crucial questions remain to be answered regarding the transformation of Brazilian public policy after 1964. The well-known commitments of the military hierarchy to the fostering of capital-intensive industrialization and to combatting communism provide little more than a modicum of information about the aspirations and ideology of the Brazilian military administrations. Juan Linz observes that "to say that the military espouses anticommunism tells us too little about the kind of society the rulers want to create and the kind of social and economic policies they want to implement. It tells us even less about the kind of political and legitimacy formulas they want to use."¹² Policy performance, rather, becomes the

¹² (cont'd) analysis." P. 77. Wilkie's rejoinder to this argument paraphrases a major methodological concern of this proposal: a political analysis of time-series data is both possible and desirable. Wilkie's example is helpful here: "it would be a mistake to analyze state policy in traditional economic terms which exclude such 'social investments' as payment for teachers' salaries and public health services, especially when we are concerned with social outcomes of policy." P. 88. Emphasis in the original.

¹³ "The Future of an Authoritarian Situation or the Institutionalization of an Authoritarian Regime: The Case of Brazil," in Authoritarian Brazil; Origins, Policies and Future, ed. by Alfred Stepan (New Haven: Yale Univ. Press, 1973), p. 240.

ultimate calibration by which regimes are best analyzed, although--again--at a middle-range conceptual level.

Western observers are often tempted to regard the military government in Brazil simply as a situation in which the political control of a country has been attained by a discrete group representing narrow and consistent goals and interests through the force of arms. Although this kind of analysis is not false per se, it omits an important range of information. Evans notes that "Brazil is not run from the barracks. Most of those who make the day-to-day decisions are civilians." Thus it is that "within the limits that are defined by the military and the multinational corporations, civilian technocrats formulate the strategy and tactics of the economic miracle. In some ways the technocrats are less constrained than they would be in a 'bourgeois democracy'." Evans's remarks imply the existence of a generally agreed-upon solution, a framework of expectations, which apparently includes a larger participatory group than merely the military officers, and probably even transcends narrow "rightist" interests, at least in the simplistic and short-term sense. They also imply the possibility of competition among elite government groups, e.g., the "technocrats" and the military hierarchy.

Evans's analysis neglects the considerable importance of the ideology of the Brazilian military as the ultimate determinant of public policy in Brazil, however. Between

* Evans, "The Military", pp. 33-34.

1926 and 1964, Brazil experienced only two executive transfers that were not directly determined by military intervention,"⁵ and since 1964--despite the strengthening of the civilian "technocrats"--federal public policy has strongly reflected, particularly in its political priorities, the strength of military ideological influence as expressed primarily by the Military High Command.⁶ This ideological orientation, moreover, must be considered in the context of the argument, widely expressed in 1964 and after, that the military is the only Brazilian institution capable of meeting the challenges of national development. Is there, in short, a significant correspondence between post-1964 regime performance and this primary rationale for military authoritarianism in Brazil?

Federalism and Centralization: Transformation of the

"Framework of Agreement"? References to the basic framework

⁵ Flynn, Brazil, p. 151.
⁶ Cardoso, in describing the contemporary authoritarian regimes in Latin America in general, notes that "these regimes express the political will of the armed forces as an institution. In this way, the executive depends on the technocratic bureaucracy and on the only real party, the armed forces." Cardoso, "On the Characterization," p. 41. Edmundo Campos Coelho, a careful analyst of the Brazilian military, notes that "the military High Command is the college which establishes the linkages between the political performance of the regime and the degree of consensus of the military organization. The political strategies of the Government are defined within this college." ("...o Alto Comando militar é o colégio que estabelece as vinculações entre o desempenho político do regime e o grau de consenso dentro da organização militar. Dentro deste colégio são definidas as estratégias políticas do Governo.") Coelho, Em Busca de Identidade: O Exército e a Política na Sociedade Brasileira (Rio de Janeiro, Brazil: Forense-Universitária, 1976), p. 186.

of agreement within the military regarding matters of national security and development recall remarks made by Glen C. Dealy in his seminal article "The Tradition of Monistic Democracy in Latin America." Dealy contends that "one must consider the possibility that the very consensus and commonality that existed in Latin America at her independence could be the basis for her contemporary political arrangements."¹⁷ This may be more true of Brazil, in fact, than of other Latin American countries in which bloody wars of independence established the tradition of formal and entrenched political conflict. The Brazilians' jeitismo, the ability to 'muddle through', is perhaps not unrelated to the traditional weakness of the political party system in Brazil. Furthermore, it may well suggest the presence of Brazilian political norms, an ideological framework in which Western political categories have been modified and, in some instances, do not seem to apply. This recalls Dealy's general conclusion that

Latin Americans, whether speaking about their tradition, "statism", or of communism, are thinking about political monism or "monistic" democracy; that is, the centralization and control of potentially competing interests. In the broadest sense this implies support for the unification of groups at all levels of society--an attempt to eliminate competition among groups in their pursuit of wealth, power, prestige, or whatever men aspire to within a country. It also means that power may be traded among a number of groups, but only with difficulty may power be shared."¹⁸

¹⁷ Dealy, "The Tradition of Monistic Democracy in Latin America," Journal of the History of Ideas (July, 1974), p. 629.

¹⁸ Dealy, p. 627.

A transformation of the Brazilian political milieu, first openly manifested with the "Revolution of 1930," has apparently strengthened some facets of this monism in Brazil, while virtually eliminating others. The linchpin of post-1930 changes has been the variable national ideology of development, while the most apparent effects of the subsequent systemic transformation have been manifested in the decline of Brazilian federalism.

National development was essentially a vehicle by which President Getúlio Vargas rationalized the nationalist and centralist impetus of his fifteen-year dictatorship, although the development effort itself was both sincere and effective.¹ By the early 1960s, national development had become a kind of national religion in Brazil, with the numerous development agencies, the myriad plans and the burgeoning new national capital serving as its icons. And despite the iconoclastic tenor of the 1964 military golpe, particularly with respect to the ostensibly negative economic effects of large-scale development projects,² national development remained (albeit in a substantially modified form) the basic raison d'être of the federal government in Brazil.³

¹ Furthermore, the development effort in the Northeast has been described as the "best revolutionary and human expression" of the post-1930 period. Orris Barbosa, Secca de 32 (Rio de Janeiro, Brazil: Adersen, 1935), p. 193, as cited in Hirschman, Journeys, p. 40.

² Alfred Stepan notes that "the civil-military crisis of 1964...was a crisis over the appropriateness, effectiveness, and legitimacy of the political system in meeting the challenge of development." Stepan, The Military, p. 151.

³ Roberto Campos, an economist and important civilian

Identification and explication of the form and content of the national ideology'' of development after 1964 represent crucial tasks of this thesis, particularly in that the task of relating Northeast regional development to levels of authoritarianism in the military dictatorship represents an attempt to test the strength of the military commitment to national development. That commitment must ultimately be interpreted on the basis of the efficacy of the political and socio-economic policies of the federal government, however, and hence the importance of analyzing the ideology of national development in the context of the transformation of Brazilian federalism after 1964.

The tradition of Brazilian federalism, while perhaps in some respects the most pronounced in Latin America,''' has long been mitigated by the economic predominance of certain regions and states within the federation.''' This pattern of power concentration is mirrored, in turn, within specific regions, thus facilitating a network of economic power, a mechanism whereby recalcitrant representatives from

''(cont'd) "technocrat" in the post-1964 military governments, continually stressed the importance of development as the basic legitimizing agent of the "revolution". See, in this regard, his statements in a widely publicized interview: Murilo Melo Filho, "Roberto Campos," Manchete, 12, No. 646 (5 September 1964), p. 111.

'' Linz stresses, in this regard, that mentality, and not ideology, is the appropriate expression to describe the world view of authoritarian regimes.

'' Peter Ranis, Five Latin American Nations; A Comparative Political Study (New York: Macmillan, 1971), p. 183.

'' Riordan Roett contends that "federalism in Brazil, from the beginning, has been a dependent federalism. The country is a federation of unequal partners all beholden to the dictates of the state." Roett, Brazil: Politics in a Patrimonial Society (Boston: Allyn and Bacon, 1972), p. 7.

underprivileged subregions, states and regions are easily coopted by predominant economic interests." Given the hierarchical structure, the federal government tends to gain political and economic power over time" at the expense of the weaker regions and states, and to the benefit of the stronger ones. Persistent regional problems, moreover, disguise the predominance of pervasive national socio-economic problems," which are ultimately conditioned by the sporadic importance of the frontier, particularly since 1964.

The extensive literature that analyzes the influence of the frontier on the patterns of political and socio-economic development in North America, stemming in large measure from the seminal work of Frederick Jackson Turner," has been applied with major qualifications to the Latin American

" Roett, Brazil, pp. 16-17.

" Roett notes that the economic predominance of the federal government is (as with most federations) constitutionally guaranteed. "Since 1964, the federal government has been careful to utilize its economic influence to control the development plans of the states and to be sure they have been in accord with national goals." Roett, Brazil, p. 8.

" Yves Chalout argues that "the regional problematic is by nature national and, in fact, the fundamental problems are those of the inherent processes of the development of different classes in a society." ("A problemática regional é por natureza nacional e, de fato, os problemas fundamentais são os dos processos inerentes ao desenvolvimento das diferentes classes de uma sociedade.")

Chalout, Estado, Acumulação e Colonialismo Interno; Contradições Nordeste/Sudeste, 1960-1977 (Petrópolis, Brazil: Vozes, 1978), p. 16. Emphasis in the original.

" The conceptual core of Turner's thesis is that "from the conditions of frontier life came intellectual traits of profound importance." Turner, "The Significance of the Frontier in American History," [Excerpt from The Frontier in American History] The Turner Thesis Concerning the Role of the Frontier in American History, ed. George Rogers Taylor (Boston: D.C. Heath & Company, 1956), p. 17.

experience."¹⁰⁰ Although Brazilian history is probably the most comparable in Latin America to that of the United States in this regard,¹⁰¹ the periodic abandonment of Brazilian frontiers, usually associated with "boom-bust" cycles in agricultural export commodities, has produced the phenomenon in Brazil which Hennessy labels the "hollow frontier."¹⁰² Analogous to the Brazilian myth of national racial harmony,¹⁰³ the perseverance of a pattern of "hollow" Brazilian frontiers, huge uninhabited spaces which have traditionally promised limitless potential for development, has contributed to the ambiguous sense of national optimism. It is an optimism that is tempered by the repeated failures, since the first "Westward March" policies in the late 1930s, to occupy (and thereby bring within the national control) the "hollow frontiers". Thus the shibboleth, "Brazil,

¹⁰⁰ Alistair Hennessy argues that it is possible, although perhaps somewhat simplistic, to "reverse" the Turner thesis for Latin America: in place of stimulating democratic norms, the Latin American frontier might be seen as having contributed to lawlessness, anarchy, caudillismo, latifundismo, boss-rule, etc. Hennessy, The Frontier in Latin American History (London: Edward Arnold, 1978), p. 26.
¹⁰¹ Hennessy, p. 12. Donald E. Syvrud notes that "although [it is] not necessarily crucial to Brazilian development, the challenge of the Brazilian interior is an important force in mobilizing the productive forces of Brazil for development." Syvrud, Foundations of Brazilian Economic Growth (Stanford, California: Hoover Institution Press, 1974), p. 7.

¹⁰² Hennessy, p. 12.

¹⁰³ Hennessy argues that "the Brazilian equivalent of the frontier myth is the myth of racial harmony, and this comes to provide both an explanation of the "non-violent" nature of Brazilian history in contrast to that of Spanish America and a legitimation of present policies. Now, however, with the opening up of the Brazilian west, quite as violent as its North American counterpart, this myth is being replaced by a frontier myth with Manifest Destiny overtones." Hennessy, p. 13.

country of the future," has often been replaced with the rueful observation that Brazil is "always the country of the future."

The most recent patterns of Brazilian frontier expansionism stem from the policies adopted by the military dictatorships after 1964,¹⁰³ although at least one major theme of these policies, the need to foster the outmigration of impoverished Northeasterners to frontier areas, has its origins in Celso Furtado's 1958 plan for the resettlement of drought victims to the humid subregions of the state of Maranhão.¹⁰⁴ Since 1964, this plan has been widened, and the Brazilian Amazonian frontier has come to be regarded as a vehicle for "obviating the need to pour money into the arid sertão."¹⁰⁵ The huge Transamazon Highway project, initiated in the early 1970s, was originally conceived by the military as a way of stimulating this regional out-migration, although limited migration patterns from the Northeast to the Amazon had already been in process for some time.¹⁰⁶ Moreover, given the relative failure of the nordestinos

¹⁰³ The important theme of the place of the frontier in the contemporary military ideology of development will be explored in subsequent chapters.

¹⁰⁴ Octavio Guilherme Velho, "The State and the Frontier," The Structure of Brazilian Development, ed. Neuma Aguiar (New Brunswick, New Jersey: Transaction Books, 1979), p. 29.

¹⁰⁵ Hennessy reasons that "although this development strategy of relying on out-migration may be a rational solution to what has been an intractable problem, its effectiveness is limited because many of these migrants lack the traits and skills needed for jungle pioneering." Hennessy, pp. 140-141.

¹⁰⁶ Velho, p. 30. He adds that recent Brazilian frontier expansion "has owed much to state action ignoring criteria of immediate economic viability." P. 26.

subsequently to "colonize" jungle areas, there would seem to be some cause to dispute the "actual" intentions of extending such state policies.¹⁰⁷ The predominance of large multinational corporations in the economies of the states of Amazônia and Pará suggests the need for a dependable and mobile class of workers, and this incipient Amazonian "peasantry", while clearly not engaged in frontier settlement, nevertheless promises to fulfill such a role.¹⁰⁸ Hennessy concludes, however, that "whether frontier expansion is all that different under authoritarian military rule as opposed to democratic government will only be clear when more research has been done. On present evidence it appears to be perpetuating a two-class system rather than producing a viable rural middle class comparable with North America."¹⁰⁹

Analyses of Corporatism and Elites: Comparative Implications of Spanish Authoritarianism. The theoretical implications of the study of ideology and public policy in Brazil extend to the wider question of identifying a Brazilian military, or perhaps even a general Brazilian, authoritarian ideological framework.¹¹⁰ Several theoretical approaches, or

¹⁰⁷ Robert Daland argues, however, that the failure of Amazonian colonization policies in the 1970s is the direct result of a [largely unintentional] lack of planning skills in the middle- and lower-level Brazilian agencies charged with executing the program. Daland, Exploring, p. 419.

¹⁰⁸ Hennessy, p. 136.

¹⁰⁹ Hennessy, p. 13.

¹¹⁰ Linz, in fact, prefers to employ the term "mentality" to that of "ideology" in describing the distinctive "outlook" of authoritarian regimes.

foci, to the understanding of political development in Latin America will be introduced in the following sections. One such approach, which unifies several important ideological currents, presupposes the significance to twentieth-century Brazil of corporativismo, or corporatism,¹¹¹ in structuring the authoritarian political beliefs and responses of Brazilians. Corporatism brings together some of the important political aspects of authoritarianism, statism, elitism and paternalism¹¹² into what is presumed by many observers to be a discrete and distinct political and socio-economic ideology typical of Iberic-Latin culture.¹¹³ The recurrent argument that contemporary Latin American

¹¹¹ Schmitter, in his article "Still the Century of Corporatism?", has stressed that "there is simply too much normative variety and behavioral hypocrisy in the use of the corporatist ideological label to make it a useful operational instrument for comparative analysis." Review of Politics, 36, No. 1 (January, 1974), p. 89. Emphasis in the original. Nevertheless, increasing attention has been paid in the fields of Political Science, History and Sociology to this important approach to the understanding of the theoretical and historical underpinnings of Brazilian, and indeed Ibero-American, political development.

¹¹² Melvin Burke and James Malloy, in discussing the resurgence of corporatism in Bolivia during the 1960s, defined national corporatism in general as "an authoritarian and statist approach to development that results in an elitist and hierarchical mode of social organization, which from the point of view of most of the lower social orders, is often repressive and at best paternalistic." Burke and Malloy, "From National Populism to National Corporatism: The Case of Bolivia (1952-1970)," Studies in Comparative International Development, 9, No. 1 (Spring 1974), p. 50.

¹¹³ Kenneth Paul Erickson calls corporatism "the third major current in Western political thought...with roots in such important thinkers as Aristotle and Saint Thomas Aquinas...." Erickson, The Brazilian Corporative State and Working-Class Politics (Berkeley: Univ. of California Press, 1977), p. 3. He adds that "one of the most enduring characteristics of the Brazilian political system is its corporative nature." P. 1.

(authoritarian) corporatism represents "less a breakdown of democracy into authoritarianism than a break-out from a grafted liberal democratic structure of an underlying mode of political organization,"¹¹⁴ moreover, underscores both the ideological character of corporativismo, and the frequent contention that the 1964 Brazilian military intervention represented a "restorationist" movement.¹¹⁵ The following section will briefly review some of the ideological effects of several of the major "isms" that frequently occur in analyses of the military and the post-1964 development process: corporatism, elitism, authoritarianism, statism and nationalism. The mutual compatibility of these conceptualizations is evident in the facility with which they can be alternately subsumed under the aegis of either corporativismo or authoritarianism.

The ideological "commonality" that Dealy regards as central to Latin American politics is considered to include a relative rejection of the liberal conception of "rights", as well as an underlying ideological commitment to the "growth of strong monolithic corporate interest groups which can advance their positions and needs within a monolithic

¹¹⁴ James Malloy, "Authoritarianism and Corporatism in Latin America: The Modal Pattern," Authoritarianism and Corporatism in Latin America, ed. Malloy (Pittsburgh: Univ. of Pittsburgh Press, 1977), pp. 4-5.

¹¹⁵ See the articles in Authoritarian Brazil by Skidmore and Schmitter. Skidmore argues, for example, that "in emphasizing the authoritarian turn in politics since 1964 one must not underestimate the degree of institutional continuity during the last three decades." Skidmore, "Politics and Economic Policy Making in Authoritarian Brazil, 1937-71," Authoritarian Brazil, p. 31.

framework."¹¹⁶ These characteristics are widely assumed to be the necessary--though not sufficient--prior conditions of corporatism, which ultimately seeks to replace politics with administration."¹¹⁷ Erickson suggests that the most useful analogy in describing corporatism is the human body, in which there is functional specificity, hierarchy and the predominance of a general will over the organic whole."¹¹⁸ Traditional societal reliance upon Roman legal traditions and Roman Catholic ministries, both of which are regarded as essentially hierarchical as well as relatively hostile to the presence of autonomous interest groups,¹¹⁹ has contributed to the Latin American (and, particularly, Brazilian) perception of society as an organic whole.

The developmental implications of corporatism tend to center upon the form of labor-management relations rather than specific economic formulae; the prospect of social unrest represents the most challenging threat to corporatist society. Hence, although corporatism per se is ideologically neutral with regards to the question of public

¹¹⁶ Dealy, "The Tradition," p. 646. He argues in this essay that even the most democratic systems in Latin America consider that "the capricious exercise of free speech can endanger the stability of [these] constitutionally elected governments."

¹¹⁷ Erickson, The Brazilian, p. 2. Schmitter notes that it is "useful to consider corporatism as a system of interest and/or attitude representation, a particular modal or ideal-typical institutional arrangement for linking the associationally organized interests of civil society with the decisional structures of the state." Schmitter, "Still the Century," p. 86.

¹¹⁸ Erickson, The Brazilian, p. 1.

¹¹⁹ Erickson, The Brazilian, p. 4.

vs. private ownership of the means of production,¹²⁰ the syndicalist and "symbiotic" structures of interest representation (particularly regarding the interests of labor) have guaranteed the economic supremacy of high-level bureaucrats.¹²¹ This, in turn, lends systemic support to those structures of economic development which are most amenable to the direct administration of bureaucratic agencies, especially public and private corporations, and the withholding of such support from agents which are less amenable to such management, including various categories of small producers.¹²² The process of development, moreover, is accommodated through the expansion of the corporative structure (most typical of the Mexican corporative system)¹²³ and increased authoritarian repression, both of

¹²⁰ Burke and Malloy conclude, however, that "because few government officials themselves are indifferent to the issue of public versus private ownership, they tend, at any given time, to favor one or the other. The long-run result of this continual oscillation is compromise, i.e., a mixed economy." Burke and Malloy, p. 70.

¹²¹ Erickson, The Brazilian, pp. 6-7. Schmitter notes that "regimentation from above of interest representation into a preordained set of hierarchical categories; official recognition and control over internal finance, leadership selection and demand articulation; formal monopoly on representation; imposition of a symbiotic relationship between such 'semivoluntary' associations and the central bureaucracy--this is corporatism." Schmitter, "The 'Portugalization' of Brazil?" Authoritarian Brazil, p. 206.

¹²² Burke and Malloy argue that "autonomous corporations, both public and private, are viewed as dynamic, efficient, modern institutions which will ensure the economic development of the nation and a higher standard of living for its people. Small peasant farms, cooperatives, artisans, and other noncorporate producers are tolerated, but never enthusiastically supported." p. 70.

¹²³ Robert E. Scott, Mexican Government in Transition (Urbana: Univ. of Illinois Press, 1959), p. 142.

which have typified the Brazilian regime after 1964, but particularly between 1968 and 1974.¹²⁴ The subsequent "bureaucratization of class relations"¹²⁵ represents the quintessential character of modern corporatism.

A key problem with corporatist analyses of the Brazilian development process are their latent national and static biases: international determinants and potentially major systemic transformations tend to be relegated to a secondary causal status. Analyses of elite linkages, on the other hand, offer broader explanatory frameworks (at least on some issues) while not necessarily contradicting basic presuppositions of corporatism and other analyses of authoritarianism. Furthermore, the striking degree of economic inequality in the Brazilian systema underscores the applicability of elite analysis to the Brazilian case.¹²⁶

Three Brazilian "elites" remain most relevant to the

¹²⁴ Schmitter notes that "literally without changing a line of existing law, but by applying a very different practice, the 1964 revolutionaries restored the syndical movement to its former status as cornerstone of the system. By first conducting massive purges and then controlling subsequent leadership recruitment to workers' syndicates, they got the enforced 'social peace' they needed for their restrictive wage and investment policies. By less direct means, they removed undesirable 'radicals' from employers' syndicates. Many of the more militant civil entities either faded or turned to more quiescent practices. Subsidies, clientelistic favors, and memberships in a multitude of new consultative councils were sufficient to co-opt the rest." Schmitter, "The 'Portugalization' of Brazil?," Authoritarian Brazil, ed. Stepan, pp. 206-207.

¹²⁵ Schmitter, "Portugalization", p. 207.

¹²⁶ Evans cites studies from the 1960s in affirming that Brazil has had the highest level of economic inequality in Latin America, characterizing Brazil as bringing together the socio-economic equivalents of "a 'Belgium' and an 'India', with the former nestled comfortably inside the misery of the latter...." Evans, "The Military," pp. 35-36.

analysis which will follow: the "traditional" (agrarian and oligarchic) elite, the industrialists and the military.

It is something of a truism to identify the predominant agrarian interests as the "traditional" elite of Latin America. Colonial production of agricultural export commodities is widely cited as the structural antecedent, if not the determinant, of contemporary Brazilian political and socio-economic development patterns, and hence of Brazilian authoritarianism.¹²⁷ The bureaucracy, moreover, is most commonly mentioned as a prominent example of the persistence of traditional elite political patterns and economic interests in modern Brazil,¹²⁸ although Cardoso stresses that traditional elites in Latin America possess a great degree of adaptive flexibility, and should not be discounted.

¹²⁷One Brazilian social scientist contends that "the origins of the present mechanisms of political control are found in the earlier organization of Brazilian society, which was based on a power structure dominated by an agrarian elite. In the first stages of [political] party development these mechanisms were institutionalized as a formal power of the government; but gradually, mainly after the 1946 redemocratization, they were transformed into informal strategies based upon traditional forms of social interaction that helped to maintain old forms of power relations." Paulo Roberto Motta, "Elite Control and Political Participation in the Party System," Contemporary Brazil: Issues in Economic and Political Development, ed. H. Jon Rosenbaum and William G. Tyler (New York: Praeger, 1972), p. 214.

¹²⁸Motta observes that "the public bureaucracy has always been responsive to the goals of the agrarian elite. State and local bureaucracies operated in practice as administrative agencies of the agrarian oligarchies, and the national bureaucracy to a large extent also reflected the dominance of an agrarian elite." Motta, p. 217. Erickson points to the elite use (in the bureaucracy) of the middle class--a potentially disruptive force--as a way of distributing patronage, regulating politics in the elite interests and diffusing this threatening social class. Erickson, The Brazilian, p. 7.

in analyses of modernization and industrialization.¹² Nevertheless, it appears that the most traditional forms of agrarian political elitism (although perhaps not the bureaucracy) have been undercut by the post-1964 military governments, and this seems to have worked at least partially to the benefit of the urban industrialists.¹³

Urban industrialists have occupied an elite stratum in Brazil since the beginning of the twentieth century, although the largely corporatist organization of labor-management relations during the dictatorship of Getúlio Vargas (1930-1945) tended functionally to limit their status. Relying heavily upon the subsequent corporatist bureaucratization of labor relations,¹⁴ industrialists have occupied an increasingly ambiguous position, particularly since 1964. Cardoso describes the activities of this stratum as primarily political in developing countries, if only because of the

¹² Fernando Henrique Cardoso, "The Industrial Elite," Elites in Latin America, ed. Seymour Martin Lipset and Aldo Solari (New York: Oxford Univ. Press, 1967), p. 106.

¹³ Evans, "The Military," p. 34. Cardoso, in a recent essay, notes that "after more than a decade of military authoritarianism in many countries of the [South American] continent and of various decades of civilian authoritarianism in some others, most earlier interpretations of its social bases have been superseded by history." Cardoso, "On the Characterization," pp. 49-50. Emphasis in the original.

¹⁴ Skidmore, in describing the "corporatist" model of labor relations in Brazil, discusses its origins in Catholic corporatist and fascist doctrines of the interwar European milieu. Skidmore, "Workers and Soldiers: Urban Labor Movements and Elite Responses in Twentieth-Century Latin America," Elites, Masses, and Modernization in Latin America, 1850-1930, by E. Bradford Burns and Thomas E. Skidmore (Austin: Univ. of Texas Press, 1979), p. 122.

unpredictability of rapid political and socio-economic change,¹³² and he concludes that "the permeability of the traditional dominant classes and the special circumstances, in which industrialization is taking place in Latin America, make it difficult, if not impossible, for industrialists and businessmen to play the same dynamic role that they have sometimes taken up elsewhere in the development of capitalism and the formation of an industrial society."¹³³ A useful alternative analysis focuses upon the international industrial elites, and suggests that Brazil is presently experiencing a new pattern of industrial development, in which a "tri-pé" of national, multinational and state executives are negotiating their relative shares in the industrialization process, largely in the interests of international capitalism.¹³⁴

The Brazilian military hierarchy constitutes a third, and explicitly authoritarian, political elite, particularly after 1964,¹³⁵ although relatively little information as to their function and status qua elite individuals is

¹³² Cardoso, "The Industrial Elite," p. 96.

¹³³ Cardoso, "The Industrial Elite," p. 113.

¹³⁴ Evans, Dependent Development. This thesis is discussed in greater depth later in this chapter.

¹³⁵ Skidmore notes in this regard that "in the early 1970s Argentina, Brazil, and Chile became garrison states, in which the highly unequal distribution of benefits could be maintained only by military power: the soldier versus the worker. The technological expertise of the military, combined with the weight of political socialization in these highly patrimonial societies, continues to favor the men in uniform. To a surprising degree, however, the moment of confrontation seems similar to those dramatic years during and just after the first Great War, when fiery Anarchist and Syndicalist organizers summoned urban workers to challenge the ruling elites." Skidmore, "Workers," p. 126.

available.¹³⁶ As an elite group, however, interesting patterns of behavior have been noted since 1964. One such pattern is the facility with which the military elites have jeopardized the interests of certain other elite groups, such as the wage-goods industrialists, in order to stimulate the development of Brazilian industry.¹³⁷ Yet another is the basic intolerance (particularly between 1964 and 1976) on the part of the military elite of multiparty electoral politics.¹³⁸ These two patterns would appear to have been intensified by the tendency (common among many Latin American establishments) of upper-echelon military officers to view themselves as the final arbiters of conflicting class interests and specific directions of economic development.¹³⁹

¹³⁶ Horowitz wrote in 1967 that "the study of the [Latin American] military elite is drastically limited by an absence of concrete data." Irving L. Horowitz, "The Military Elites," Elites in Latin America, p. 160. A number of works have subsequently added to an increased understanding of the Brazilian military elites, although the subject remains relatively closed to research. Four noteworthy contributions to the literature are: Alfred Stepan, The Military in Politics; Changing Patterns in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1971); Ronald M. Schneider, The Political System of Brazil (New York: Columbia Univ. Press, 1971); Eliézer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil (1964-1969) (Petrópolis, Brazil: Vozes, 1976); and Edmundo Campos Coelho, Em Busca de Identidade: o Exército e a Política na Sociedade Brasileira (Rio de Janeiro, Brazil: Forense-Universitária, 1976).

¹³⁷ David R. Dye and Carlos Eduardo de Souza e Silva, "A Perspective on the Brazilian State," LARR, 14, No. 1 (1979), p. 88.

¹³⁸ Which, according to Motta, reflected the military support of urban industrialists' interests. Motta, p. 220.

¹³⁹ Horowitz notes that "the army has a well-defined ideology of nationalization and redemption. It views itself as the only force able to weld a national policy and enforce this policy on sectional interests through force of arms, if

In the context of the military establishment in Brazil, this represents a significantly elite-oriented pattern of behavior, given the pronounced disjuncture between elite and mass ideological interpretations of the national development process in Brazil.¹³⁹ And while the appointment of civilian "technocrats" to prominent policy making offices by the military after 1964 may tend to complicate analyses of military elite behavior, as well as adding a potentially competing category of elites,¹⁴⁰ it may also ultimately strengthen analyses of elite military behavior by diminishing the impact of presidential personalismo on the development process. The analysis must (as it should) be shifted from conjectures regarding individual--and conspiratorial--policy behavior to the general parameters of ideology within which policy making is conducted.¹⁴¹

¹³⁹(cont'd)not by force of law. The armed forces believe themselves the stabilizer in a contest between social classes embittered by the gap between poverty and wealth. In Brazil and Mexico, this doctrine of the stabilizing factor leads the military to act as watchdogs over nationalized enterprises and entrepreneurial groups." Horowitz, "The Military Elites," p. 149. Although Horowitz's comments may be somewhat tenuous regarding the Mexican military, the Brazilian case is substantially well-defined. Stepan concludes, moreover, that "military involvement [in politics] is high when cohesion among the relevant political elites is low." Stepan, The Military, p. 83.

¹⁴⁰ Raymond Aron noted that "when a military power favors economic development--Brazil, for example--it establishes an authoritarian regime, with a police that pursues subversives, but it does not extend its ideology to the masses...." Aron, "Remarks on Lasswell's 'The Garrison State,'" Armed Forces and Society, 5, No. 3 (Spring 1979), pp. 358-359.

¹⁴¹ One that has direct ties to industrial capital of multinational and national corporate origins as concentrated in the Center-South region.

¹⁴² Peter McDonough suggests that "the safest and least

Another important conceptualization of Brazilian authoritarianism, one that is not unrelated to corporatism, is based on the concept of authoritarianism as formulated by Juan Linz. Linz's theoretical analysis of authoritarianism,¹⁴³ based on the Spanish model, underscores several relatively important qualifications that should be recalled in considering a policy study of this kind. Perhaps the most useful of these is the observation that "the military background of key men in authoritarian regimes, and their usual lack of ideological sophistication, make it particularly important to understand the military mentality in relation to internal politics, to styles of political life, conceptions of authority, ideas about cost versus results, legitimate forms for expressing grievances, and so on."¹⁴⁴

¹⁴²(cont'd) interesting assumption about elite networks in Brazil and elsewhere is that their full complexity will always be shrouded from view. Not even the members of these networks, much less outside analysts, can be expected to be aware of all the ramifications of social ties, even when they agree on the basic contours of the power. This observation relieves us of the naive assumption that a conspiratorial consciousness guides whatever regularities are encountered in elite linkages. Instead, it turns analytical interest toward the structures of elite relationships that do not depend on purposeful manipulation and that abide after the intrigues of powerful individuals are long forgotten." McDonough, "Mapping an Authoritarian Power Structure: Brazilian Elites during the Medici Regime," LARR, 16, No. 1 (1981), pp. 79-106.

¹⁴³ Linz is careful to remind the reader that "like any ideal type, the notion of the authoritarian regime is an abstraction which underlines certain characteristics and ignores, at least for the time being, the fluidity of reality, differences in degree, and contradictory tendencies present in the real world." Linz, "Spain," p. 253.

¹⁴⁴ Linz, "Spain," 268. Linz adds that "authoritarian systems--even those we might call reactionary--are modernizing in the sense that they represent a discontinuity

A second consideration concerns the relative lack of homogeneity among authoritarian political elites. Linz argues that "authoritarian leadership is likely to be more heterogeneous, combining younger elements (who may have sought a more revolutionary regime) with older men co-opted into the system because of their experience or symbolic value."¹⁴⁵ Furthermore, Linz refers to the "limited ideological creativity" of authoritarian regimes, which "makes them unattractive to those who look for logical consistency, meaning and purpose in political life, for real ideals even at great sacrifice."¹⁴⁶ The challenge of isolating and describing specific "ideological periods" within an authoritarian era is thus underscored, and Linz does not explicitly discount the promise of such an attempt. The possibility of recognizing and elaborating differences between authoritarian military "mentalities" would seem to be consonant, in fact, with the objectives of his study. Linz concludes in this vein that "authoritarian regimes can be evaluated on a variety of dimensions: their ability to create stable political institutions articulating the conflicting interests of society, especially in countries where the regime came to power because of the heat of ideological and interest conflicts; their capacity to handle the succession problem; their ability to foster rapid

¹⁴⁵(cont'd)with tradition, introducing criteria of efficiency and rationality, personal achievement and populist appeals." Pp. 269-270.

¹⁴⁶ Linz, "Spain," p. 274.

¹⁴⁷ Linz, "Spain," p. 280.

economic development, both rural and industrial...."¹⁴⁷
 Schmitter's work has dealt directly with this first
 dimension,¹⁴⁸ and Stepan's and Schneider's with the second.
 The central endeavor of this thesis is to analyze Brazilian
 military authoritarianism based on this third dimension.

Several general characteristics in Linz's formulation
 of authoritarianism are especially relevant to the
 consideration of the development potential of Brazilian
 military authoritarianism. First, authoritarian regimes
 tend to foster low levels of social mobilization.¹⁴⁹ While
 this might be said to mitigate some of its more
 self-destructive impulses,¹⁵⁰ it may also work against
 fundamental programs of socio-economic development. Second,
 such regimes generally face ongoing crises of legitimacy

¹⁴⁷ Linz, "Spain," p. 282.

¹⁴⁸ Schmitter, Interest Conflict.

¹⁴⁹ Linz contends that "stabilized authoritarian regimes are characterized by a lack of extensive and intensive political mobilization of the population. Membership participation is low in political and para-political organizations and participation in the single party or similar bodies, whether coerced, manipulated or voluntary, is infrequent and limited. The common citizen expresses little support for the regime in elections, referenda, and rallies. Rather than enthusiasm or support, the regime often expects--even from office holders and civil servants--passive acceptance, or at least [that] they refrain from public anti-government activity." Linz, "Spain", p. 259. Cardoso also notes that "apathy and lack of mobilization; a mentality that is statist and hierarchical, rather than a broadly nationalistic ideology; state but not party; hierarchy and no representation--these all form part of the particular ideological and organizational instruments of contemporary military authoritarianism in Latin America." Cardoso, "On the Characterization," p. 37.

¹⁵⁰ For example, it clearly distinguishes authoritarianism from totalitarianism (e.g., fascism), and may in fact limit the ability of authoritarian regimes to wage international wars.

which they tend to resolve through a tenuous admixture of legal, charismatic and traditional authority.¹⁵¹ This represents an ambiguous position with regards to the national development potential, since it (unintentionally) undermines the bases of traditional authority in the process.¹⁵² Furthermore, this relates to a third characteristic, the tendency of authoritarian regimes to promote a centralized, statist and executive-controlled political system which directly weakens existing federalist structures.¹⁵³ The subsequent "bureaucratization" of the development process leads in many instances (and, particularly, in Brazil) to a condition which, rather than representing "state capitalism", is based on "the use of state enterprises to facilitate capitalist development and to reinforce the position of those in power."¹⁵⁴

The ubiquitous presence of capitalism, or more specifically, authoritarian capitalism, is perhaps the most salient characteristic of the post-1964 Brazilian development process. Despite the early twentieth-century observation of Peruvian writer José Carlos Mariátegui that the "moral, political, and psychological elements of capitalism" had not "found a favorable climate" in Latin

¹⁵¹ Linz, "Spain," p. 269.

¹⁵² According to Linz, "authoritarian rule almost inevitably leads to questioning traditional authority, if for no other reason than by making the people aware of the importance of the effective head of government and its secular character. Authoritarian rule might be an intermediate stage in or after the breakdown of traditional authority, but not the route toward its restoration." Linz, "Spain," p. 270.

¹⁵³ Cardoso, "On the Characterization," p. 41.

¹⁵⁴ Cardoso, "On the Characterization," p. 53.

America,¹⁵⁵ Brazil has fashioned an economic model which is fundamentally tied to international capitalist relations.¹⁵⁶ The consequent emergence of domestic (or, domestically directed) authoritarian capitalism¹⁵⁷, results in the politicization of economic development,¹⁵⁸ where labor is formally controlled, and management, in both commerce and industry, is carefully regulated.¹⁵⁹ Although a cursory summary of authoritarian capitalism would seem to indicate its utility in shaping the development process in Brazil, "intervening variables" such as international economic

¹⁵⁵ Mariátegui, "Outline of the Economic Evolution," Seven Interpretive Essays on Peruvian Reality, by Mariátegui, trans. Marjory Urquidí (Austin: Univ. of Texas Press, 1974), p. 21.

¹⁵⁶ Evans avers that "the single most important element in the economic performance that underlies the political stability of the regime has been Brazil's success in tying its economic growth to the burgeoning strength of international corporations." Evans, "The Military," p. 42.

¹⁵⁷ Velho argues that authoritarian capitalism can be regarded as "a special mode of capitalist development which comes about in backward or underdeveloped countries as a consequence of the preexistence of an international capitalist system. It is based on political dominance in contrast with bourgeois capitalism once its primitive accumulation is completed. It is characterized by a sort of nonorganic development by leaps and bounds and not by retracing all the steps taken by prior capitalist development in other countries." Velho, p. 25.

¹⁵⁸ Another Brazilian social scientist, Moacir Palmeira, specifies Northeast regional development as one policy area which is especially politicized in this sense. Palmeira, "The Aftermath of Peasant Mobilization: Rural Conflicts in the Brazilian Northeast since 1964," The Structure of Brazilian Development, pp. 88-89.

¹⁵⁹ Schneider mentions the "puritanical tendency among the military [in Brazil] to favor capitalism and private enterprise in principle, but to be suspicious of sizable profits. In a situation where great weight of economic power is no longer made effective through the electoral arena...the entrepreneurial elite finds its political influence fragile and dependent upon the government's wishes, rather than weak (in terms of rival interests having greater influence)." Schneider, p. 344.

conditions sporadically impinge, inhibiting straightforward correlations between policy intentions and outcomes.

Nevertheless, the authoritarian component of the economic system can be said positively to influence such correlations, particularly in the more closely regulated regions such as the Northeast.

One important area in which authoritarianism, as an analytical construct, might be criticized is its limited potential for supporting inter-regime comparison. Although Linz's argues that his theoretical presentation of authoritarianism has broad comparative implications, it has been convincingly argued by Cardoso (and others) that Latin American authoritarianism "does not fully approach the form of Spanish corporatism...."¹⁰ Furthermore, the emphasis that Linz's authoritarian 'paradigm' places upon limited (and even structural) political factors jeopardizes even the comparison of such otherwise proximate cases as Brazil and Mexico.¹¹

¹⁰ Cardoso, "On the Characterization," p. 36, who concludes that "in the sphere of civil society it allows the representative organizations of liberal-capitalist classes to survive without organic bonds with the state...." He adds that the caudillismo of earlier authoritarian regimes has been replaced with the doctrine of national security. p. 36.

¹¹ Cardoso argues, for example, for the limited application of the notion of "bureaucratic-authoritarianism" [a modification of Linz's construct suggested by Guillermo O'Donnell] because of its decidedly (and almost taxonomic) political character. He concludes that "it is easy to differentiate...decidedly military authoritarian regimes from others such as the Mexican regime, which, although not completely bereft of bureaucratic-authoritarian traits, is undoubtedly civilian in its mode of control." Cardoso, "On the Characterization," p. 37. Emphasis in the original.

A second area of potential confusion within the conceptual framework of authoritarianism is the question of individualism. The dichotomy, assumed to exist between authority and submitting individuals, in view of the centralized and concentrated authority nexus, may represent an alien interpretation of the "authoritarian" Brazilian world view.¹⁰² "Authoritarianism" may, in other words, focus the analysis of the political and socio-economic system upon a question which is not exceedingly relevant to the participants within that system, although there is ample evidence to suggest that "individual self-development," in at least a limited form, is an important constituent of the Brazilian military conceptualization of national development.¹⁰³

Although these two potential shortcomings certainly do not undermine the relevance of Brazilian 'authoritarianism'

¹⁰² Erickson notes that "corporatism differs sharply from liberal democracy in its view of citizens' roles in politics and society. Liberalism is highly individualistic and seeks to promote and protect the freedom of citizens as individuals. Corporatism's organic-states view, on the other hand, leads corporatist theorists and lawmakers to conceive of society as composed of groups differentiated and ranked according to their productive or economic role." Erickson, The Brazilian, p. 2.

¹⁰³ There are numerous references in the writings and speeches of high-ranking military ideologues to the need to foster the self-development of Brazilian citizens as a precondition to national development. The first military president after the 1964 golpe, General Humberto Castelo Branco, noted for example that "the essential condition for progress is, in the final analysis, the faculty for each individual to develop his personal abilities..." ("A condição essencial do progresso é, em última análise, a facultade para cada indivíduo de desenvolver suas aptidões pessoais..."), as cited in O Estado de São Paulo, 9 August 1964, p. 6.

as an analytical construct, they do suggest the utility of employing a modicum of caution in interpreting the Brazilian system through it. Two further aspects of authoritarianism and development in Brazil, which clarify these two contrasting concepts in some important regards, are statism and nationalism.

"Statism" and Nationalism as Explanatory Interpretations of Authoritarianism and the Brazilian Development Process.

Marx was probably accurate in his identification of the "state" with modern capitalism,¹⁶⁶ although the concept is an excessively complex and abstract one, and easily becomes misleading in many analyses. The standard Marxian definitions suggest that the state is essentially "a product and a manifestation of the irreconcilability of class antagonisms,"¹⁶⁷ and its executive, "but a committee for managing the common affairs of the whole bourgeoisie."¹⁶⁸

Although these definitions require careful qualification,¹⁶⁹

¹⁶⁶ The "young" Marx noted that "the different states in the different civilized countries, in spite of their manifold diversity of form, have all this in common, that they are based on modern bourgeois society, only more or less capitalistically developed. They have, therefore, also certain essential features in common." Marx, "Critique of the Gotha Program," Marx and Engels; Basic Writings on Politics and Philosophy, ed. Lewis S. Feuer (Garden City, New York: Anchor Books, 1959), p. 127.

¹⁶⁷ Lenin, "The State and Revolution," The Lenin Anthology, ed. Robert C. Tucker (New York: W.W. Norton and Company, 1975), p. 314. Emphasis in the original.

¹⁶⁸ Marx and Engels, "Manifesto of the Communist Party," Marx and Engels, p. 9.

¹⁶⁹ Cardoso notes that, in order to avoid the pitfalls of abstract metaphysics, it is useful to add to such Marxian definitions that "the dominant classes must make a continuing effort to articulate their diverse and

it is not unreasonable to agree, as does Cardoso, that "at the highest level of abstraction the notion of state refers to the basic alliance, the basic 'pact of domination,' that exists among social classes or fractions of dominant classes and the norms which guarantee their dominance over the subordinate strata."

One heuristic benefit of this focus upon an abstract conceptualization of the modern "state", moreover, is that it allows the analyst of authoritarianism to stress the important distinction between state and political regime,¹⁶⁶ one which emphasizes the major political differences between two similar state structures such as those in Mexico and Brazil.¹⁷⁰ The clearest distinction between the two is the continuity over time of state, as opposed to political (regime), structures. The analysis of the effects of authoritarianism upon the Brazilian development process hence becomes an analysis of the effects of both political and state orientations upon the state policy performance.

¹⁶⁶ (cont'd) occasionally contradictory objectives through state agencies and bureaucracies." Cardoso, "On the Characterization," p. 39.

¹⁶⁷ Cardoso, "On the Characterization," p. 38. Cardoso, incidentally, does not regard himself as a Marxist.

¹⁶⁸ Cardoso suggests that "a major shortcoming in the discussions of authoritarianism is that they have not focused adequately on this distinction between the state and the political regime. An identical form of state--capitalist and dependent, in the case of Latin America--can coexist with a variety of political regimes: authoritarian, fascist, corporatist, and even democratic." Cardoso, "On the Characterization," p. 39.

¹⁷⁰ Cardoso, "On the Characterization," p. 51. At the level of abstraction appropriate to analyses of the state, both Mexico and Brazil must be said to evince significant levels of authoritarianism.

The Brazilian state is characterized by an ideological framework which, according to Cardoso, is both anti-nationalistic and demobilizing.¹⁷¹ Hence there is a tendency for it to represent relatively narrow economic and socio-political interests, and even to depart somewhat from those interests when they become entangled in fundamental competition.¹⁷² It has, according to Chaloult, become an "arbiter" along the lines of the Weberian model, and is apparently attempting "to equilibrate and synthesize conflicting interests."¹⁷³ However, in the process it has accumulated its own interests, particularly in the state encouragement of, and participation in, national industrialization. Again, citing arguments posed by Chaloult, the Brazilian state can no longer be assumed to defend "only" the interests of the dominant classes, despite the convergence of both types of interests most of the time.¹⁷⁴ The role of the military in this transformation

¹⁷¹ "The 'ideology of [the] state'...supposes the ideological disarticulation of the masses...it gives to the State the appearance (which expresses something of the real) of an 'abstract State'." ("A 'ideologia de Estado'...supõe a desarticulação ideológica da massa...dá-se ao Estado a aparência ((que algo expressa do real)) de um 'Estado abstrato'.") Cardoso, Autoritarismo e Democratização (Rio de Janeiro, Brazil: Paz e Terra, 1975), pp. 214-215.

¹⁷² Arguments regarding the "Bonapartist" tendencies of the post-1964 Brazilian state will be introduced in a following section, although this point clearly approaches the logic of Bonapartism in Brazil.

¹⁷³ "Dessa forma, o novo estado poderoso está se tornando um árbitro que tenta equilibrar e sintetizar interesses conflitantes." Chaloult, Estado, p. 52.

¹⁷⁴ "...ele não defende só os interesses das classes dominantes, apesar de a maior parte das vezes ambos tipos de interesses convergirem." Chaloult, Estado, p. 51. Emphasis in the original.

is, moreover, a crucial one.

The relatively modern phenomenon of military support of state participation in Brazilian industrialization is historically tied to the officers' commitment to national self-sufficiency in munitions and basic industries, the latter being seen as a sine qua non for the former.¹⁷³ Since 1964 the state has become extensively involved in the Brazilian industrial economy. Although it has been cogently argued that this involvement is almost arbitrary in some cases, and that it is of a far greater scale than was originally intended by federal policy planners,¹⁷⁴ it has been undertaken in such a way as to mitigate conflict between the state and private sectors. An example of this--and one that directly involves the military--is the establishment of the steel complex at Volta Redonda. State industrial ventures have been developed in "symbiosis" with national and multinational private industrialization,¹⁷⁵

¹⁷³ Johnson argues that this support dates from the outbreak of World War II, and that the basic industries for which the officers urged direct state participation included railroads, electric power, petroleum and steel. He concludes that the existing Brazilian industrial pattern of consumer goods production was maintained because the state participation in basic industries did not jeopardize the interests of the national capitalists who, besides, would not have had the capital necessary to enter the basic industries in any event. John J. Johnson, The Military, pp. 215-216.

¹⁷⁴ Werner Baer attributes the unexpected scale of state economic involvement to "financial limitations and technical backwardness of the private domestic sector, the unwillingness of foreign capital to enter certain fields of activity, and the unwillingness of governments to allow foreign capital into some sectors." Baer, The Brazilian Economy: Its Growth and Development (Columbus, Ohio: Grid Publishing, 1979), p. 5.

¹⁷⁵ Evans adds that "economically, the symbiosis of the

according to Evans, and this has been facilitated by factors such as the careful choice of state-supported projects which are unobtrusive (and usually directly beneficial) to private industry, and by the traditional Brazilian acceptance of a "semi-autonomous" state structure.'''

The implications of this massive state economic activity vis-à-vis the form and content of Brazilian authoritarianism is significant. Industrial unrest directly threatens state interests, and "subversive" behavior is readily defined to include the advocacy of relatively mild systemic reforms. The coercive apparatus of the state, at least after 1964, has taken the view that "social discipline" is a primary systemic deficiency. Even the recent moves toward abertura, the "opening" of the system to greater political freedom and participation, have been qualified by the needs of massive and growing statism in Brazil. The commander of the Fourth Army (Northeast Brazil) illustrated this point several years ago, commenting that "liberty and rights emanate from the state. The state grants these privileges to man and therefore cannot be subordinate to these prerogatives, lest it be plagued by anarchy.'''

'' (cont'd) military and the multinationals is elegant. It is characterized by a combination of specialization and integrating ties. The state provides entrepreneurship in the public sector and discipline among those who participate in the private sector. But it does not encroach on areas of profitable private investment and they do not threaten the principle of private enterprise on a cultural or ideological level." Evans, "The Military," p. 30.

'' Evans, "The Military," p. 32.

As cited in: Norman Gall, "The Rise of Brazil,"

Nationalism constitutes yet another, though clearly ambiguous,¹⁷⁷ influence upon the interrelation of authoritarianism and development in Brazil. Although considerable attention will be devoted to this subject in subsequent chapters, some mention should be made at this juncture regarding the origins of Brazilian nationalism and its close identification with the Brazilian officer corps.

E. Bradford Burns identifies the origins of Luso-Brazilian nationalism with statism because Portugal, as the first modern European state, provided an initial bureaucratic infrastructure conducive to territorial conquest, and hence to a sense of Portuguese nationhood and national pride that emerged in the sixteenth century.¹⁷⁸ Other elements of formative influence, according to Burns, were Brazilian territorial unity (and isolation), a unique colonial history, a common language and religion and the tendency of Brazilians to evince unusual tolerance with respect to politics, race and religion.¹⁷⁹

The prominent role of the Brazilian officer corps in the relatively recent rise of modern Brazilian nationalism dates (indirectly) from the 1920s and the tenentes (or, lieutenants') revolts, and (directly) from the Brazilian

¹⁷⁷ (cont'd) Commentary, 63, No. 1 (January 1977), p. 52.

¹⁷⁸ Although it has frequently been observed that patriotism is not a major element of Brazilian nationalist commitments, and that pragmatism and compromise have prevented the sort of nationalistic violence typical of many other Latin American systems (e.g., see: Ranis, p. 216), this conclusion requires some qualification in the post-1964 era.

¹⁷⁹ Burns, Nationalism in Brazil; A Historical Survey (New York: Praeger, 1968), pp. 4-5.

¹⁸⁰ Burns, Nationalism, pp. 5-6.

entry into World War II, when the "bureaucratization" of nationalism¹³³ began to affect military planning. Prior to 1955, however, Brazilian nationalism is described as having been "mild" and closely "regulated by the armed forces". It was, moreover, devoid of xenophobia and characterized (some would argue compromised) by close economic and military ties with the United States.¹³⁴

The second phase of modern Brazilian nationalism, according to Johnson, involved an ideological break with the United States, and the advent of "neutralism" (regarding the Cold War) on the part of a new generation of officers.¹³⁵ The increasingly economic character of Brazilian nationalism between 1955 and 1964, moreover, precipitated the emergence of new political and developmental patterns in the country.

The explicit presence of nationalism in underdeveloped countries is not a necessary precondition for national economic development, although as Everett Hagen observes (in direct reference to Brazil and Colombia), "economic development is hardly possible until there has been some expansion of the sense of social unity beyond the local

¹³³ Johnson wrote in 1964 that "three decades ago nationalism [in Brazil] was practically a monopoly of a few intellectuals, who were interested in it primarily as an abstraction. And by the outbreak of the war, Vargas, taking his cue from the nazis and fascists and with encouragement from the tenentes, had usurped the ideology from the intellectuals and assigned civilian bureaucrats to give it a concreteness which would be meaningful to the urban masses and as such could be translated into political capital." Johnson, The Military, p. 221.

¹³⁴ Johnson, The Military, p. 222.

¹³⁵ Johnson, The Military, pp. 222-223. Johnson may be somewhat misleading in limiting his focus to the military during this period.

community." The simultaneous advent (in the 1950s) of rapid industrial growth and economic nationalism in Brazil, closely identified with the issue of regional underdevelopment, and first manifested in the national petroleum policy, " signalled the beginning of an unparalleled period of economic growth. At least one interpretation of Brazilian nationalism, however, argues that it "has been the instrument with which the bourgeoisie silences or aspires to silence the proletariat, making it support the highest coefficient of exploitation of the product of its labor power." The following section will introduce two important frameworks of analysis, dependency and class conflict, which introduce some of the ideas behind this last interpretation of Brazilian nationalism, and which further illustrate the important interrelation between authoritarianism and the public policy of Brazilian

 " Hagen, On the Theory of Social Change; How Economic Growth Begins (Homewood, Illinois: The Dorsey Press, 1962), p. 253.

" Johnson notes that by the early 1950s military officers had become articulate nationalists while assuming a close identification with Brazilian industry. They refrained for some time from manifesting their economic nationalism, however: "they needed only an issue, and they were given one when the cries of the underdeveloped areas made protection of natural resources a national obligation of the first order. The officers took control of Petrobras, the national oil monopoly, and made it the symbol of the republic's determination to become economically independent." Johnson, The Military, p. 222.

" "Tem sido o instrumento com qual a burguesia cala ou pretende calar o proletariado, fazendo-o suportar o mais alto coeficiente de exploração do produto da sua força de trabalho." Octávio Ianni, Industrialização e Desenvolvimento do Brasil (Rio de Janeiro, Brazil: Editora Civilização Brasileira, 1963), as cited in Vamireh Chacon, Review Article, Revista Brasileira de Estudos Políticos, No. 19 (July 1965), p. 295.

development.'''

E. Dependency and Class Analyses: Clarifications

The Dependency Perspective. Dependency Theory, already mentioned briefly in this chapter, is expressed in various conceptual frameworks.''' "Dependency", as the name denotes, refers generally to the panoply of conditions which are assumed to follow from the basic unequal exchange relationship between "developed" and "developing" countries within the capitalist world system.''' Many analysts of dependência emphasize the important effects upon internal national development patterns of ties to the world capitalist system. In the Brazilian context, they underscore the internal effects of Brazil's subordinate position within world capitalism. The analysis of Brazilian

'' Philippe Schmitter, after carefully assessing the arguments of Marx, Barrington Moore Jr. and a number of Brazilian scholars, has concluded that "there may be an elective affinity between certain structural attributes of 'delayed-dependent' development and protracted authoritarian rule." Schmitter, "The 'Portugalization'," p. 184.

'' Harding stresses that "there is no such thing as a single unified body of thought called dependency theory, and any common ground between those who share the terminology of dependency tends to dissolve as the importance of differences between them become greater." Timothy F. Harding, "Dependency, Nationalism and State in Latin America," Latin American Perspectives, 3, No. 4, Issue 11 (Fall, 1976), p. 3.

'' Some work has been done regarding "dependent" countries which are ostensibly outside the capitalist sphere, although the state of their dependency (to the extent that it can be said to exist) seems to be defined in terms which indirectly (if not directly) link them to international capitalist exchange (e.g., Cuba's sugar economy).

expenditure policy, from this perspective, would require reference to factors which are external to the "indigenous" Brazilian development process; national politics are likewise thought to be affected. Evans, a contemporary proponent of one variant of dependency theory, suggests that "the current Brazilian coalition derives its strength from the nature of its international connections. Like its strength, future crises of the current regime may have their origins in London or Detroit."

The following section will focus upon some of the major arguments of contemporary analysts of Brazilian dependency, principally Cardoso and Evans, and upon the notion of "internal dependency" as formulated by Yves Chaloult. The kernel of Chaloult's thesis is that "the Northeastern states are increasingly dependent on the Brazilian state and, in this way, are gradually losing their autonomy at the economic and political levels." He adds, however, that with the present political situation intact, the advent of greater Northeastern autonomy would not necessarily lead to constructive political change in the region. The strengthening of traditional elites would constitute a more likely outcome.

¹ He concludes that "when development depends on combining the revolution from above with international capitalism, such vulnerability to external events is unavoidable. Given an internal catalyst, internal tensions could easily become explosive. Evans, 43.

² "...concluimos que os Estados nordestinos são crescentemente dependentes do Estado Brasileiro e, desta forma, estão gradualmente perdendo sua autonomia nos níveis econômico e político....Obviamente, considerando-se a atual situação política do país, uma maior autonomia nordestina

Although there are relatively few references to the formal arguments of the dependantistas in subsequent chapters, this mode of analysis serves as the basis for many of the relevant analyses of Brazilian development patterns and public policy formation, and hence is regarded as an important background consideration in the relation between public policy and military ideology.'''

Definitions of dependency generally devolve upon the dichotomy between two somewhat contradictory viewpoints,''' although at its most fundamental level, dependency can be defined as "a situation in which the rate and direction of accumulation are externally influenced."'''

'''(cont'd) não levaria a uma mudança real na estrutura do poder local e, provavelmente, fortaleceria as elites tradicionais regionais, subordinadas ao capital financeiro nacional e internacional.") Chalout, p. 79.

'' Peter Flynn maintains that "the question of the role of multinational or transnational corporations in Brazil's economy and politics was, and still remains, the most hotly debated and far-reaching issue of national politics." Flynn, Brazil, pp. 488-489.

'' The authors of one review article explain that "the effects of dependency are treated on two rather different levels in the literature. On one level, dependency is viewed as a perversion of the Latin American development process, because by definition Latin American societies, as presently constituted, lack control over the forces which shape their destiny. From this perspective, there is nothing to 'prove' or 'disprove' empirically about dependency theory, except perhaps the fact of dependency itself...At another level, however, a great deal more is claimed for dependency theory. It is offered, as an alternative to more 'conventional' development theories, as a framework or paradigm for diagnosing the general problems of Latin American social, economic, and political development." Robert R. Kaufman, Harry I. Chernotsky and Daniel S. Geller, "A Preliminary Test of the Theory of Dependency," Comparative Politics, 7, No. 3 (April 1975), p. 306.

'' Evans adds to this definition, significantly, that it is curious that "while external relations are the starting point for the analysis of dependence, most of the emphasis

The formative cultural reflections of growing Latin American dependency in the nineteenth century are discussed in detail in a number of recent works,¹¹⁷ which tend to stress the inappropriate importation of the values and consumption patterns of the European and North American middle class as the basis of "progress". This continuing influence in the contemporary setting, it is held, affects the distorted development process in the "peripheral" (dependent) country, so that while "peripheral capitalism may, under certain circumstances, be relatively successful in accumulating capital it cannot solve the linked problems of national disintegration, widening socio-economic gaps, relative and even absolute poverty, and the continuing penetration and distortion of national economies and societies".¹¹⁸ It is this aspect of dependency theory that is most relevant to the case of Brazil, and to the hypothesis presented later in this work. Although the analysis of longitudinal data provides a basis for isolating differences in relation to regime changes, the ways in which such changes imprint

¹¹⁷(cont'd)of dependency theorists is on the internal class relations of dependent countries." Evans, Dependent, p. 27.

¹¹⁸E.g., E. Bradford Burns, The Poverty of Progress; Latin America in the Nineteenth Century (Berkeley: Univ. of California Press, 1980).

¹¹⁹Richard R. Fagen, "A Funny Thing Happened on the Way to the Market: Thoughts on Extending Dependency Ideas," International Organization, 32, No. 1 (Winter 1978), p. 291. Samir Amin clarifies this argument with his observation that "whereas at the center, growth is development--that is, it has an integrating effect--in the periphery growth is not development, for its effect is to disarticulate. Strictly speaking, growth in the periphery, based on integration into the world market, is development of underdevelopment." Samir Amin, Accumulation, pp. 18-19. Emphasis in the original.

themselves upon the effective development process is ultimately a product of the history, form and potential of that process itself. Dependency theory defines one set of criteria by which a background explanation of the way in which expenditure policy affects regional development might be framed.

The basic strength of the dependência framework resides in its subject: the massive presence of foreign investment in Brazil, a phenomenon which is outlined in Table 1.1.¹⁹⁹ It also sharpens the focus upon Brazilian industrialization²⁰⁰ and the federal public policies of regional development. Moreover, it clarifies the ambiguous role of the Brazilian state vis-à-vis its ostensibly contradictory positions on statism, nationalism and "entreguismo"--the typically Brazilian expression signifying the "selling out" of national resources.²⁰¹

¹⁹⁹ Although the U.S. remains the most important single "center" country vis-à-vis the Brazilian economy (Evans, Dependent, p. 70), this position has been steadily weakening in favor of Europe and Japan. Canada is another major "center" country for Brazil, according to Wallace Clement, with over 30 large companies represented and control of major parts of the utilities and tractor markets. The Canadian presence in Brazil is closely tied to the fluctuating position of the U.S. Clement, Continental Corporate Power; Economic Linkages between Canada and the United States (Toronto: McClelland and Stewart, 1977), p. 122.

²⁰⁰ The advent of which, according to Werner Baer, "only changed the nature of the dependency relationship." He concludes that "since industrialization was achieved by massive foreign investment in the most dynamic sectors of the industry, foreign influence on the development and use of the means of production increased substantially." Baer, The Brazilian Industrial Economy: Its Growth and Development (Columbus, Ohio: Grid Publishing, Inc., 1979), p. 4.

²⁰¹ Evans argues, from the perspective of "dependent development", that these three positions are not necessarily

TABLE 1.1

The Configuration of Investment in Brazil, 1972

Industry	% of Assets Among the Top 300		
	Foreign	State	Local Private
Food	32	0	67
Textiles	44	0	56
Paper, Wood & Furniture	29	0	71
Chemicals	69	12	19
Rubber	100	0	0
Stone, Clay & Glass	22	0	78
Primary Metals	23	51	25
Electrical Machinery	78	0	22
Transportation	82	4	13
Total Manufacturing	51	15	13

Source: Evans, Dependent, p. 302.

Finally, it provides, in the estimate of many analysts, for the drawing of a concrete distinction between the original development pattern (and problems) of modern capitalist "center" countries, and those patterns associated with the underdeveloped countries.²⁰²

Primary weaknesses of dependency theory as it is frequently applied include lack of specificity, general lack of clarity regarding theoretical considerations, and the tendency to reject out of hand the possibility that any

²⁰¹ (cont'd) incongruous. Evans, Dependent, p. 214.

²⁰² As Samir Amin notes, "confusion between independent precapitalist economies and societies, characterized by their overall coherence, and economies and societies integrated into the dominant capitalist world through the historical fact of colonial subjugation, by which capitalism was brought in from outside, is what lies behind the mistaken ideas of the theory of underdevelopment." Amin, Accumulation, p. 20.

benefits might be derived by the dependent country through its development process. On the first score, it is useful to recall that "dependent countries" include a wide spectrum of cases, from rudimentary (or only tangentially) capitalist economies in Africa and Asia, to highly (though unevenly) industrialized countries such as Brazil, or even to powerful single-product powers such as Saudi Arabia.²⁰³ Second, dependency theory, if only because of its adaptability to varying situations, tends not to be clear conceptually. In other words, it does not denote a single unique and paradigmatic development process, despite the fact that it makes the crucial distinction between two very different general processes of capitalist development.²⁰⁴ Third, it frequently serves as a relatively uncritical rationalization for the outright rejection of the possibility that any benefits might be derived from a dependency situation, and hence as a euphemistic surrogate for the most uncompromising affirmations of the evils of economic imperialism.²⁰⁵

²⁰³ Evans notes that "OPEC and the oil crisis provided a powerful reminder that exporting primary products does not universally entail having a weak position in international trade." Evans, *Dependent*, p. 27.

²⁰⁴ Patrick J. McGowan and Dale L. Smith argue that "failure to show that a dependent capitalist economy is a qualitatively distinct type rather than a particular stage in a necessarily universal capitalist mode of production (where the difference between the United States, Canada, Belgium, Portugal, Brazil, Nigeria, and Upper Volta are matters of degree, not kind) misdirects analysis and hence, is of little use." McGowan and Smith, "Economic Dependency in Black Africa: An Analysis of Competing Theories," *International Organization*, 32, No. 1 (winter 1978), p. 189.

²⁰⁵ Although theories of economic imperialism represent a crucial aspect to the analysis of development, particularly in their numerous reasoned and critical manifestations, they tend to be outward-directed in their mode of analysis, and

This underscores Florestan Fernandes's warning that "it is particularly important to reject decisively what has been done to the so-called 'theory of dependency' in the United States. It has been vulgarized, sanitized, and sterilized."²⁰⁶

Rebuttals of dependency theory call upon a variety of arguments, including the following: first, that foreign capital is fundamentally pluralist and hence competitive with itself; second, that the presence of foreign investment can actually increase the independence of the Brazilian state; and third, that dependency is a transient phase that is likely to mitigate or disappear over time, particularly in the relation of the dependent country to specific "center" countries. The first argument, perhaps the most tenuous of the three, has been espoused by prominent officials of the post-1964 governments of Brazil,²⁰⁷

²⁰⁶ (cont'd) perhaps more static and shallow in their assessments of the internal dynamics of the neo-colonial development process. Hence, Miguel Arraes, a former leftist governor of the Brazilian state of Pernambuco, writes that "the entry of foreign capital has been of no advantage at all to the country since the sums leaving it always exceed what comes in." Arraes, Brazil: The Power and the People (Middlesex, England: Penguin Books, 1969), p. 198. Evans, on the other hand, arguing from a different basic conceptual framework, cautions that "saying that a country is 'dependent' does not indicate that its relation to the international economic system is immutably fixed. It means rather that the historic process of accumulation in that country exhibits certain distinctive features that are shared by other countries of the periphery and set it apart from the nations of the center." Evans, Dependent, p. 27.

²⁰⁷ Fernandes, "Forward," Dependent Development, by Evans, p. x.

²⁰⁸ Antônio Delfim Netto, Minister of Planning in the Médici government, and one of the chief architects of certain aspects of the 1968-1974 federal expenditure policy, argued this in a speech in 1971. Delfim Netto, Desenvolvimento

although perhaps more frequently in the period between 1968 and 1974, when the national debt had largely been controlled. One possible answer to this rebuttal is that the supposed competition between multinational corporations operating in Brazil has quickly disappeared during threatening periods, to be replaced with a common interpretation (however incorrect) and a common program of action. The 1964 golpe is perhaps the most egregious example, if not the most blatant.²⁰⁷ The second argument rests on the debatable contention that "the foreign capital presence constitutes a hostage in the hands of the Brazilian government, both with respect to economic policy and policy ends."²⁰⁸ While this may, in some respects, be the case, the growing dependence of Brazilian industry upon technology transfers, as well as the effective political influence of

²⁰⁷ (cont'd) Econômico e Capital Externo (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 35. This is a reprint of a lecture given at the ESG on 2 July 1971.

²⁰⁸ The Bank of America, in terms that were commonly voiced by foreign business interests at the time, reported that "there are many who regret the momentary suspension of complete democracy, and bemoan the cancellation of citizenship rights of certain specific persons. They overlook that the choice was permitting communism to take over by default, or permit those to regain power whose weakness (and corruption) had opened the doors to communism while destroying the country's economy--or doing what they did. They were not playing games as the communists would not have, had they been able to cubanize Brazil." Monthly Report, Bank of America, NT & SA Rio de Janeiro, Brazil (October 1964), p. 1

²⁰⁹ William G. Tyler, The Brazilian Industrial Economy (Lexington, Mass: Lexington Books, 1981), p. 30. Tyler adds that: "the thought that foreign firms are strong enough and sufficiently united to dictate amenable policy to an administratively capable, competent, and strong government is naive."

the home governments of multinational corporations, allows the "hostage" metaphor to be applied in the converse sense. The imminent paralysis of monopolized sectors of Brazilian industry, or the full weight of diplomatic and economic pressure associated with major "center" countries, constitute a grim prospect for the would-be peripheral "hostage-taker". The third argument is perhaps the most plausible of the three: a transformation in the pattern of international dependency²¹⁰ is quite evident in Brazil, where the increasing diversity of "center" states, and the largest foreign debt in the world, call into question many of the original dependentista conclusions regarding the power of these "center" states over the peripheral "clients". Just as the shift from portfolio to direct investment led to the modern dependency relationship,²¹¹ current trends toward more sophisticated arrangements in Brazil²¹²

²¹⁰ Albert Fishlow argues that "increased exports [a major economic objective of Brazil since 1968] are a means of significantly reduced dependence upon the United States. They obviate the pressures for capital import to equilibrate the balance of payments. They provide the foreign exchange necessary to amortize past debt without resort to 'swaps' and other potentially destabilizing short-term capital inflow. They permit selectivity in the acceptance of foreign investment and emphasis upon the transfer of technology as its *raison d'être*. They encourage competition among the advanced countries that assures more equitable distribution of the gains from trade. Note that the recent surge in exports has been accompanied by a dramatic decline in the share of the United States in Brazilian trade and a significant diversification in composition." Fishlow, "Some Reflections on Post-1964 Brazilian Economic Policy," Authoritarian Brazil, p. 102. Emphasis in the original.

²¹¹ Evans, Dependent, pp. 77-80.

²¹² Evans notes that in 1973 the Brazilian market was the sixth largest for U.S. manufacturing affiliates (Dependent,

suggest the need further to revise the concept of dependency.

Cardoso and Evans: A Revision of Brazilian Dependency. The notion of "associated-dependent development," first formulated by Fernando Henrique Cardoso and later clarified by a number of analysts, including Peter Evans, does not completely preclude focus upon the primary characteristic of "classic dependency", i.e., the limitation or absence of national control over the dependent country's resources.²¹³ Nevertheless, as Cardoso explains in a seminal article,

the phrase [associated-dependent development] was chosen deliberately to combine two notions that traditionally have appeared as separate and contradictory: development and dependence. In my view, changes in international capitalist organization have produced a new international division of labor. The moving force behind these changes is the multinational corporation. Assuming as it does the immersion of industrial capital into peripheral economies, the new international division of labor puts a dynamic element into operation in the internal market. Thus, to some extent, the interests of the foreign corporations become compatible with the internal prosperity of the dependent countries. In this sense, they help promote development.²¹⁴

²¹² (cont'd) pp. 167-168), and that within Brazil, multinational corporations currently control 35% to 50% of total sales in manufacturing. Dependent, p. 80.

²¹³ Cardoso maintains, for example, that "in Brazil the level of foreign investment in the dynamic industrial sectors has been so high and so sustained that the state sector and national entrepreneurs—clearly no longer play a dominant role in such key decision-making centers as the capital goods and durable consumer goods industries." Cardoso, "Associated-Dependent Development: Theoretical and Practical Implications," Authoritarian Brazil, p. 144.

²¹⁴ Cardoso, "Associated-Dependent," p. 149. Emphasis in the original.

"Dependent development" is nevertheless a condition that is relatively exclusive on a world scale. Dependent developing countries require both a certain basic class structure,²¹⁵ and are ultimately influenced by the "new international division of labor", by which part of the industrial system of the hegemonic countries is transferred, under the control of international corporations, to the peripheral economies that have previously attained certain advances in industrial development."²¹⁶

The evolution of Brazil as a "dependent-developing" country is based in part on the relatively late entry of massive foreign capital injections into the industrial economy. It was not until about 1915 that the first

²¹⁵ Evans stresses the importance of the specific pattern of class alliances in Brazil, without which "classic dependence would have persisted or been transformed in a different way. Likewise, the statistically observable characteristics of the current model of dependent development do not arise simply from the operation of external factors or 'objective conditions'; they arise from the concrete interaction of social groups and classes." Evans, Dependent, pp. 99-100. In the same work, Evans observes that "dependent development is not a phase that all peripheral countries will be able to reach. Only a few are chosen. International stratification is accentuated rather than leveled as those countries in which the local bourgeoisie and international capital can arrive at an alliance become increasingly differentiated from the majority of the third world." p. 33.

²¹⁶ "a característica da relação de dependência que está sendo implantada em países como o Brasil, a Argentina ou o México é o de que se baseia numa nova divisão internacional do trabalho, pela qual parte do sistema industrial dos países hegemônicos é transferida, sob controle das corporações internacionais, para as economias periféricas que logram alcançar previamente certo avanço no desenvolvimento industrial." Cardoso, O Modelo Político Brasileiro e Outros Ensaios, 3a. Edição (Rio de Janeiro, Brazil: DIFEL, 1977), p. 64. Emphasis in the original. Cardoso refers to this condition as the "internationalization of the market."

foreign-owned industrial establishments began to appear,²¹⁷ and even then only in well-established industries. This underscores a general trait attributed to foreign capital investment in "third-world" countries: risk-taking and innovational activity is minimized, in striking contrast with the original development of capitalist economies in the "center" countries.²¹⁸

In the present context, the tendency of large national financial groups in Brazil to limit themselves to certain industrial sectors²¹⁹ has allowed for the emergence of an alliance between international, local and state capital,²²⁰ or the tri-pé (in Evans's words), which is seen to be "a

²¹⁷ E.g., British American Tobacco, General Electric, Rhone Poulenc and Schneider. Evans, Dependent, p. 106.

²¹⁸ Evans notes that the "relative absence of 'pioneering' by foreign capital has led Brazilians to view the entry of such capital in terms of 'denationalization.' Foreign manufacturing capital plays the role of the cuckoo, laying its eggs in nests constructed by others. Local capital, having gotten industrialization going, is pushed aside by the more powerful outsiders." Evans, Dependent, p. 102. Arrighi and Saul, in reference to Tropical Africa, point to the "great calculating rationality" of modern foreign capital investments that prevents the 19th century process of center industrialization from being repeated. Arrighi and Saul, p. 147.

²¹⁹ In Evans's estimate, the danger to local capital that is posed by the competition of foreign capital in certain industrial sectors has led such local groups to focus their activities in the financial sector. Evans, Dependent, p. 149.

²²⁰ Cardoso call this the "secret of the associated-dependent development form." Cardoso, Autoritarismo, p. 47. Another important characteristic of "associated-dependent development, however, is the extremely concentrated pattern of industrial control, both by the "center" companies (which generally comprise a tiny fraction of the total number of industrial producers within their own country, i.e., they evince high levels of concentration), and in local and state enterprises. Evans, Dependent, p. 113, p. 324.

fundamental factor in the emergence of dependent development."²²¹ The precise nature of this alliance, however, remains unclear. It is, again from Evans, "an ambivalent alliance...[where] there is a division of labor among the three allies, but it needs to be specified. There must be continual bargaining among the partners, but the terms of the bargaining have not been spelled out."²²² The partners themselves, with the possible exception of the state "entrepreneurs", represent an extremely small fraction of their own national bourgeoisies, underscoring the elitist character of the arrangement. Furthermore, the state corporations in the alliance, according to Cardoso, "have increasingly begun to function in [this] new model as corporations, in the same mold, with the same liberty--[and] finally with the same results--as private enterprise."²²³ If anything, state enterprise tends to act as a leader in joint projects, and this mitigates the nationalistic and middle-class character typical of Brazilian bureaucracy at other levels.²²⁴

²²¹ Evans, Dependent, p. 32.

²²² Evans, Dependent, p. 53.

²²³ "Quanto às empresas públicas, passaram a funcionar crescentemente no novo modelo como S/A (corporations), nos mesmos moldes, com a mesma liberdade--por fim com os mesmos resultados--das empresas privadas." Cardoso, O Modelo Político, p. 70.

²²⁴ Cardoso, O Modelo Político, p. 70. This reinforces Evans's argument that "dependent development is not a break with the past in that many of the contradictions of classic dependence remain, especially those created by the exclusion of the mass population from participation in development." Evans, Dependent, pp. 10-11.

The notion of the "semi-periphery", a crucial feature of both Evans's and Cardoso's conceptualizations of dependent development, specifies--at its most cursory level--that "there is a distinct category of countries that cannot be simply considered 'peripheral' and yet are structurally distinguishable from center countries."²²⁵ Characterized by the ability to provide high investment returns for the multinational parent companies, and plagued with endemic national trade imbalances, these "semi-peripheral" countries are experiencing rapid development in some sectors, along with a proliferation of serious political and socio-economic problems, including the persistence of strikingly underdeveloped regions and sectors, according to Cardoso the direct result of dependent development.²²⁶ Two of the most similar "semi-peripheral" countries in the Western Hemisphere, Mexico and Brazil, have discovered, moreover, that "dependent development requires a mass of imported inputs even larger than the exports it generates and that even when multinationals cooperate in the promotion of local accumulation they still ship more capital

²²⁵ Evans, Dependent, p. 291. In a recent book, William G. Tyler notes, from a conventional economic viewpoint, that a group of "semi-industrialized" or "newly-industrialized" countries, including Singapore, Spain, Taiwan, Hong Kong, Korea and Brazil, evinces both developed and underdeveloped economic characteristics, particularly the presence of a "dual economy", with traditional and modern economic sectors co-existing simultaneously. Tyler, The Brazilian Industrial, p. 1.

²²⁶ Fernando Henrique Cardoso, "Dependency and Development in Latin America," New Left Review, 74 (July-August 1972), p. 90.

back to the center than they bring in."²²⁷ The Brazilian foreign debt bears witness to this phenomenon: it currently surpasses US\$90 billion, the highest external debt in the world.

Internal Dependency. Striking regional disparities in per capita indicators constitutes one of the most egregious characteristics of the contemporary Brazilian development process. Industrialization, a crucial aspect of this process,²²⁸ has been a key factor in this unequal development within Brazil.²²⁹ One theoretical approach which

²²⁷ Evans, Dependent, p. 307. He adds that "Mexico's newly discovered oil reserves may alleviate its balance of payments problems, but Mexico still reinforces the lessons of Brazil. Dependent development does not correct the imbalances in semi-peripheral relations with the center; it replaces old imbalances with new ones."

²²⁸ Although Brazil has recently announced a major shift in development policy, so that agriculture is (ostensibly) supposed to replace industry as the cornerstone of the national development process (The Globe and Mail, 30 November 1981, p. B12), it appears unlikely, given the structure of the Brazilian economy, that such a fundamental transformation could be effected in the near future, or even that it could appreciably diminish the relative importance of industry to the national economy.

²²⁹ Tyler observes in his 1981 book that "Brazil's populous Northeast...has not kept up with the country's industrial growth. The industrial spurt has occurred in the Brazilian Center-South, most notably in the state of São Paulo. Rapid growth in the Center-South, spurred by industrial expansion in conjunction with the Northeast's failure to respond to changing demand conditions in international agricultural markets, has eroded the relative position of the Northeast. Although it accounted for about 17 percent of total Brazilian income in 1939, the Northeast's share had fallen to 12 percent by 1970. The per capita income disparity has also increased. In 1939 the Northeast's per capita income was about 48 percent of the average Brazilian per capita income, but by 1975 it had fallen to 44 percent...." Tyler, The Brazilian Industrial, p. 27.

outlines a causal explanation of regional development disparities is the internal colonialism, or (in a modified form) the internal dependency perspective. An exponent of this approach as applied to Brazil, Yves Chaloult, estimates that "in the 1960-1977 period, there was a growing dependency of the Northeast in relation to the Southeast and to the State at the economic-political level; one consequence of this situation of internal dependency was the unequal allocation of resources between both regions."²³⁰ This approach raises many of the same questions as does the primary hypothesis of this thesis, although it harbors basic weaknesses as a conceptual tool.

An important weakness in Chaloult's approach is definitional: the author is unable to specify exactly what is meant by "internal dependency". His proto-definition of the concept, which identifies it as existing when "two or more entities with relevant interaction have non-reciprocal relations favoring one of them,"²³¹

²³⁰ "Estimamos que, no período 1960-1977, houve uma crescente dependência do Nordeste em relação ao Sudeste e ao Estado no nível econômico-político; uma consequência desta situação de dependência interna foi uma alocação desigual dos recursos entre ambas as regiões." Chaloult, Estado, p. 21.

²³¹ He continues: "for example, if there are non-reciprocal relations between the Northeast and the Southeast in favor of the latter, we suppose that the latter will influence profoundly the former at various levels. This fact will lead to specific structural arrangements and can lead to an unequal distribution of resources." ("...dependência interna significa que duas ou mais entidades com relevante interação têm relações não-recíprocas favorecendo uma delas. Por exemplo, se há relações não-recíprocas entre o Nordeste e o Sudeste em favor deste último, supomos que o último influenciará profundamente o primeiro em diversos níveis. Esse fato levará a arranjos estruturais específicos e poderá

does not identify a specific internal condition (e.g., the loss of decision-making autonomy). It will be recalled that dependency theory defines the condition of dependency in relatively specific terms (unequal international exchange, leading to loss of developmental autonomy and generally pejorative location in a strictly hierarchical international economic order²³¹), although in such a way as to inhibit the empirical measurement of all but the exchange relationship itself. Chaloult's work is, in fact, primarily empirical, and although this enhances its value for the purposes of this thesis, it contributes its definitional haziness. The bulk of the work demonstrates that the Northeast is deprived of its share of national resources. Given Chaloult's definition of "internal dependency" (the unequal sharing of national resources), the work can be criticized for its circularity, i.e., it maintains that the Northeast is "internally dependent" (receives an unequal share of national resources) because it receives an unequal share of the national resources.²³²

²³¹ (cont'd) levar a uma distribuição desigual dos recursos." Chaloult, *Estado*, p. 48. Emphasis in the original.

²³² William B. Moul, in arguing along the lines of dependency theory, contends that "the now developed have not occupied the lower but the upper strata, whereas the underdeveloped states emerged in the lower reaches and there they remain, under the developed." Moul, "On Getting Nothing for Something: A Note on Causal Models of Political Development," *Comparative Political Studies*, 7, No. 2 (July 1974), p. 153. The Northeast, on the other hand, first emerged as the most developed region in Brazil.

²³³ One caveat must be added here: Chaloult does in fact refer to "specific structural arrangements" ("arranjos estruturais específicos") as a basic condition of internal dependency, although these are not specified or, for that matter, shown to exist. See, in this regard, Chaloult,

The character of "internal dependency", the specific internal and external conditions of the ostensibly hierarchical arrangement, is unfortunately left unspecified.

Chaloult's study of "internal dependency" in Brazil is particularly useful in exploring the questions posed in this dissertation because it underscores, in two different aspects, the regional disparities that are a fundamental characteristic of the Brazilian development process.²³³ However, it causally associates these two factors in a manner which is inverse to that of the hypothesis explored later in this thesis. Chaloult basically argues that disparate regional development levels have led to structural arrangements which ensure that federal resource allocation discriminates against the Northeast.²³⁴ While this appears to be both logical and empirically verifiable in the historical long-run, within the last thirty years the relationship, as described in the central hypothesis, can be

²³³ (cont'd) Estado, p. 48.

²³⁴ I.e., regional economic development disparities, and disparities in the federal allocation of resources to the region. However, these two aspects cannot always be easily distinguished.

²³⁵ "...the Southeast, in regional terms, benefits more from the accumulation role of the State than does the Northeast; therefore, the State defends, principally, the interests of the Southeast, despite also exercising in certain situations its role of legitimation, as well as its role of arbiter. ("...o Sudeste, em termos regionais, é que mais se beneficia com o papel acumulador do Estado; já que o excedente econômico está basicamente concentrado nessa região, especialmente em São Paulo. Ademais, o Sudeste exerce obviamente mais influência sobre o Estado do que o Nordeste; portanto, o Estado defende, principalmente, os interesses do Sudeste, apesar de em certas situações exercer também seu papel de legitimação, bem como seu papel de árbitro.") Chaloult, Estado, p. 52. Emphasis in the original.

assumed to be largely the inverse: expenditure policy has directly influenced, if not determined, the dimensions of relative regional development levels.²³⁶

This point is a crucial one in that rebuttals of dependency theory tend to point (albeit often simplistically) to temporary periods of positive regional resource allocation, thereby claiming to have shown that the situation is insignificant in the long run, and that there are, by implication, other causes of regional underdevelopment. An editorial in O Estado de São Paulo, entitled "'Colonialism' of the Center-South against the North," argued that the regional development process was analogous to the national process of industrialization. Import substitution, it continued, had been a necessary step in the formation of national industrial potential, although this method could now be modified in order to make industry more competitive and efficient. The exclusive industrialization of the Center-South was likewise a necessary step, but one that could now be modified. "Under these circumstances," it concludes, "the employment of the term 'colonialism' translates, merely, to the spirit of demagogy and, what is more deplorable, empty demagogy in the worst populist style."²³⁷

²³⁶ In a partial corroboration of this point, Tyler recognizes that the decline in Northeast per capita income would have been significantly greater "had it not been for...government policy promoting investment in the Northeast." Tyler, The Brazilian Industrial, p. 27.

²³⁷ "Nessas circunstâncias, o emprego do termo 'colonialismo' traduz, apenas, espírito de demagogia e, o que é mais deplorável, de demagogia vazada no pior estilo

Chaloult's excessive vagueness as to the identity of the benefactors of this regional exploitation reduces the impact of the question to a great degree.²³⁴ Another analyst concerned with approximately the same range of phenomena, but one who proceeds from a more explicitly "class-conflict" approach, Francisco de Oliveira, contends--in a more straightforward manner--that "the penetration of merchandise produced in the Center-South, and later the penetration of economic groups from the Center-South, which preceded the SUDENE itself, destroyed the bases of the 'regional' economy, agricultural as well as industrial."²³⁵

Class Analysis as a Heuristic Interpretation. Despite the famous invocation of Marx and Engels that "the history of all hitherto existing society is the history of class

²³⁴ (cont'd) populista." O Estado de São Paulo (4 August 1971), p. 3.

²³⁵ Miguel Arraes, a former governor of Pernambuco, in criticizing the notion of internal colonialism, notes that "industrialization under the guidance of a national bourgeoisie in any case could not avoid these [regional] inequalities, since inequality was one of the factors in its rapid expansion. But the domination of the industrial sector by foreign groups made these inequalities more flagrant still, by the way in which its very domination led to a higher still concentration. The central-southern region in addition acts as a suction pump from the inside to the outside of the country; it has to supply the needs of its own operation and also serve the interests of foreign investors." Arraes, Brazil, p. 202.

²³⁶ "A penetração das mercadorias produzidas no Centro-Sul, e posteriormente a própria penetração de grupos econômicos do Centro-Sul, que precede a própria SUDENE, destruiu as bases da economia 'regional', tanto agrícola quanto industrial." Francisco de Oliveira, Elegia para uma Re(li)gião; Sudene, Nordeste; Planejamento e Conflito de Classes, 3a. Edição (Rio de Janeiro, Brazil: Paz e Terra, 1977), p. 111.

struggles,"²⁴⁰ analyses of contemporary Brazilian public policy based exclusively on a class-struggle approach run the risk of incurring certain basic problems. Aside from its extremely complex and, in some respects, mystifying methodology,²⁴¹ it is burdened in most cases by a paucity of historical data.²⁴² Furthermore, recent Marxian analyses, while useful and insightful in generalizing upon the methodology and conceptualizations of Marxism (see: fn. re. Poulantzas, above), have usually chosen to remain somewhat abstract in their area of research, perhaps because of the difficulties latent in moving from the theoretical to case studies, and vice-versa.²⁴³

²⁴⁰ "Manifesto of the Communist Party," Marx and Engels; Basic Writings, p. 7.

²⁴¹ Peter Evans alludes to the difficulties involved in pursuing Marx's methodology, especially in studies employing a broad analytical scope (Evans, Dependent, p. 4) and Fernandes, in the introduction to Evan's book Dependent, likewise regrets the emphasis of most studies upon class relations, but suggests that this is an "almost inevitable flaw." P. xiii.

²⁴² Flynn notes that "the history of the working class in Brazil, as in so many countries, has not yet been written. The poor rarely leave records of the kind historians seek, and under a system of control and institutionalized coercion they are notoriously reluctant to express class or other grievances directly, often preferring to play the game on the terms dictated to them, however much they resent it." He adds, however, that "great care...must be taken with theories elaborated on the supposed lack of class-consciousness among the Brazilian poor...." Flynn, Brazil, p. 75.

²⁴³ In a recent work criticizing the methodology of Althusser and Poulantzas, particularly regarding the question of class analysis, Cardoso stresses that "the critique of political economy contained in Capital has as one of its objectives to refute every type of separation between general theories and particular instances and the isolation of these particular instances from each other. On the other hand, Marxism as a science of history--if it is not to be confused with historical empiricism--signifies precisely an effort at reconstruction of 'concrete

Marxian analyses are nevertheless able to shed light on a number of problems associated with Brazilian development. This is true, for instance, of two important and interrelated interpretations of the Brazilian political system--the "middle-class military coup" and "Bonapartism"--that have emerged at least in part from the Marxian literature, and that require some introduction in this study.

The "Middle-Class Military Coup", a seminal interpretation of the contemporary pattern of Latin American politics (and one that will be discussed in greater depth in the following chapter), was written by José Nun, who²⁴⁴ concludes with some qualifications that military intervention "tends to represent [the middle] class and compensate for its inability to establish itself as a well-integrated hegemonic group."²⁴⁵ Although other analysts of the Brazilian sistema substantiate this hypothesis to varying degrees,²⁴⁶

²⁴³ (cont'd) totalities'." (...a crítica da economia política contida em O Capital tem como um dos seus objetivos recusar todo tipo de separação entre teorias gerais e instâncias particulares e o isolamento dessas instâncias particulares entre si. Por outro lado, o marxismo como ciência da história--se não se confunde com o empiricismo histórico--significa precisamente um esforço de reconstrução de 'totalidades concretas'.") Cardoso, O Modelo Político, p. 107.

²⁴⁴ Nun, "The Middle-Class-Military Coup," The Politics of Conformity in Latin America, ed. Claudio Veliz (London: Oxford Univ. Press, 1967) pp. 66-118..

²⁴⁵ Nun, p. 112. He observes that the "Brazilian variant" is characterized by an extremely heterogeneous middle class and a relatively politicized urban proletariat. Nun, p. 91.

²⁴⁶ Fernandes contends, for example, that "the principal characteristic of the recent evolution of the competitive social order was the rapid differentiation and the enormous

it has been rebutted on at least two counts. First, some analysts, including Coelho, argue that "the attempts to establish a link between the participation of the military officers in political life and the interests of the so-called 'middle-classes' are a contrivance...."²⁴⁷ At best, it is argued, such attempts at direct correlation merely underscore the chameleon-like character of middle class interests, particularly as manifested in Brazil. Second, although it does appear that there is some relationship between the increasingly direct political participation of the 'middle class' and the growth of authoritarianism in Latin America, other analysts, including Cardoso, contend that it is

a false problem to insist that the protagonists of the golpe of '64 belong to the middle class and that the apparatus of the State is controlled by groups and individuals of the middle class. In what capitalist society is it not like this? Only by exception are the offices of the State, even those

²⁴⁶ (cont'd) growth of the middle classes, on the national scale. We did not have an 'awakening of the masses', but an 'awakening of the middle classes.' The grave dilemma, which this alteration puts in place politically, is that the Brazilian society does not provide resources or socio-economic potential to respond to the 'revolution of expectations'...." ("A principal característica da recente evolução da ordem social competitiva foi a rápida diferenciação e o enorme crescimento das classes médias, em escala nacional. Não tivemos um 'despertar das massas', mas um 'despertar das classes médias'. O grave dilema, que essa alteração coloca politicamente, é que a sociedade brasileira não dispõe de recursos nem de potencialidades sócio-econômicas para atender à 'revolução de expectativas'...."). Fernandes, A Revolução Burguesa no Brasil (Rio de Janeiro, Brazil: Zahar Editores, 1975), p. 364.

²⁴⁷ "...as tentativas de estabelecer um vínculo entre a participação dos militares na vida política e os interesses das chamadas 'classes médias' é um artifício...." Coelho, Em Busca, p. 21.

at the top, directly filled by entrepreneurs. The question is not in knowing who occupies the functions of the State, but what type of policies can be implemented within a structural framework that reflects the relation of forces of the social classes."

The relation of forces mentioned by Cardoso suggests a second common theme in class analyses of Latin American authoritarian regimes, and one that is also evident in Nun's work, the phenomenon of "Bonapartism".

The observation that the Brazilian state might be acting in the (albeit vague and heterogeneous) interests of the middle classes, but with a high degree of autonomy in specific instances, suggests the propriety of an analogy to Marx's analysis of nineteenth-century France under the dictator Louis Bonaparte. Marx interpreted the French state as having appeared to have become almost wholly independent from the immediacy of class interests during this period. "As against civil society, the state machine has consolidated its position so thoroughly that the chief of the Society of December 10 suffices for its head, an adventurer blown in from abroad, raised on the shield by a drunken soldiery, which he has bought with liquor and

"...um falso problema insistir que os protagonistas do golpe de 64 pertencem à classe média e que o aparelho do Estado está controlado por grupos e indivíduos da classe média. - Em que sociedade capitalista não é assim? Só por execução os cargos do Estado, mesmo os de cúpula, são preenchidos diretamente por empresários. A questão não está em saber quem ocupa funções no Estado, mas que tipo de políticas podem ser implementados dentro de um quadro estrutural que reflete a relação de forças das classes sociais." Cardoso, O Modelô Político, p. 56. Emphasis in the original.

sausages, and which he must continually ply with sausage anew."²⁴⁹ Schmitter has interpreted the post-1964 Brazilian state as being basically molded along Bonapartist lines, although he adds that Marx's assessment of the transitory character of Bonapartism was incorrect: in fact, Louis Bonaparte himself was able to institute a prolonged and relatively stable administration.²⁵⁰

Bonapartist interpretations of the Brazilian state avoid the most complex question of class analysis, however: the correspondence between ruling-class interests and state behavior becomes relatively unimportant, at least in an immediate sense, because competition and deadlock within the former are assumed to have led to the short-term independence of the latter.²⁵¹

²⁴⁹ Marx, "The Eighteenth Brumaire of Louis Bonaparte," Marx and Engels; Basic Writings, p. 337. Marx argued that the fragmentation of the bourgeoisie, and the lack of a surrogate ruling class, led to this inordinate growth of state power.

²⁵⁰ Schmitter notes, moreover, that "since then, development in political and material technology have made it vastly easier to establish and implement a consistent set of public policies; to capture evidence of emerging opposition by social indicators and/or survey research and to act preemptively; to regiment political activity into a single official party; to 'corporatize' systems of interest representation; to retain a monopoly over the instruments of organized violence; and to socialize and indoctrinate subjects through the media and mass education." Schmitter, "The 'Portugalization'," p. 190. Nun argues that Argentina and Brazil "have continued to be potentially Bonapartist, in so far as the crisis of the domination of the oligarchy has resulted from the action of social groups without a vocation for exercising hegemony. In such conditions there exists a basic tendency to instability, which the Roman-style military coup tries unsuccessfully to correct." Nun, "The Middle-Class," p. 88.

²⁵¹ Cardoso observes that bureaucrats, both civilian and military, have increasingly defined their own interests, and clearly benefit--as individuals and as a group--from

It, is relatively clear that the Bonapartist state in Brazil, if it can be so characterized, continues to support the general interests of the oligarchy,²⁵¹ however, and hence it is interpreted as performing a kind of purgative-like function, correcting systemic dysfunction through a 'cleansing' process before returning authority to constitutional procedures.²⁵²

²⁵¹ (cont'd) bureaucratic-authoritarian rule. Cardoso, "On the Characterization," p. 51. Peter McDonough notes, however, that while "no single institution or organization on the outside has the capacity to monitor or effectively counterbalance the activities of the Brazilian government...the one sector that may qualify as a quasi-equal partner is the business community. The alliance of the technocrats, the military, and the large businessmen against the politicians and urban labor is the foundation of the authoritarian power structure in Brazil." McDonough, "Mapping," p. 97.

²⁵² Eliezer Rizzo de Oliveira maintains that "in their strategic position in the apparatus of the state, after 1964 the military developed, as if they were its own, the objectives of the bourgeoisie." ("...na sua posição estratégica no aparelho do Estado, após 1964 os militares desenvolveram, como se fossem seus, os objetivos da burguesia.") Oliveira, As Forças, p. 41. Emphasis in the original. Along roughly the same lines, Hewlett notes that since 1964 "the economically powerful international and state elites have given their support to military control of government, while the less important national bourgeoisie has grudgingly accepted military rule as the least of several evils." Hewlett, The Cruel, p. 73.

²⁵³ An interpretation that is somewhat removed from that of Bonapartism suggests that "the diversity of norms which rule economic and political relations leads to extreme situations in which the state moves away from the dominant class--divided within itself--in order to correct the system's imbalance. This explains the split between civil society and the political system and the state. The rôle played by the state serves to structurally reinforce its autonomy: it occasionally fills gaps through intermittent waves of participation, filtered from the top down, which are sometimes indispensable in order to redirect or expand its sphere of action, and sometimes become disturbing or dysfunctional phenomena--whenever the pressure from below surpasses the state's capacity for absorption. Participation and authoritarianism predominate in alternate cycles. While the contest is admittedly unequal, given the

Class analyses, and particularly Bonapartism, aptly explain important elements of the background of the following thesis, although they are perhaps less relevant to its primary hypothesis, since it is the effect of the relative presence of military authoritarianism, and not necessarily its theoretical origins, which is being tested. Nevertheless, Bonapartism provides one avenue for explaining such diverse systemic phenomena as the increasing economic role of the state, the continued state defense of the economic interests of multinationals (often under the guise of their "regulation" and "limitation"),²⁵³ and the underlying character of the authoritarian development process that has emerged after 1964. Furthermore, the competition of class interests ultimately remains one of the crucial aspects of the Brazilian development process, and is mirrored by other institutional inequities within the system. The underdevelopment of the Northeast is a case in point.²⁵⁵

²⁵³ (cont'd) slightest leeway, the social movement rises again with renewed vigor." Aspásia Alcântara de Camargo, "Authoritarianism and Populism: Bipolarity in the Brazilian Political System," The Structure of Brazilian Development, pp. 121-122.

²⁵⁴ Colin Leys, in describing Bonapartism in Kenya in somewhat comparable terms, observes that "the 'middle class' whose interests the...government wished to defend, yet whose power it had theoretically broken, was largely a foreign one." Leys, Underdevelopment, p. 208.

²⁵⁵ Velho maintains that "a case analogous to the exploitation of labor is the exploitation of geographic regions (such as the Brazilian Northeast) or of whole sectors of the economy to the detriment of others. Velho, p. 26.

F. Northeast Brazil: A Case Study

The Importance of the Northeast. The development of Northeast Brazil, a region long famous for its poverty, isolation and periodically catastrophic droughts, has been sporadically underwritten by Brazilian presidents since before the turn of this century. Although at least some of these efforts have lacked the perseverance, if not the resources, to bring about even a modicum of change in that region, it can be argued, as does Albert O. Hirschman, that:

the region's size and large population, its historical and cultural importance, the assertive influence and pressure exerted by its elite, and, last but not least, the very depth of misery and degradation into which a large part of its people are periodically plunged, have all made for a nation-wide consciousness that the overcoming of backwardness and suffering in the Northeast is one of the principal tasks of Brazil as a nation."³⁶

Indeed, it is precisely the national importance of Northeast regional development, the sustained institutionalization of its enterprise over the past eighty (and particularly the past thirty) years, and its interrelation with federal policy formation, which recommend it as an important case

³⁶ Journeys, p. 18. Marcio Malveira de Queiroz notes along these lines that "the Northeast illustrates the extremely difficult nature of regional projects in underdeveloped areas." ("O Nordeste ilustra a natureza extremamente difícil de projetos regionais em áreas subdesenvolvidas.") Queiroz, Nordeste 70; Ensaio Sócio-Econômico sobre o Nordeste do Brasil (Fortaleza, Brazil: Imprensa Universitária da Universidade Federal do Ceará, 1971), p.

study of Brazilian politics in general.²³⁷

Northeast regional development represents an important subject in the context of the Brazilian military ideology of development, moreover. Whereas Brazilian industrial development, centered in São Paulo, has been influenced and directed by a variety of interests and agencies, including (since 1964) the civilian technocrats, the development (or underdevelopment) of the Northeast has remained an important political issue for military policy makers.²³⁸ Furthermore, it reflects such diverse issues as corruption and "national security", and therefore tends to elicit a broader view of the developmental character of post-1964 military authoritarianism in Brazil.

²³⁷ As well as in regard to the problems of development in the "Third World" in general. Stefan H. Robock, in his 1963 Brookings Institution study of development in the Brazilian Northeast, observed that "the long development experience and current problems of the vast Brazilian Northeast embrace the full range of issues confronted by most underdeveloped areas in their efforts to achieve economic, political, and social progress." Brazil's Developing Northeast; A Study of Regional Planning and Foreign Aid (Washington, D.C.: The Brookings Institution, 1963), p. 1.

²³⁸ A recent document published by the Brazilian Institute of Economic and Social Planning (IPEA) affirms that "the Revolution of 1964 inscribed, among its priority measures, the correction of regional imbalances. The strategy adopted seeks, fundamentally, the reduction of the inequities of development of the Northeast, in relation to the rest of the country, and the productive occupation of Amazônia and the Center-West." ("A Revolução de 1964 inscreveu, entre suas metas prioritárias, a correção dos desequilíbrios regionais. A estratégia adotada visava, fundamentalmente, a redução dos desníveis de desenvolvimento do Nordeste, em relação ao resto do País, e a ocupação produtiva da Amazônia e Centro-Oeste." Brasil: 14 Anos de Revolução (Brasília: IPEA, 1978), p. 2.

Underdevelopment in the Northeast. The Brazilian Northeast is both an underdeveloped region of a rapidly industrializing country, and an area which is victimized by recurrent climatological and economic crises which bring wide-scale and profound suffering to many of the region's more than thirty million people. The first of these interrelated problems, the general conditions of poverty in the Northeast, is such that "economic indicators place the area in the same category with underdeveloped zones of Asia and Africa: high illiteracy, malnutrition, inadequate education and housing, and an antiquated agrarian establishment that remains immune to change."²⁵

The archaic and repressive social structure of the Northeast, and the region's persistent syndrome of regional dependency, are important factors in its endemic poverty. These factors have been commonly submerged in the traditional explanation of underdevelopment in the Northeast, which emphasizes the import of periodic catastrophe (primarily drought). This in reality affects only a part of the region.²⁶ Stefan Robock has stressed that this traditional explanation of underdevelopment in the Northeast, the recurrent seca, or drought, is an incomplete

²⁵ Riordan Roett, The Politics of Foreign Aid in the Brazilian Northeast (Nashville: Vanderbilt Univ. Press, 1972), p. 11.

²⁶ The periodic droughts are nevertheless a significant factor in the totality of regional problems. Recent reports of the worst drought since the legendary 1877 seca (see: Veja, 18 March 1981, pp. 44-53) have rekindled fears that limited Northeast development funds will continue to be rechanneled to the maintenance of drought victims.

and misleading answer to the major developmental questions facing the region. Robock argues that "as the largest area of poverty in South America and known internationally for its periodic droughts, this part of the country is so often referred to by journalists and other writers as the 'drought-stricken Northeast' that many people have come to accept this cliché as the official name of the region."²⁶¹ Drought in the Northeast constitutes only one of an array of regional problems,²⁶² however, which vary between the economic and geographic zones of the region.

Brazil is characterized by strikingly distinct economic "zones" based upon urbanization, or the urban/rural duality (see: references to this by Lambert--above), and geography. The Northeast can be divided geographically into three major

²⁶¹ Robock Brazil: A Study, 78. Robock adds that "the secas have come less and less to dominate the regional thinking and governmental concern, and the developmental approach has increasingly shifted to one of reducing poverty through economic expansion rather than fighting the physical phenomenon of the periodic seca through building reservoirs." p. 79.

²⁶² Low agricultural productivity is a crucial regional development problem, and Raouf Kahil notes that this can be related to "the high proportion of landless labourers and smallholders, the low levels of their health and education, the very high ratio of labour to capital and, in recent years, the declining fertility of the soils...the origin of the first two factors can be traced back to the sugar plantation system with its concentration of property in a few hands and its reliance on slave labour. Even today more than half of rural families have no land or own plots that are too small to provide for their subsistence; and although slavery was abolished in 1888, the descendants of the former slaves and other agricultural labourers continue to lead a life of misery...their illiteracy rate is very high, their diet inadequate, and they are plagued with a variety of diseases." Kahil, Inflation and Economic Development in Brazil, 1946-1963 (London: Clarendon Press, 1973), pp. 18-19.

zones: the litoral, or zona da mata, a tropical coastal zone where relatively high rainfall produces a tropical rain forest climate along with sufficient sunlight for the production of sugar; the zona agreste, or forested transitional zone, which borders on the litoral and is slightly higher in elevation and less humid. This zone likewise figures in the production of sugar, as well as fruit and vegetable production under subsistence and latifundium production conditions. Finally there is the sertão, or backlands, a huge inland plateau (with a savannah climate) which is periodically stricken by drought. This zone supports subsistence farming, cattle ranching (usually by tenant farmers), and a variety of relatively recent "experimental crops" including cotton, sorghum and several varieties of cactus.

A relatively small percent of the total regional population lives in the sertão, although the history of this zone has deeply affected the Northeast, and it would be misleading to discount the disastrous drought syndrome as a contributing factor (but not as a single cause) in regional underdevelopment. Charles Wagley, in his book An Introduction to Brazil, describes the droughts, which were reported in 1710-1711 and thereafter in eight to fifteen year cycles. In one drought alone, from 1877-1879, "the entire sertão was burned black by the sun, the cattle died, and there were no crops. One writer estimated that almost 500,000 people had died from starvation or from diseases

connected with starvation during this single drought period."²⁶³ During the last decade, and particularly the last three years, reportedly the worst drought since 1877 has afflicted the sertão, and although only nine deaths had been attributed to it by March of 1981, it has profoundly affected the roughly thirteen million people scattered over the 85% of the region that is drought-stricken, an area larger than France and Italy. At least thirty-nine cities have been "invaded" by famished refugees, who usually looted limited food supplies.²⁶⁴

There is intense poverty in the other zones of the Northeast, however, and it is endemic as well in the sertão, even during periods of adequate rainfall. Celso Furtado argues that the traditional single-cause explanation of underdevelopment in the Northeast is related to the interests of ruling classes of the Northeast who "for a long time lived on federal government funds administered in an equivocal manner...." Furtado concludes that, in accepting the drought as the single cause of underdevelopment in the Northeast, "we are dealing with a dramatization based on false problems that deflects attention from the real ones. For this reason, the 'droughts' have been made into the great enemy to be contended with, responsible for all the ills that torment the Northeasterner."²⁶⁵

²⁶³ Charles Wagley, An Introduction to Brazil (New York: Columbia Univ. Press, 1971), p. 41.

²⁶⁴ Veja, 18 March 1981, pp. 44-46.

²⁶⁵ Celso Furtado, Diagnosis of the Brazilian Crisis (Berkeley: Univ. of California Press, 1965), p. 127. Furtado concludes that "to put right the false image, and to

An attempt to understand the effects of public policy in the region is one point of access to understanding the complex reality of its problems.

A key instrument of Northeast regional development policy since 1959 has been the Superintendency of the Development of the Northeast, or SUDENE.²⁶⁶ Following the drought of 1958, a prominent Northeastern economist, Celso Furtado, was appointed to assemble a team of analysts to investigate the causes and possible solutions to the problem of persistent regional underdevelopment. The immediate result was the famous GTDN report,²⁶⁷ and the subsequent establishment of the SUDENE, charged with the development of the region, and (theoretically, at least) given the power to challenge the interests of the local oligarchy.²⁶⁸

The failure of the SUDENE to carry out its mandate between 1960 and 1964 represents a complex subject that is deeply embedded in the collapse of populism during that period. Moreover, the military golpe of 1964 signalled an end to whatever structural changes the SUDENE had been able to initiate, and the dismissal of Furtado as its superintendent. Despite the continued sporadic use of the

²⁶⁶ (cont'd) give an accurate picture of the complex reality of the region, is the first requirement for an understanding of the problem of the Northeast." P. 127.

²⁶⁷ A Superintendência do Desenvolvimento do Nordeste.

²⁶⁸ The acronym stands for "Grupo de Trabalho para o Desenvolvimento do Nordeste," or "Working Group for the Development of the Northeast," and its report (Uma Política de Desenvolvimento Econômico para o Nordeste, Rio de Janeiro, Brazil: Departamento de Imprensa Nacional, 1959) will be cited hereafter from its 1967 reprinted edition.

²⁶⁹ Riordan Roett, The Politics, p. 11.

SUDENE by post-1964 governments as a mechanism for instituting a tax-incentive industrialization program, the agency had lost its central rôle in the Northeast development process, and it was soon forced into the traditional inter-agency competition for scarce federal resources, perhaps at a certain disadvantage.

Ideology and Brazilian Development. A central question of this thesis is the extent to which ideological differences vis-à-vis the issue of Northeast regional development might be said to exist between particular Brazilian military administrations after 1964. Definitions of the term "ideology", as it relates to development, are admittedly both numerous and contentious,²⁶ although it is this perspective that has been increasingly recognized as constituting an important dimension to the study of both comparative public policy, and, indeed, comparative politics in general.²⁷

²⁶ A relatively straightforward definition is suggested by Samuel P. Huntington, who defines political ideology as "a set of values and attitudes oriented about the problems of the state." Huntington, The Soldier and the State; The Theory and Politics of Civil-Military Relations (Cambridge, Mass: Harvard Univ. Press, 1957), p. 90.

²⁷ Jean Blondel, using the term "norms" in roughly the way in which we are using the term "ideology", argues that "there is...a relationship among norms, structures, pace of change, and original support, which gives the study of comparative government its unity--and importance--in the contemporary world." Blondel, Comparing Political Systems (New York: Praeger Publishers, 1972), p. 232. Robert Putnam has noted that "the link between ideology and politics continues to attract the attention of students of politics, for it lies close to the core of our collective concerns: how men act politically and how they ought to act." "Studying Elite Political", p. 651.

The following study focuses upon the relationship between public policy and development, and hence adopts a relatively cursory definition of the term "ideology." An apposite definition of the term is offered by Hirschman, who recommends his use of the term "ideology" (in the study of public policy formation) as "without derogatory connotation, to designate any moderately consistent body of beliefs, ideas or propositions, tested or untested, that aims at explaining Latin America's economic backwardness and at indicating its cure."²⁷¹ Although such a definition expresses several of the concerns of this study,²⁷²

²⁷¹ From: "Ideologies of Economic Development in Latin America," Latin American Issues; Essays and Comments, ed. Hirschman (New York: Twentieth Century Fund, 1961), p. 3.

²⁷² Two contrasting bodies of beliefs, which have frequently been at odds with each other in the Brazilian setting, are summarized by Octavio Ianni: "The history of Brazilian governmental economic policy, since 1930, indicates that it oscillated between two principal tendencies: One of these, which can be called the nationalist development strategy, predominated in the years 1930-45, 1951-54 and 1961-64. It contained, as an implicit or explicit presupposition, the plan of national capitalism, as the sole alternative to economic and social progress....The other, which can be called the dependent development strategy, predominated in the years 1946-50, 1955-60 and 1964-70. It contains, as an implicit or explicit presupposition, the plan of dependent capitalism, as the sole alternative for economic and social progress." ("A história da política econômica governamental brasileira, desde 1930, indica que esta oscilou entre duas tendências principais. Uma dessas tendências, que pode ser denominada estratégia de desenvolvimento nacionalista, predominou nos anos 1930-45, 1951-54 e 1961-64. Ela continha, como pressuposto implícito ou explícito, o projeto de um capitalismo nacional, como uma única alternativa para o progresso econômico e social....A outra, que pode ser chamada estratégia de desenvolvimento dependente, predominou nos anos 1946-50, 1955-60 e 1964-70. Ela continha, como pressuposto implícito ou explícito, o projeto de um capitalismo dependente, como única alternativa para o progresso econômico e social.") Ianni, Estado e Planejamento Econômico do Brasil (1930-1970), 3a. Edição (Rio de Janeiro, Brazil; Civilização Brasileira, 1979), pp.

it is perhaps useful at this juncture briefly to consider several ways in which the terms "ideology" and "political ideology" have been defined in the past.²⁷²

One of the most thoroughgoing attempts to explore the parameters and function of ideology in relation to social and political norms was a multifaceted and interdisciplinary study published in 1950, The Authoritarian Personality, by T. W. Adorno and others. The authors defined ideology as standing for "an organization of opinions, attitudes, and values--a way of thinking about man and society." However, they added two important caveats to existing narrow systemic and intra-societal definitions of the term. While agreeing that ideologies must consist of discrete organizations (or systems) of ideas and ways of regarding man and society, the authors argued that it is possible to "speak of an individual's total ideology or of his ideology with respect to different areas of social life: politics, economics, religion, minority groups, and so forth." Furthermore, although Adorno and his fellow researchers studied the attitudes and biases of a sample of individuals, from which they made generalizations about a larger society, they repeatedly argued that "ideologies have an existence independent of any single individual; and those which exist

²⁷²(cont'd)307-308. Emphasis in the original.

²⁷³ Talcott Parsons expressed a classic (and seminal) social science definition of the term "ideology" when he defined it as "a system of beliefs, held in common by the members of a collectivity...which is oriented to the evaluative integration of the collectivity." Parsons, The Social System (New York: Free Press, 1964), p. 349.

at a particular time are the results both of historical processes and of contemporary social events."²⁷⁴

This last qualification is of special interest to the following study, for a common interpretation of Latin American politics underscores the extensive (or substantial) influence of personalismo, the politics of individualistic and powerful leaders, and this is taken to mitigate the importance of many other possible dimensions of politics, including that of ideology.

The Brazilian military has been very careful to prevent the emergence of a single, personalistic leader since 1964, and hence has undercut at least some of the arguments for considering the predominance of personalism in the Brazilian system. As Philippe C. Schmitter observed, "Brazil's military rulers have followed practices that have deprived most political actors of their autonomy, narrowed the arena of 'permissible' political choice, and sought to eliminate all alternative system outcomes except self-perpetuation in power."²⁷⁵ These comments should not be taken to imply that there are no divisive strategies (ideological factors) operating within the military organization. It should be regarded, rather, as confirmation that on meta-ideological issues there is a degree of consensus among the military."²⁷⁶

²⁷⁴ T. W. Adorno, et al., The Authoritarian Personality (New York: Harper and Row, 1950), p. 2.

²⁷⁵ Philippe C. Schmitter, "The 'Portugalization'", p. 179.

²⁷⁶ The term "meta-ideological" is used to identify those very general and agreed-upon tenets of ideology which are "beyond dispute". An example of a meta-ideological issue would be the very general (and non-specific) support of "national security". Alfred Stepan contends that "since

Norman Gall, in an article published in 1977, observed that "while the military rule Brazil for the moment, and for the foreseeable future, they cannot administer such a complex enterprise alone and they seem to be continually divided over what to do with it."²⁷⁷

The identification and elaboration of specific and "moderately consistent bodies of beliefs," ideologies of development, are nevertheless difficult tasks in a field of study that is as complex as is Brazilian regional development policy. Perhaps the most formidable obstacle to such an endeavor is the cynical appraisal, articulated by Edward Feit, that "ideology follows the military seizure of power, and then only after some time has elapsed."²⁷⁸ In this sense, ideology can be regarded as a reflection of elite self-interest, and it is assumed that it can be associated with a series of battles--both physical and 'intellectual'--which arise between competing ideologies, partisan struggles which result in simplistic and stereotyped positions. Giovanni Sartori would seem to concur in large measure, given his observation that

²⁷⁷ (cont'd) 1964, the military has frequently been internally divided over specific policies and the problems of succession. Nevertheless, one must not lose sight of the important point that many of the doctrines of internal warfare, formulated originally at the ESG and later institutionalized in the ESG-influenced government of Castello Branco, permeated almost all major military groups in Brazil and were accepted as a basic new fact of political and military life." Stepan, "The New Professionalism," p. 58.

²⁷⁷ Norman Gall, "The Rise of Brazil," p. 52.

²⁷⁸ Edward Feit, "Pen, Sword, and People: Military Regimes in the Formation of Political Institutions," World Politics, 25, No.2 (January, 1973), p. 256. Emphasis in the original.

"ideologies are the crucial lever at the disposal of elites for obtaining political mobilization and for maximizing the possibilities of mass manipulation."²⁷

These arguments lend plausibility to the definition of the term formulated by one author: "ideological expressions are to be viewed as attempts to sell and defend particular viewpoints about which patterns of social values and beliefs should be the norms guiding the conduct of authority in the state. Just as there are competing social values, there are also competing ideologies."²⁸ Furthermore, the understanding of ideologies as competing 'platforms' is not inconsistent with the argument that there is a close relationship between ideology and the routinization of power. Hence, Feit maintains that in many developing countries "ideology is used to justify the exercise of power by soldiers and administrators within a framework of assertive symbols and symbolic claims..."²⁹

²⁷ Giovanni Sartori, "Politics, Ideology, and Belief Systems," APSR, 63 (1969), p. 411. Moreover, as Philippe C. Schmitter noted, "most of the general accounts of Brazil since 1964 have emphasized the dramatic ideological changes at the elite level. In particular they have emphasized the preponderant role of a single set of values known as the 'doctrine of national security' as elaborated by a clique of military intellectuals, the Superior War College (ESG)." In: "The 'Portugalization'", p. 218.

²⁸ L. Adele Jinadu, "Ideology, Political Religion, and Modernization: Some Theoretical and Empirical Explorations," African Studies Review, XIX, No. 1 (April, 1976), p. 126. Jinadu argues that, "viewed in this perspective, ideologies do not serve to legitimize or maintain or promote authority, as Apter... maintains. Rather, they serve to justify authority or to advocate how authority should be exercised." p. 126.

²⁹ Edward Feit, "Pen, Sword, and People", p. 255.

The definitions and explanations of the term ideology mentioned above should not necessarily be understood to connote active and premeditated conspiracy on the part of the adherents, although some ideologies are propagated by, or through, social "agreement," and the origins of some tenets of ideologies obviously derive from elite (conspiratorial) design. Competing ideological "perspectives" may well come into conflict in a given situation, and it is possible in most situations to assume that these "moderately consistent bodies of beliefs, ideas, and propositions" represent sincere and perhaps even unconscious political goals, often shared by entire social classes, including that of the elite. Gabriel Almond and G. Bingham Powell, in their book Comparative Politics: A Developmental Approach, describe the ideological function of political parties in developing countries in words that largely apply to the interrelationship between ideology and public policy in many countries. They note that

such an ideology defines the proper behavior of mass and elite alike, setting forth particular criteria for political legitimacy and prescribing political tactics. Adherents to the ideology are rewarded by a sense of order, a sense of identity, and a respite from the emotional confusion brought about by change. Fulfilling such needs can be a powerful factor in mobilizing support for a regime and a political system. Thus, the ideological party supplies a complete scale of evaluation for the political culture.¹⁰²

It is toward an identification and analysis of one such

¹⁰² Almond and Powell, Comparative Politics (Boston: Little, Brown and Company, 1966), pp. 125-126.

'scale of evaluation' that this study ultimately is directed.

G. Background to the Approach

Analyses of Brazilian Public Policy. A growing body of literature focuses upon the important interrelation of ideology and the public policy of development in Brazil. Although a number of perceptive analysts, including dependentistas Chaloult, Evans and Cardoso, "brasilianistas" Schmitter, Stepan and Schneider, and public policy analysts dos Santos and Brasil de Lima Júnior, have already been introduced in this chapter, several important critics of the Brazilian development process who exert some influence upon the approach adopted by this thesis should be briefly summarized at this juncture. They occupy a relatively broad spectrum of methodological and political interpretation, although their general focus is that of public policy analysis and/or the analysis of Northeast regional development.

Francisco de Oliveira, who is associated with Cardoso's Centro Brasileiro de Análise e Planejamento (CEBRAP) and is a former "substitute superintendent" of the SUDENE, presents--in his key work on Northeast regional development--a class analysis of the public policy for the

region.²¹³ while emphasizing the artificiality of the regional delimitations themselves.²¹⁴ The form of class conflict in the Northeast, which Oliveira calls the most "classic" (while also the most "archaic") in Brazil,²¹⁵ includes a basic struggle between indigenous (sugar-based) and external (cattle and cotton-based) capital, and this has been the primary cause, in Oliveira's estimate, for the underdevelopment of the region.

Sérgio Henrique Hudson de Abranches, in his unpublished Ph.D. thesis, "The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil," argues that Brazilian military authoritarianism after 1964 has progressively impoverished civil society of "autonomous" mechanisms for the articulation, aggregation, and organization of interests. The state became the decisive

²¹³ Oliveira maintains that "the dictatorial state...is not only the armed might of the bourgeoisie...it is itself a new exploiting agent [of] the vast national working class that also embodies the rural proletariat, a country without regional borders, except in memory." ("...o Estado ditatorial...não é apenas o braço armado da burguesia mas...é, ele mesmo, um novo agente explorador, a vasta classe trabalhadora nacional que engloba agora também o proletariado rural, um país sem fronteiras regionais, a não ser as da memória.") Oliveira, Elegia, p. 14.

²¹⁴ Oliveira calls it a "concept of region that is based on the specificity of the reproduction of capital, on the forms that the process of accumulation assumes, on the structure of classes peculiar to these forms, and therefore also on the forms of class struggle and social conflict on a more general scale." ("...um conceito de região que se fundamenta na especificidade da reprodução do capital, nas formas que o processo de acumulação assume, na estrutura de classes peculiar a essas formas e, portanto, também nas formas da luta de classes e do conflito social em escala mais geral.") Oliveira, Elegia, p. 27.

²¹⁵ Oliveira, Elegia, p. 96.

mediatory instance as well as the main arena for all political transactions."²¹⁶ Abranches's arguments, reminiscent of "Bonapartism", lead to the conclusion that these moves of the system toward increasing authoritarianism after 1964, with concomitant "narrow political parameters, arbitrariness, undue secrecy, administrative blunders,"²¹⁷ are the natural result of "the almost obsessive concern with social order and the adherence to an encompassing and rather nebulous conception of national security [which] serve[s] as an ideological justification for the repression of any moves by political agents to check...distortions in state activity."²¹⁸

One intensive analysis which, although it does not focus upon regional policy funding, provides a wealth of information in Brazilian federal policy analysis (prior to 1970) is Margaret Daly Hayes's "Policy Consequences of Military Participation in Politics: An Analysis of Tradeoffs in Brazilian Federal Expenditures."²¹⁹ Hayes turns to a variety of valuable data sources in her elaboration of a "guns-v-butter" notion of "trade-offs" (varying across two

²¹⁶ This breakdown of class hegemony, according to Abranches, has led to the "bureaucratic encapsulation of social interests." Abranches, "The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil," Ph.D. Dissertation, Cornell Univ., 1978, p. 35.

²¹⁷ Abranches, p. 121n.

²¹⁸ Abranches, pp. 445-446.

²¹⁹ Margaret Daly Hayes, "Policy Consequences of Military Participation in Politics: An Analysis of Tradeoffs in Brazilian Federal Expenditures," Comparative Public Policy: Issues, Theories and Methods, ed. Craig Liske, William Loehr and John McCamant (New York: John Wiley and Sons, 1975).

post-1964 administrations) in policy between military priorities and social, infrastructural, civilian and military personnel expenditures.²²⁰ She concludes that, ceteris paribus, "military and civilian governments do not appear to have differed substantially in policy preferences."²²¹ For the most part, however, her data base is limited to the years before 1968.

Hirschman, in his work Journeys Toward Progress, provides a detailed historical account of Northeast regional development efforts between 1877 and 1962, with a limited account of subsequent efforts in the 1973 edition. His careful attention to the results of sporadic policy formation is not far from the general focus of study that is proposed by Wilkie, although it lacks the explicit interrelation of policies with data for socio-economic change which the latter study formulated. Hirschman carefully follows the formation and political transformation of Northeast Brazilian regional development agencies, and

²²⁰ Dos Santos and Brasil de Lima Júnior, in criticizing Hayes's work, caution (in terms that apply equally to a work such as this thesis) that "first, in Brazil one cannot speak of preferences of the different administrations without incorporating into the analysis information relative to the decentralized sector of the administration; and second, neither can one speak of these preferences without assessing the real margin of choice of the different administrations, even in terms of budgetary allocations. The distinction between fixed and nonfixed budgetary expenditures cannot be dismissed." Dos Santos and Brasil de Lima Júnior, p. 217 In another work, Hayes concludes that political considerations are strongly correlated with welfare policy allocations. Hayes, Policy Outputs in the Brazilian States, 1940-1960: Political and Economic Correlates (Beverly Hills, California: Sage Publications, Comparative Politics Series, 1972), p. 43.

²²¹ Hayes, p. 49.

thereby traces many of the salient issues of the political and socio-economic development of the region.²⁹² As one reviewer has noted, Hirschman's study "suggested that decisions appear to be made in the absence of any systematic pressure from those directly concerned. Decisions are formulated by a fairly small group of people at the top stimulated by outbreaks of violence or natural disasters and employing some current diagnosis...."²⁹³ This "current diagnosis" can be seen as corresponding to the kinds of ideological considerations that figure in the "periods", and represents the dimension which I will explore in the following study.

The Approach. An analysis of the formative historical and ideological background of the relationship between military authoritarianism and national development in Brazil is the

²⁹² He isolates what he feels to be a primary principle of regional development policy: "...in a country with one area that is rich and growing and another that is poor and stagnant, the latter is likely to be the stepchild of public investment for a prolonged period. The need to provide the growing area with essential transportation services and utilities is so commanding that the poorer area is able to squeeze in only during periods of extraordinary prosperity and 'inflationary excess'; it is likely to be cut out as soon as 'sound finance' takes over. Paradoxically, public spending on the poor area thus is likely to display the features usually associated with private spending on luxuries...The pattern is only broken when the backward region begins to show substantial growth or when the promotion of such growth has become a matter of paramount national urgency." Hirschman, Journeys, p. 36. Emphasis in the original.

²⁹³ Douglas A. Chalmers, "Political Groups and Authority in Brazil: Some Continuities in a Decade of Confusion and Change," Brazil in the Sixties, edited by Riordan Roett (Nashville: Vanderbilt Univ. Press, 1972), 74.

central task of the first four chapters of this dissertation. Chapter 5 addresses the way in which these elements are joined during the Brazilian "miracle", and its aftermath. Of particular interest in that chapter are two general kinds of questions: first, is the overall military policy undifferentiated between the specific executive administrations of post-1964 Brazil? Second, is the sporadic and episodic character of Northeast regional policy strictly descriptive of an incoherent, or at least unpatterned, general policy posture? The dependent variables, the foci of research, include the scope, means and distributive dimensions of major Northeast regional expenditure policy initiated and/or maintained since 1964, with particular attention paid to efforts that were organized between 1969 and 1972.²²⁴ Primary independent variables include the ideological currents associated with the various presidential administrations following the establishment of military government in 1964, particularly that of General Médici. Possible intervening variables include drought years, national foreign trade imbalances, and the sporadic nature of Brazilian policy output in general, the last of which receives considerable attention as an independent variable in Hayes's study.

²²⁴ Keeping in mind the caution stressed by dos Santos and Brasil de Lima Júnior that "analyses of government performance, and mainly the establishment of the determinants of public expenditures, depend fundamentally on how the dependent variable--public expenditures--is operationalized." Dos Santos and Brasil de Lima Júnior, p. 216

The hypothesis addressed at the end of this study is that military authoritarianism and effective expenditure policy for Northeast regional development are inversely related after 1964. Several assumptions, or conditions, which relate to it, are examined throughout the dissertation. First, the differences between specific military administrations after 1964 are explored in their ideological orientations vis-a-vis the development of the Northeast, and these varying conditions related to the existence of discrete ideological development "periods".

Most assessments of "periods" of Brazilian development are outdated, although a number of these imply the validity of "periodizing" according to presidential administrations. Donald E. Syvrud notes that "in assessing the economic and social consequences of the balanced growth strategy pursued by successive Brazilian governments since 1964, we distinguish between two periods, April 1964 to mid-1967 and from mid-1967 through 1972. These two periods are distinguished primarily by varying economic performances, with the first period characterized by stagnation and a rapid decline in the rate of inflation, and the second period by a rising rate of economic growth and moderate declines in the rate of inflation. These two periods also coincide with the regimes of the Castello Branco technocrats, under the leadership of Octavio Bulhões and Roberto Campos, and the new economic orientation under the leadership of Antônio Delfim Netto. The economic strategies pursued by these two regimes remained generally the same throughout the two periods, with the single major exception the price stabilization strategy." Syvrud, Foundations of Brazilian Economic Growth (Stanford, California: Hoover Institution Press, 1974), p. 55. Abranches, on the other hand, contends that "the last two decades of Brazilian development are interpreted [herein] as the result of a single movement towards the establishment and consolidation of a new pattern which could be analytically divided into three distinct moments. The first moment (1956-1964) corresponds to the materialization of profound changes in the productive structure and to a cycle of accelerated capital accumulation which would last until the early 1960s. The second moment (1964-1968) was characterized by important politico-institutional reforms which resulted in a renewed state structure, a new financial scheme for capital accumulation, and an authoritarian organization of political

The results should not be taken to imply that the administrations have constituted the "single causes" of such periods, but rather that there has been a complex interrelation with the development process on the level of public policy formation. In this sense it might be said that administrations have both determined and reflected (to some extent) prevailing periods. This is important if only in the sense in which Wilkie argued that "the periods of ideological drive offer a way to look at the spirit of the times in Mexico."²⁵⁵ Again, it is just this "spirit of the times", this pattern of policy formation (and hence problem solving), which is of central interest in the analysis and prediction of Brazilian military policy.

Second, the public expenditure and distributional dimensions of Northeast regional development policies are examined to determine in what ways they might be said to differ significantly between separate military administrations after 1964. This condition is not unrelated to the observation, expressed by one political analyst, that "the military's erratic experimentation with the creation of political institutions suggests that Brazil will continue to be marked by institutional instability in the foreseeable future."²⁵⁷

²⁵⁵ (cont'd) direction. The third moment (1968-?) is one of "maturity," characterized by the consolidation of the pattern and the final institutionalization of authoritarian rule." Abranches, p. xii. Emphasis in the original.

²⁵⁶ Wilkie, pp. 38-39.

²⁵⁷ Chalmers, p. 76.

The third condition examined is that of the presence of continuities in Northeast regional policy formation, and their bearing on wider questions of Brazilian military policy formation.²²² This, again, is contingent upon the importance which the development of the Northeast has been allotted. Although, as arguments above have already indicated, the development of the Northeast does have a considerable status in the plans and programs of Brazilian national development, the extent and methods of policy implementation are by no means clear. Hirschman wrote in 1963 that "public spending in the Northeast tends to come on top of, rather than in lieu of, spending in the Center-South. Like any poor relative, the Northeast gets taken only to those parties at which the rich relatives are also present--to the real big, inflationary parties."²²³ While the status of the development of the Brazilian Northeast with respect to other national development priorities has changed since 1964, the extent and scope of this change remains to be explained. It is, in fact, toward such an explanation that a broad-based policy analysis directs itself.

²²² Simeon notes that policy analysis--analysis of the dependent variable--tends to be followed analytically back to the independent variable. Thus a policy analysis of Northeast Brazilian expenditure policies ultimately attempts to achieve a greater understanding of the sources of policy, and hence of the history and political framework of the Brazilian federal government. Simeon, p. 556.

²²³ Hirschman, Journeys, p. 37.

H. Conclusion

Analyses of Brazilian public policy performance, even in relatively limited case studies, tend to suggest the profound degree to which this largest of Latin American countries must be interpreted as an interrelated whole. The central questions raised in this dissertation require a broad-spectrum historical and ideological analysis. Furthermore, a focus upon the issue of Northeast regional development, seen here as uniquely suited to tapping the military (as opposed to the civilian-technocratic) component of the predominant ideologies of post-1964 governments, recommends the need carefully to assess both the political economy and the fundamentally heterogeneous character of these governments as measured across a variety of policy areas.³⁰⁰

The measurement of effective expenditure policy, as analyzed in its distributive demographic effects, moreover, underscores the ambiguous character of the Brazilian development process. The heavy commitment of post-1964

³⁰⁰ Cardoso cautions, for example, that the Médici regime "did not constitute merely a club of functionaries, more or less controlled--along major lines--by the military corporation. It was also a regime of companies [or enterprises]. This is, in my view, the aspect most relevant to the political discussion about the so-called 'Brazilian model'." ("...o regime [de Médici] não se constituiu apenas como um clube de funcionários, mais ou menos controlados--nas linhas mestras--pela corporação militar. Ele foi também um regime de empresas. É este, a meu ver, o aspecto mais relevante para a discussão política sobre o chamado 'modelo brasileiro'.") Cardoso, Autoritarismo, p. 204.

Brazilian regimes to imported technology, which has rendered the system highly vulnerable to international economic transformations,³⁰¹ seems to coexist with a sincere desire (albeit one that appears to have emanated from purely economic reasons) on the part of the government to reduce the socio-economic disparities that have been entrenched in the past decades.³⁰² Among these, regional disparities have been widely recognized as constituting the greatest challenge to the sistema.³⁰³

³⁰¹ Gall reports that "the technology that helped make the 'miracle' possible may also contribute to Brazil's undoing, for the key to it all has been the availability of cheap energy. Because of the accidents of geology, no other continental nation is believed to be so deficient as Brazil in economically useful deposits of fossil fuels. Petrobrás has never been able to supply more than one fourth of the country's needs from its domestic operations. In the 1950s and 1960s, decades which saw the demand for energy supplies grow fivefold, Brazil could take advantage of the low price of imported oil. After the price of oil quadrupled in 1973-74, the entire course of its economic growth was suddenly jeopardized. Since that time its debts have multiplied, with foreign capital increasingly being siphoned away from the development projects to compensate for huge trade deficits caused by the increased cost of oil imports." Gall, "The Rise," p. 47.

³⁰² Mário Henrique Simonsen, an important post-1964 "technocrat", and the Minister of Finance after 1974, affirms that "the principal objective of any economic policy should abide in the improvement of the pattern of life of the population. Or, what is the same, to improve quantitatively and distributively the internal market for consumer goods." (Seria ocioso lembrar que o principal objetivo de qualquer política econômica deve residir na melhoria do padrão de vida da população. Ou, o que é o mesmo, aumentar quantitativa e distributivamente o mercado interno de bens de consumo.) Simonsen, "Táticas de Conjuntura e Estratégia de Desenvolvimento," speech given at the Escola Superior de Guerra Naval, Rio de Janeiro (23 November 1976), reprinted in Palestras a Conferências (2o. Semestre 1976), p. 71.

³⁰³ Nilson Holanda, a former president of the Northeast Development Bank (BNB), contends that "in the array of the strateg[ies] of development of the Brazilian economy of the last decades, the objective of reduction of the regional

The 1969-1972 period was unique in modern Brazilian history; unparalleled economic conditions³⁰⁴ allowed the government the expenditure considerations necessary to pursue its policy objectives without the immediacy of financial constraints. As an area which ranked high in military

³⁰⁴(cont'd) disparities has constituted perhaps the most complex and difficult challenge to government policy." ("No conjunto da estratégia de desenvolvimento da economia brasileira das últimas décadas, o objetivo de redução das disparidades regionais tem constituído talvez o desafio mais complexo e difícil da política governamental.") Holanda, "A Política de Desenvolvimento do Nordeste," Revista Econômica do Nordeste, 7, No. 2 (April/June 1976), p. 219.

³⁰⁵ Holanda, writing in another development journal, notes that the 1968-1973 period "is characterized as one of the most brilliant in the history of Brazil in terms of economic performance. The average rate of growth was 11.5% per year. Exports grew from US\$1,654 million in 1967 to US\$6,199 million in 1973. And inflation was put under reasonable control, presenting declining rates year after year." ("Já o segundo período--que vai de 1968 a 1973--se caracteriza como um dos mais brilhantes da história do Brasil em termos de desempenho econômico. A taxa média de crescimento foi de 11,5% ao ano. As exportações cresceram de US\$1.654 milhões em 1967 para US\$6.199 milhões em 1973. E a inflação foi posta sob razoável controle, apresentando taxas declinantes de ano para ano.") Holanda, "Desempenho Recente e Perspectivas," Rumos de Desenvolvimento, 2 No. 11 (May/June 1978), pp. 8-9. President Médici, in his New Year's Address of 1971, noted that "despite a fall of one-third in coffee production and the almost total loss of Northeastern crops, despite the special appropriations, more than one million cruzeiros per day, with which for more than 200 days the federal government has been helping the [Northeastern drought] refugees, the country arrives in 1971 with the lowest inflation rate of the last 12 years, a great quantity of international reserves, the highest export balance in all of our history and one of the highest economic growth indices in the entire world." ("Apesar de queda de um terço da produção cafeeira e da perda quase total das plantações nordestinas, apesar dos recursos extraordinários, além de um milhão de cruzeiros por dia, com que por mais de 200 dias o governo federal ainda ajuda o flagelado, chega o País a 1971 com a menor taxa de inflação dos últimos 12 anos, grande volume de reservas internacionais, a maior receita de exportação de toda a nossa História e um dos mais elevados índices de crescimento econômico do Mundo inteiro.") As cited in O Estado de São Paulo, (1 January 1971), p. 28.

priorities, Northeast regional development might be assumed to be a natural beneficiary of such conditions.

The predominant (and often ambiguous) ideological currents of a military dictatorship in a "dependent-developing" country thus occupy the central theoretical focus of this study. "National security" and "national development", while not mutually exclusive currents of military ideology, have apparently become mutually-interacting and mutually-transforming agents. The process whereby national security objectives assume a predominance in policy output is therefore of crucial interest.

The following chapters will focus upon the disparate aspects of this problem. Chapter 2 analyzes the history of the Brazilian military in the context of its unique commitment to national and regional development. Chapter 3 discusses the complex issues surrounding the 1964 golpe, and briefly analyzes the policy performance of military governments between 1964 and 1969. Chapter 4 reviews the history of Northeast development, and the efficacy of past federal development efforts in that region. Chapter 5 analyzes the policy performance of the highly authoritarian Médici regime, with particular focus upon its Northeast regional development efforts between 1969 and 1972. It also explores the development of the Northeast after 1969, and reviews the estimated federal expenditures on Northeast regional development between 1960 and 1974. An examination

of the salient demographic development indicators is accompanied by the derivation of a "development index" for the region, a vehicle to explore further the character and results of expenditure policy during the most authoritarian of post-1964 Brazilian presidencies. Chapter 5 also presents a theoretical analysis of the findings.

Authoritarianism and national development need not be mutually-exclusive patterns, but neither are they obviously mutually-reinforcing factors in the development efforts of many countries in the world. The likelihood that increased authoritarianism in Brazil has actually diminished the potential for regional development undertaken by the military dictatorship suggests the existence of an important case of public policy behavior. The following study will strive to illuminate that case.

II. MILITARY POLITICS AND DEVELOPMENT TO 1964

A. An Overview of the Military and Politics

Introduction: Political Armies and Development. Scholarly analyses of the Brazilian military establishment can now turn to an impressive body of literature, comprising both Brazilian and foreign works, that has emerged since the military seized political power in Brazil in 1964, and (especially in the case of Brazilian scholarship) since the mid-1970s, when censorship and political repression slackened considerably in the country. The political patterns established by the armed forces of Brazil after 1964 have tended, in some respects at least, to elude the generalizations and predictions of observers, be they members of the Brazilian public, of the often ephemeral political parties, or of the international academic establishment. Some of the most recent analyses of the Brazilian military establishment³⁰⁵ have found it necessary

³⁰⁵ Important examples include: Eliezer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil (1964-1969) (Petrópolis, Brazil: Vozes, 1976); Edmundo Campos Coelho, Em Busca de Identidade: o Exército e a Política na Sociedade Brasileira (Rio de Janeiro, Brazil: Forense-Universitária, 1976); Peter Flynn, Brazil: A Political Analysis (Boulder, Colorado: Westview Press, 1979, 1978); Neuma Aguiar, ed., The Structure of Brazilian Development (New Brunswick, New Jersey: Transaction Books, 1979); Henry H. Keith and Robert A. Hayes, eds., Perspectives on Armed Politics in Brazil (Tempe, Arizona: Center for Latin American Studies, Arizona State Univ., 1976); among others.

to refer frequently to the general literature of civil-military politics in the developing countries in order to reconstruct theory "from the ground up," as it were.

This is clearly a useful enterprise, and the following pages will attempt to examine some of the most salient arguments which apply to an analysis of the political and national developmental roles of the Brazilian armed forces.

An hypothesis explored later in this work, that levels of authoritarianism and effective federal expenditure policies for Northeast regional development are inversely correlated, in Brazil after 1964, encounters a good deal of support--at least in the high authoritarianism/low development end of the correlation--in the general literature on the military in developing countries, although such evidence is rarely framed in these terms per se. The Brazilian military has had a significantly greater influence on the process of national development than have many other military establishments.³⁰⁶ Nevertheless, it is apparent that the Brazilian case conforms with the generalized view that most military concerns with, and performance in, the field of national economic development are essentially unrelated to its seizing of political power in developing countries.³⁰⁷

³⁰⁶ Nelson Werneck Sodré, História Militar do Brasil (Rio de Janeiro, Brazil: Editora Civilização Brasileira, 1968), p. 409.

³⁰⁷ Nordlinger, "Soldiers in Mufti: The Impact of Military Rule upon Economic and Social Change in the Non-Western States," APSR, 64, No. 4 (Dec., 1970), pp. 1133: "The military may or may not be making these contributions, but whether they do or do not is almost completely unrelated to their acquisition of political power." Emphasis in the original.

Military governments in Africa, for example, frequently render national development processes both politically and economically dysfunctional.³⁰⁰ While these arguments reflect a careful modification and revision of early post-war evaluations of military government and developmentalism, and a kind of "new pessimism" vis-à-vis that relationship, it is useful to glance briefly at earlier literature (the "old pessimism"?),³⁰¹ in attempting to locate the argument that authoritarian political structures might constitute necessary, if temporary, disciplining agents for the pursuit of economic growth and political "modernization".³⁰²

Standing at the apex of the early examples of contemporary analyses of military government is Harold Lasswell's article, "The Garrison State",³⁰³ a brief and highly speculative essay which has nevertheless become one of the seminal interpretations of the predicted future trend

³⁰⁰ Roberta McKown, "The Military as Governors," paper prepared for the IPSA Conference, August 16-21, 1976, Edinburgh, Scotland, p. 1.

³⁰¹ Samuel P. Huntington contends that "[Harold] Lasswell's theory was a measure of the pessimism and, indeed, desperation to which the liberal was driven contemplating the post-World War II scene." The Soldier and the State (Cambridge, Mass: Harvard Univ. Press, 1957), p. 350.

³⁰² Huntington expresses the relatively cynical consensus among many observers when he contends that "military interventions apparently are an inseparable part of political modernization whatever the continent and whatever the country." Political Order in Changing Societies (New Haven: Yale Univ. Press, 1968), p. 192. Robert E. Ward argues, in the context of the Japanese post-Restoration modernization process, that "authoritarian forms of political organization can be extraordinarily effective in the early stages of the modernization process." Ward, "Political Modernization and Political Culture in Japan," World Politics, 15, No. 4 (July 1963), p. 589.

³⁰³ Lasswell, "The Garrison State," American Journal of Sociology, 46, No. 4 (January, 1941), pp. 455-468.

toward military domination of an increasing number of the governments of the world.³¹² In this "picture of the probable," Lasswell stressed the importance of the administrative skills of armies in increasing the likelihood of political intervention.³¹³ Paradoxically, Lasswell's primary focus upon the special conditions of countries most severely affected by the militarism of the 1930s and early 1940s strengthened an important part of his analysis, its supra-national dimension. One important point implicit in this dimension relates to the possible influence of the Prussian military establishment upon the military institutions (such as that of Brazil) that they had trained. As Gordon Craig notes in his book, The Politics of the Prussian Army, 1640-1945:

If, as has often been said, the Prussian army made the Prussian state, it is also true that the subsequent political development of Prussia and Germany was dependent, to a far greater extent than is true of any other country, upon the organization of the army, its relationship to the sovereign power, and the will of its leaders.³¹⁴

³¹² Huntington, The Soldier and the State (Cambridge, Mass.: Harvard Univ. Press, 1957), p. 347.

³¹³ Lasswell, p. 458. Lasswell predicted the Garrison State's likely suppression of political parties (p. 461), the centralization and hierarchical ordering of government (p. 463), and regularization of peacetime capitalist production. (p. 464). Furthermore, he pointed to what would appear to be a fundamentally anti-developmental character--at least in the context of capitalism: the military leaders of such a state, he believed, would "most assuredly prevent full utilization of modern productive capacity for nonmilitary consumption purposes" (p. 465), ostensibly to prevent the predominance of "frivolousness" in society. Modelled after the manifestations of militarism then extant in Europe and Asia, "The Garrison State" is not directed to the conditions of developing countries.

³¹⁴ Gordon A. Craig, The Politics of the Prussian Army,

Another point explicit in Lasswell's analysis regards the international community and its ability to influence political development in individual countries. In the years since the publication of Lasswell's essay a number of observers have stressed the overriding importance of "external conditions", ranging from neo-imperialism and "dependency" to direct international military ties, in determining the structure and content of military dictatorships.¹¹⁵

Implications of these arguments for the developing countries in the second half of the twentieth century are relatively straightforward, if originally unintended by Lasswell. Military dictatorships could be expected to suppress political activity, to centralize government and perhaps even society along military lines and to address themselves (however ambivalently) to programs of national economic development. These general themes might be boiled down to two contrasting dimensions: authoritarianism and national development. Subsequent analyses of military government in developing countries have usually found it necessary to confront the problematic interrelationship of

¹¹⁴ (cont'd) 1640-1945 (Oxford, England: Clarendon Press, 1955), pp. xiv-xv.

¹¹⁵ For example, see Stanley Payne, Politics and the Military in Modern Spain (Stanford, California: Stanford Univ. Press, 1967). Payne concludes that European fascism directly influenced the early form of the Franco dictatorship, and that later events tended to prolong its existence, p. 453. He also notes that "Spain's [early] political-military experience can be fruitfully compared with that of Latin America...." Payne, p. 450.

these two dimensions.

Strictly speaking, the interrelationship allows for two basic causal directions. First, a causal link might be drawn from the specific condition of national development to military authoritarianism. Huntington is a well-known proponent of the importance of this particular causal relationship. In Political Order in Changing Societies, he argues that military intervention tends to reflect specific societal conditions,³¹⁶ and especially the process of political modernization, or the breakdown of traditional institutions. This "political decay," according to Huntington, is the direct result of rapid social change associated with the process of "modernization,"³¹⁷ although he admits that the statistical relationship between rapid economic growth and "political instability" is frequently unclear.³¹⁸ The second possible causal relationship, from military authoritarianism to specific levels of socio-economic development, is often neglected, although Huntington does deal with it cursorily in his analysis, noting that the role of the military in national development is also dependent upon the level of that development: in "backward" societies the military tends to comprise a progressive force, while "the more advanced a society becomes, the more conservative and reactionary becomes the role of its military."³¹⁹

³¹⁶ Huntington, Political Order, p. 194.

³¹⁷ Huntington, Political Order, p. 4.

³¹⁸ Huntington, Political Order, p. 51.

³¹⁹ Huntington, Political Order, p. 221.

Critiques of military intervention extend beyond this primary emphasis upon the practicality of the military qua development agency. Some observers, for example, condemn military intervention from a liberal standpoint (usually as the untenable violation of fundamental human rights), and only secondarily express a condemnation of the development potential of such governments. Edwin Lieuwen, who is often associated with this "idealist" position, argues that military governments tend in fact not to be categorically opposed to social change, but rather to its expected disruptive effects on "law and order."¹⁰ This explains, in his view, their predisposition to act indirectly in the interests of oligarchy, "halting, or at least stalling, broad programs of social reform..."¹¹ and failing in most cases to raise national living standards and solve national problems.¹² Lieuwen denies, however, that Latin American military intervention represents crude praetorianism: the golpistas are at least thought to believe that their political incursion is in the national interest.¹³ The structure of the Brazilian military belief system, as it relates to this important justification--or, perhaps, rationalization--is of central concern in the following pages.

¹⁰ Edwin Lieuwen, Generals vs. Presidents; Neomilitarism in Latin America (New York: Frederick A. Praeger, 1964): 135.

¹¹ Lieuwen, Generals, p. 110.

¹² Lieuwen, Generals, pp. 112-113.

¹³ Lieuwen, Generals, p. 98.

The relationship between military authoritarianism and the public policies of national development can be analyzed on yet another, and perhaps more complicated, level. If a military government defines "national interests" in a manner in which the term is coterminous with relatively narrow sectoral or class interests, then the enterprise of identifying and measuring the effects of militarism upon national development becomes more difficult. José Nun, a "neo-Marxian" in his interpretation of military politics, hypothesizes that the Latin American military coup is one of the few political expressions of the "fragmented" middle class, and that national "development" programs therefore often become expressions of the political views, if not the immediate interests, of that class.¹²⁴ However, such interventions are also tied structurally to international politics: to the Cold War, to counterinsurgency planning, and above all to the international pattern of professionalization of officers,¹²⁵ another theme that will recur frequently in the following pages. The question of international determinants is, in Nun's analysis, closely linked to what he refers to as "the particular vulnerability of the Latin American middle class in the face of strategies used during the Cold War."¹²⁶ In Nun's analysis, the ideology of anti-communism is seen as acting as an agent

¹²⁴ José Nun, "The Middle-Class Military Coup," The Politics of Conformity in Latin America, ed. Claudio Veliz (London: Oxford Univ. Press, 1967), p. 103.

¹²⁵ Nun, p. 110.

¹²⁶ Nun, p. 111.

which reinforces middle-class interests, as opposed to those of the increasingly articulate--and threatening--"popular sectors." Nun thus links the latent anti-communism of the middle-classes to the inhibition of national development.²²⁷ He argues that military officers, who are largely recruited from the middle class,²²⁸ become for various reasons the direct representatives of such middle-class "interests," vague as they may be. Nun concludes his essay with a line from Alexis de Tocqueville's Democracy in America,²²⁹ and suggests the appropriateness of rewriting it to read: it is not "in the army that one can find the remedy for the ills of the country."

The professionalization of the officer corps may constitute something analogous to that "democratization" which attracted and repelled Tocqueville. John J. Johnson argues, at any rate, that it is mistaken to assume that the professionalized officers of Latin America will continue to resist "the mob power of the left."²³⁰ According to Johnson, a "realist" in his interpretation of military politics, professionalization has meant that the "new officer" has come to see himself as part of the only group representing national interests, and has thus intensified the military

²²⁷ Ostensibly because of its tendency to perpetuate traditional values. Nun, p. 112.

²²⁸ Nun, p. 72.

²²⁹ "It is not in the army that one can find the remedy for the ills of the army, but in the country." Trans. from the French by Nun, p. 113.

²³⁰ John J. Johnson, The Military and Society in Latin America (Stanford, California: Stanford Univ. Press, 1964), p. 152.

commitment to modernization of the nation to the point of adopting a much more clearly defined political position."³¹ In Johnson's view, this has made the "new officer" even less qualified to perform political functions, since he has lost contact with civilian society, and must therefore depend increasingly upon "crudely repressive tactics."³² And while this may be mitigated to some extent by the trend, predicted by Johnson, toward more indirect control of government by the military,³³ the process of professionalization of Latin American officers has frequently meant the imposition of a "resolution" of contending "ideological differences" within civil society according to military standards. This represents the frequently observed "fine line" between "military professionalism" and "professional militarism,"³⁴ and lends credibility to Eric Nordlinger's general conclusion that military governors commonly resist change, although within certain conditions³⁵ they may tolerate or even participate in the development process.³⁶ The Brazilian military, which has constituted an important national political force since at least 1870,³⁷

³¹ Johnson, Military, p. 115.

³² Johnson, Military, pp. 116-117.

³³ Johnson, Military, pp. 128-129.

³⁴ See, for example: Frederick M. Nunn, "Military Professionalism and Professional Militarism in Brazil, 1870-1970: Historical Perspectives and Political Implications," Journal of Latin American Studies, 4, Part 1 (May, 1972), pp. 29-54.

³⁵ e.g., when there is a very small middle class and/or an unmobilized worker and peasant population.

³⁶ Nordlinger, "Soldiers in Mufti," p. 1134.

³⁷ James L. Busey, "The Old and the New in the Politics of Modern Brazil," The Shaping of Modern Brazil, ed. Eric Baklanoff (Baton Rouge, La.: Louisiana State Univ. Press,

is often thought to represent a more developmentally oriented institution. It is this image, in fact, which has been effectively used to rationalize the post-1964 intervention in Brazil, and which figures prominently in the hypothesis that high authoritarianism and federal expenditures for Northeast regional development are inversely related after 1964.

Basic Dimensions of the Brazilian Military. The predominance of military governments in Latin America often diverts attention from an important structural condition: the military establishments of Latin America are, in per capita figures, unusually small by world standards.³³⁷ The Brazilian military has experienced a decreasing per capita representation over the past two decades, from about 263,000 (190,000 in the Army) in 1960,³³⁸ or about one member of the Army for every 266 Brazilians,³³⁹ to 248,300 (170,000 Army) in 1977,³⁴⁰ or one member of the military per 455 Brazilians.³⁴¹

³³⁷ (cont'd) 1969), p. 66.

³³⁸ Alfred Stépan, The Military in Politics; Changing Patterns in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1971), p. 23.

³³⁹ Irving Louis Horowitz, "The Military Elites," Elites in Latin America, Ed. Seymour Martin Lipset and Aldo Solari (New York: Oxford Univ. Press, 1967), p. 154.

³⁴⁰ Based on a population in 1960 of 70,070,457. IBGE, Anuário Estatístico do Brasil--1979 (Rio de Janeiro, Brazil: Fundação IBGE, 1980), p. 72.

³⁴¹ John Paxton, ed., The Statesman's Yearbook, 1977-1978 (London: The Macmillan Press, 1977), pp. 798-799.

³⁴² At a 1977 estimated Brazilian population of 113,208,500. Anuário Estatístico--1977, p. 85.

Brazilian military recruitment patterns diverge from those of North America and Europe. Although Brazil enforces a program of military conscription, it has (as do most of the developing countries) an abundance of potential conscripts, and tends therefore to be highly selective.³⁴³ Hence, although the Brazilian military has a longstanding reputation as an educational institution,³⁴⁴ it generally selects men from relatively educated backgrounds.³⁴⁵ The distribution of ranks within the Brazilian Army is comparable to that of the United States Army, with the largest number of officers in both establishments being captains, and with about 14.9 per cent of the Brazilian officers either colonels or generals (as opposed to 16.4 per cent in the United States).³⁴⁶ Contrary to the availability of pracinhas (GI's), however, there is a critical shortage of officer candidates,³⁴⁷ with a considerable degree of "inbreeding" in the sense that sons of military personnel comprise a large percentage of the officer candidates.³⁴⁸ A

³⁴³ Stepan, Military, p. 15.

³⁴⁴ The Brazilian military prides itself as an important national source of technical training and, in a few cases, of literacy. Orlando de Almeida e Albuquerque, "Exército Nacional: o Povo em Armas na Batalha do Desenvolvimento," Interior, Ano II, No. 9 (março/abril 1976), p. 8.

³⁴⁵ Stepan, Military, p. 15.

³⁴⁶ Stepan, p. 49.

³⁴⁷ Stepan found that there were fewer than two applicants for every position at the military academy, and observes that this pattern diverges radically from that of most other developing nations. Stepan, Military, pp. 40-41.

³⁴⁸ Stepan reports that 34.9% of the candidates in 1962-66 were sons of military families, and only 7.6% of the academy entrants had attended civilian high schools. Furthermore, about 90% of the Army officers in 1971 entered military training when they were about twelve years old. Stepan, Military, p. 64.

law passed in 1966 allows the three top male students at recognized civilian high schools throughout the country to enter the Army academy at Agulhas Negras without having to pass entrance exams, a program that had apparently met with some success by the early 1970s.³⁴⁹ Although a modicum of "civilianization" of the Brazilian military can thus be noted, the corporate origins and environment of the Brazilian officers remain distinctively strong.

The geographical divisions within the military, and particularly the Army, reflect the very different purposes of the Brazilian military from those of North America or Europe. The scattering of the smaller military units, the regiments and the battalions, across extensive geographical area arises, according to Stepan, from the exigencies of its policing function.³⁵⁰ In 1969, the Brazilian Army's command structure was based on four armies: the First, in Rio de Janeiro and Minas Gerais; the Second, in São Paulo and Mato Grosso; the Third in Southern Brazil (three states); the Fourth, in the Northeast; and three independent military regions, including Goiás and the Amazon.³⁵¹ Announcement of the military plans to create the Fifth Army, headquartered in the state of Amazonas, was made in 1971,³⁵² and they have subsequently been implemented.

³⁴⁹ Ronald M. Schneider, The Political System of Brazil (New York: Columbia Univ. Press, 1971), p. 252.

³⁵⁰ Stepan, Military, pp. 27-28. Stepan adds that these distances often call into question the loyalties of junior commanders, particularly during times of strife, and frequently adds to their political power.

³⁵¹ Schneider, p. 299.

³⁵² O Estado de São Paulo (May 28, 1971), p. 44.

The policy of local recruitment is a distinguishing feature of the Brazilian military organization.

Traditionally, draftees are selected (and officers are frequently stationed) so that they serve their military obligation in the immediate vicinity of their homes, thus cutting transportation and maintenance costs, providing for an identifiable peacekeeping force well after specific tours of duty have expired (through their continuing reserve status), and inhibiting the rural immigration to the cities by exposing as few rural residents as possible to urban conditions.³³³ Local recruitment, short terms of service for draftees (usually nine months of the obligatory year) and frequent time at home are thought to reduce the national socialization potential of the Brazilian Army.³³⁴

Furthermore, the officer corps tends to have an overrepresentation of residents from three states, and principally from Rio de Janeiro, where the sons of civil servants have traditionally been attracted to military service.³³⁵

The officer corps of the Brazilian Army has long been popularly considered to be an important channel of upward

³³³ Stepan, Military, pp. 14-15. He adds that "it is estimated that in the Third Army units in Rio Grande do Sul all the draftees, 95 percent of career corporals, 70 to 80 percent of the sergeants, and 50 to 60 percent of the officers are from the state of Rio Grande do Sul." Stepan notes that the Third Army may be more heavily staffed with local officers than other armies.

³³⁴ Stepan, Military, p. 13.

³³⁵ Stepan, Military, p. 39. It might be conjectured that this pattern would be subject to change with the dramatic growth of Brasília after 1970.

social mobility,³⁵⁶ although data cited by Stepan indicates that recruitment for that body is overwhelmingly from the Brazilian middle classes.³⁵⁷ Furthermore, a major decline has been noted in upper class representation,³⁵⁸ further strengthening the middle-class character of the officer corps. The Navy, while somewhat more "aristocratic" in tradition and values, is likewise subject to these general patterns.

The Political Military. The Brazilian military system is well known for its political fragmentation. Major rivalries have long existed between federal armies and state militias, between various branches of the federal military establishment (particularly between the Army and Navy), and indeed, between the various officer ranks within single battalions. Prior to 1964, the existence of strong state militias combined with the local recruitment patterns of the federal Army led to numerous political confrontations which had immediate political consequences.³⁵⁹ Legislation enacted

³⁵⁶ Stepan disputes this claim and demonstrates with disaggregated data that the "representation from the unskilled lower classes has actually declined from 2.3 percent in [1941-43] to 0.4 percent in [1962-66]." Military, pp. 31-32.

³⁵⁷ Stepan, Military, p. 34.

³⁵⁸ Stepan, Military, p. 31.

³⁵⁹ Stepan, Military, p. 18. Estimates of the sizes of several of the more important state militias in 1965 remained quite high, with São Paulo's 30,000 troops outnumbering the federal troops in that state; Rio Grande do Sul had 15,000 in its militia, Minas Gerais more than 13,000 and Guanabara 13,000. Stepan, Military, p. 17. Minas Gerais had increased its troop strength from 11,500 in 1958 to 18,000 in 1964 in anticipation of its resistance to Goulart. Stepan, Military, p. 200n.

in 1968 put an end to the state militias, however, and centralized the military command structure as well.³⁶⁰

Inter-service rivalries have been a common feature of the Brazilian military since the Empire, although the Army occupies a clearly hegemonic position as regards military and political power.³⁶¹ National politics tends to provide the setting for the often intense rivalry between the Army and the Navy, with a resultant weakening of military unity, particularly during political interventions. There are, consequently, frequent examples of the failure of military interventions in Brazil, from the fall of the first military dictatorship in 1894,³⁶² to the embarrassing Tamandaré incident of 1955, in which a rightist coup attempt failed in part because the Navy was unable to inspire the loyalty of the Army in the operation.³⁶³

Rivalries between ranks, and particularly between the various ranks of the officer corps, have likewise resulted in the fragmentation of military power. However, as Thomas Skidmore observes, the decision-making process within the officer corps allows for considerable input from junior officers, and peaceful debate among separate factions is the rule in most major policy issues.³⁶⁴ Although this practice tends to mitigate divisive and public rivalries in most

³⁶⁰ Oliveira, As Forças Armadas, p. 94.

³⁶¹ Stepan, Military, pp. 26-27.

³⁶² Flynn, Brazil, p. 30.

³⁶³ Flynn, Brazil, pp. 193-194.

³⁶⁴ Thomas E. Skidmore, "Politics and Economic Policy Making in Authoritarian Brazil, 1937-1971," Authoritarian Brazil; Origins, Policies, and Future (New Haven: Yale Univ. Press, 1973), p. 17.

cases, as late as 1977 a manifesto of the "constitutionalist" colonels protested the dictatorial treatment of Congress by President (General) Geisel,³³³ a view at odds with the General Staff.

The politicization of the Brazilian officer corps is a complex issue, although the varying explanations generally focus upon the caste-like, or corporate, character of the military establishment, and its ostensible function as an agency of national development. The first category suggests the importance of the social origins of the officers and the impact of the socialization process within the military. The second area touches upon the relationship between national development and the technical and political training within the military establishment. This represents the core of the issue of professionalization and, perhaps less directly, a basis of the poder moderador, or moderating power, a function that has supposedly characterized the military establishment since 1889.

The identification of causal ties between the middle-class origins of officers and their political behavior is an extremely complex, if not tenuous, enterprise, as José Nun's essay is careful to point out. Brazilian officers usually insist that they represent a group without any specific class interests,³³⁴ although this in itself is relatively consonant with Nun's thesis. Nun

³³³ Flynn, Brazil, p. 510.

³³⁴ According to information derived from "interviews and other sources....". Stepan, Military, p. 42.

argues that the middle class does not have the "characteristic outlook" of a discrete class, but rather tends to adopt the ideology of the oligarchy.³⁶⁷ In any event, the assertion that a specific class delegation at the center of state political power can freely act at the behest of, and in the direct interests of, that single class within society is frequently difficult to sustain. In most cases the argument ultimately reduces to a variant of conspiracy theory, which accounts only conjecturally for the inevitable inconsistencies and incongruities in the exercise of political power. A perhaps more useful though by no means unproblematic approach--one which is increasingly employed by the new generation of Brazilian social scientists--is centered on the assumption that there is a "relative autonomy" of the state vis-à-vis predominant class interests,³⁶⁸ thus suggesting the relevance of many of the concepts and arguments of the literature of bonapartism as applied to contemporary political formations.

The political socialization of the officer corps is carried out within the corporate and closed institutional structure of the military. Potential officers enter the military at about the age of twelve years,³⁶⁹ and are educated and promoted thereafter according to programs which

³⁶⁷ José Nun, "The Middle-Class Military Coup," p. 85.

³⁶⁸ See: Nicos Poulantzas, Political Power and Social Classes, trans. Timothy O'Hagan, David McLellan, Anna de Casparis and Brian Grogan (London: NLB, 1975), N.B., pp. 259-260.

³⁶⁹ Stepan, Military, p. 41.

stress a relatively specific set of behavioral norms.³⁷⁰ The military "corporate consciousness" is further enhanced, according to Stepan, by the tendency of officers to come from military backgrounds.³⁷¹ The implications of such closed structures can be severe from the standpoint of society, as Alexis de Tocqueville presciently observed over a century ago:

In democracies the man who becomes an officer breaks all ties attaching him to civilian life. He has left that life forever and has no interest in joining it again. His true fatherland is the army, since he has no importance apart from the rank he holds. He therefore follows the fortunes of the Army, rising or falling with it, and that is where all his hopes are centered. An officer, having very different needs from those of the country, may perhaps eagerly desire war or work for a revolution at the very moment when the nation most longs for stability and peace.³⁷²

Although this overstates the Brazilian case, the corporate structure and unique social perspective of the Brazilian military are both factors which contribute to the form and

³⁷⁰ Stepan, Military, pp. 48-49. Stepan cautions, however, against the dangers of "oversimplification" in portraying the military as an "encapsulated, unified, professional body completely dominated by its bureaucratic and organizational structure...."

³⁷¹ Stepan, Military, p. 41. Although this may be true, it is not necessarily correct to assume the converse, that the sons of military families tend to become officers. Maria Isaura Pereira Queiroz argues that since the military does represent an avenue of social mobility, the sons of military officers attempt to continue their upward movement by seeking professions of a higher status. Queiroz, review article in Revista Brasileira de Estudos Políticos, No. 20 (January 1966), p. 239.

³⁷² Alexis de Tocqueville, Democracy in America, Vol. II, Part III, Chap. 23, trans. George Lawrence, ed. J.P. Mayer (Garden City, New York: Anchor Books, Doubleday, Inc., 1969), p. 652.

content of its political socialization of officers, and this is particularly evident with respect to the issue of national development.³⁷³

National development has long been a concern to the Brazilian military establishment, if only because of its own superiority in technical and scientific expertise over the civilian sector.³⁷⁴ It has thus served to rationalize, if not actually motivate, a great majority of the political interventions of that institution. The image of the "povo armado" (the people armed), representing the mixture of the Brazilian races and engaged always in "works linked to the efforts of economic development,"³⁷⁵ whether accurate or not, is the fundamental self-conception of the military. General Aurélio de Lyra Tavares, an important figure in post-1964 military ideology, wrote in 1965 that:

The "citizen-soldier" constituted in all times, the

³⁷³ Stepan notes that the military in Brazil regards itself as the one group which has interests that coincide with the requirements of national development. Military, pp. 42-43.

³⁷⁴ John Johnson has stressed that "no military establishment today, far less a generation ago, has contributed as much to the technological and scientific development of a Latin American republic as have the Brazilian military. And the Brazilian military is the only one in all of Latin America that could at any time justifiably claim technological superiority over the civilian sector. The reason almost certainly is that the Brazilian forces have the longest tradition of technical training." Johnson, Military, pp. 197-198. Lucien Pye notes, moreover, that "the Brazilian Army has played an important part in opening the interior, in promoting the natural sciences, and in protecting the Indian population." Pye, Aspects of Political Development (Boston: Little, Brown and Company, 1966), p. 181.

³⁷⁵ Orlando de Almeida e Albuquerque (Chief of Staff of the Minister of the Interior), "Exército Nacional: o Povo em Armas na Batalha do Desenvolvimento," Interior, Ano II, No. 9 (March/April 1976), p. 13.

characteristic figure of the Brazilian military, as an integrating and formative element of the civil community, embodying and representing its sentiments and its yearnings, whether in the promotion of undertakings required for the aggrandizement of the fatherland, based on peacetime labor, or in the defense, including by arms, of the great principles upon which our civilization and our independence of a free and sovereign people are based.³⁷⁶

The Brazilian military has long regarded officers as "citizens in uniform," allowing them to vote and to hold elective and appointive offices,³⁷⁷ and has thereby intensified their scrutiny of the public policies of national development, an activity which is regarded by many analysts as a central contributing factor to the "militarism" of developing countries.³⁷⁸ A contemporary characterization of this behavior, "civic action,"³⁷⁹ represents a broad category of behavior which formally includes a wide range of explicitly developmental activities.³⁸⁰

³⁷⁶ Tavares, Exército e Nação (Recife, Brazil: Imprensa Universitária, 1965), p. 79. "O 'cidadão-soldado' constituiu, em todos os tempos, a figura característica do militar brasileiro, como elemento integrante e formador da comunidade civil, encarnando e representando os seus sentimentos e os seus anseios, seja na promoção de empreendimentos reclamados pelo engrandecimento da Pátria, dependentes do trabalho realizador do tempo de paz, seja na defesa, inclusive pelas armas, dos grandes princípios em que se fundamentam a nossa civilização e a nossa independência de povo livre e soberano."

³⁷⁷ Stepan, Military, p. 44.

³⁷⁸ Lucian Pye argues, on the other hand, that it is the revolution in military technology that is fundamentally responsible for the growth of militarism. Pye, Aspects, p. 178.

³⁷⁹ The term "civic action" dates from the late 1950s.

³⁸⁰ Henry Bienen quotes a United States military handbook, Information and Guidance on Military Assistance, in defining civic action as "the use of indigenous and foreign military

and informally encompasses indirect support for national economic and social development, and in all too many cases the relatively narrow pursuit of "national security."

National development therefore has an important conditioning effect upon military establishments which tend to identify themselves as "civic action" agencies. A highly complementary review of the national development efforts of the Brazilian military, published in 1976 in the official periodical of the Ministry of the Interior, admits the difficulty in distinguishing between national security policy and the voluntary tasks of national economic and social development.³⁰⁰ It adds that the development of modern technical capabilities and the production of war materiel is likewise tied to development of national (industrial) capabilities.³⁰¹ Public health, medical assistance and civil defense in remote areas are also functions which the Brazilian military takes very seriously,³⁰² and which are frequently included as key components of the "civic action" function. The self-identification of the Brazilian military as primarily a

³⁰⁰ (cont'd) and paramilitary forces on projects useful to local populations in fields such as education, public works, agriculture, transportation, and other projects which contribute to economic and social improvement." Bienen, "The Background to Contemporary Study of Militaries and Modernization," The Military and Modernization, ed. Bienen (Chicago: Aldine-Atherton, Inc., 1971), p. 25.

³⁰¹ Almeida e Albuquerque, p. 7. "...observa-se que é estreita a interligação entre a missão precípua do Exército--a produção de segurança--e as tarefas voluntadas para o desenvolvimento econômico e social."

³⁰² Almeida e Albuquerque, p. 7.

³⁰³ Almeida e Albuquerque, p. 8.

civic action agency, while by no means a deception," is related to its relative lack of an obvious military defense function in the classical sense. A Brazilian officer, in a speech before the VII Conference of American Armies in Buenos Aires (3 November 1966) contended that

the indoctrination about the supposed uselessness of armies is so pervasive that even many of us, as if shaken in the confidence of our destiny, begin to justify a role to fulfill, as if we were not already indispensable to the security of our nations. This is one of the reasons, I believe, why we seek to emphasize that which is conventionally called "civic action," [though] not always sincerely, and frequently to disguise or compensate for what we really should do."

This is evident in the Brazilian military in such institutional characteristics as the high degree of technical competency that continues to be required of officers.

It is this emphasis upon the technical competency of the Brazilian officer corps, perhaps exaggerated to some

 "' Morris Janowitz writes that for many military governments modernization is, in fact, "a more overriding political objective than establishing a claim to legitimate authority." Janowitz, "The Military in the Political Development of Nations," Garrisons and Government; Politics and the Military in New States, ed. Wilson C. McWilliams (San Francisco: Chandler Publishing Company, 1967), pp. 75-76.

"É tão persuasiva a doutrinação sobre a pretensa inutilidade dos exércitos que muitos de nós mesmos, como que abalados na confiança de nossa destinação, nos pomos a justificar um papel a desempenhar, como se já não fôssemos indispensáveis à segurança de nossas nações. Esta é uma das razões, creio eu, pelas quais procuramos dar ênfase àquilo que se convencionou chamar de 'ação cívica', nem sempre sincera, e tantas vezes feita para disfarçar ou compensar o que realmente devemos fazer." Coelho, p. 5.

extent in the literature, which finds its clearest expression in the high levels of academic competition within the officer training schools. Future promotions are directly related to service school performance, particularly in the technical vocations of which engineering is traditionally the most prestigious. Stepan notes that about 39 percent of the Army line generals (40 out of 102) in 1964 had achieved a ranking of first place in at least one of the three most important Army officer training schools. A similar study conducted with United States generals disclosed that 36.4 percent had placed in the top quarter of their West Point graduating class.'''

The justification of military intervention in the political processes of Brazil is historic, as the next sections of this chapter will seek to explain. Briefly stated, the argument is based on the assumption by the military of the political role of Emperor Pedro II as the national "moderating power," the final arbiter of political disputes and the guarantor of constitutional "integrity", a role which ostensibly places it "above" the mundane and "corrupt" practices of civilian politics. This is not so very different from the general rationalization of political intervention by Spanish American military establishments,

'''' Stepan, Military, p. 51. It should be added here that such a comparison has somewhat dubious merits considering the differences between the two societies, the two military establishments and, especially, the two educational systems. Competition for entrance to West Point, for example, is on a different par from that for the Military Academy at Agulhas Negras.

which assume a political function "above that of the government."¹¹¹ Nevertheless, despite their sense of obligation to rule during difficult times,¹¹² the Brazilian military must operate politically in a quasi-legal context, since formalizing the military "right" to overthrow "unpatriotic" governments would be tantamount to the institutionalization of instability.¹¹³ Such a development would be--at least in its theoretical form--antithetical to the basic conservatism of most military institutions.¹¹⁴ Formalized or not, however, the permanent "moderating power" of the Brazilian military is akin, if not identical, to "structural militarism", a condition which Frederick Nunn argues has been in rapid development in Brazil since the 1920s, and which he defines as "a set of attitudes toward state, nation and society based on the military ethos."¹¹⁵ Although some observers argue that militarism appears in Brazil only as a last resort--with events since 1964 said to represent that condition¹¹⁶--it can be argued that militarism as an expression of military conservatism works against national socio-economic and political development. This thesis runs counter to the developmental image of the

¹¹¹ Lieuwen, Generals, 98.

¹¹² Frederick Nunn, p. 29.

¹¹³ Torres, p. 46.

¹¹⁴ Although a specific analysis of the ideology of the Brazilian military will appear later in this work, it is useful here to recall Huntington's remarks as to the similarity between Burkeian conservatism and the military ethic. Huntington, The Soldier, pp. 93-94.

¹¹⁵ Nunn, p. 30.

¹¹⁶ Georges-Andre Fiechter, Brazil since 1964: Modernisation under a Military Regime, trans. Alan Braley (London: The Macmillan Press, 1975, 1972), pp. 24-25.

Brazilian military, however, and requires further elaboration. In the following section, several important themes of Brazilian military history will be explored briefly in an attempt to illustrate the tension that exists between military authoritarianism and national development in Brazil, particularly as expressed in the military role in national public policy formation.

B. Development of the Military to WWII

Early Evolution and Politics. An analysis of the development of the Brazilian military underscores the separate historical identity of Brazil from that of the rest of Latin America. It is commonly held by a number of writers, most notably Gilberto Freyre, that a higher level of worldly sophistication, as well as the (comparative) religious and racial tolerance of the Portuguese,³³ contributed significantly to the development of a unique and relatively non-violent political pattern in Brazil.³⁴ An important feature of this pattern, although one which is seldom mentioned in analyses of the military, is the predominance of a unique variant of federalism, a political

³³ Gilberto Freyre, The Masters and the Slaves; A Study in the Development of Brazilian Civilization, Second Edition, trans. Samuel Putnam (New York: Alfred A. Knopf, 1956), pp. 7-10.

³⁴ Jordan M. Young, The Brazilian Revolution of 1930 and the Aftermath (New Brunswick, New Jersey: Rutgers Univ. Press, 1967): 4.

characteristic which is closely linked to colonial and imperial history. The observation that major political crises have frequently led to the political division of large segments of the Brazilian Army along regional lines³³³ suggests the importance of a review of salient historical antecedents in the context of Brazilian federalism. Furthermore, the central hypothesis of this thesis, that levels of Northeast regional development funding and military authoritarianism after 1964 are inversely correlated, requires clarification from two historical perspectives: first, a review of the history of the military is necessary to clarify the political dimension of the issue. Second, a cursory historical survey of development in the Northeast is required. This latter task will be undertaken in following chapters. The former will be initiated in the following sections of this chapter, which will review briefly some of the prominent elements in the early evolution of the military establishment in Brazil, and the prominent factors leading to its incursions into the formation of national public policy, particularly in contrasting commitments to the course of national politics and development.

The colonial organization of military institutions in Brazil reinforced regional and local loyalties. The three basic military organizations after the mid-1500s,³³⁴

³³³ Stepan, Military, p. 19.

³³⁴ According to Gustavo Barroso, there is a serious lack of historical documents from before this period. Barroso, História Militar do Brasil (São Paulo, Brazil: Companhia

the tropa de linha (regular troops), the milícias (militia) and the corpos de ordenança (territorial units) were limited, for a variety of reasons, to relatively stable geographic sites according to Caio Prado. The tropas de linha, Portuguese regiments which carried the names of their home bases in Portugal, were usually quartered in specific Brazilian captaincies (the land-grant divisions of colonial Brazil), and it was from these same captaincies that limited recruitment of whites and fair-skinned mulattos was carried out. The milícias were formed according to parishes, and were comprised of conscripted civilians who were not paid for their service. The ordenanças were strictly local paramilitary units. Although both the tropa de linha and the militia could be transferred under certain circumstances from their original place of formation, the ordenanças merely consisted of the "enrollment" of all eligible males from the locale. Originally an emergency reserve, this last group ultimately performed a wide variety of administrative tasks in the colony. Plantations also had "armies" which occasionally numbered in the thousands and

 "'(cont'd) Editora Nacional, 1935), p. 11. Nelson Werneck Sodré sets the date of the first "military legislation" at 1534, and notes that provisions for the "Regiment of the Governor General of Brazil" were decreed on 17 December 1548. Sodré, História, p. 19.

Caio Prado, Junior. The Colonial Background of Modern Brazil, trans. Suzette Macedo (Berkeley: Univ. of California Press, 1967), pp. 361-362.

Prado, p. 362.

According to Prado, specific recruitment practices varied markedly between captaincies. Prado, p. 363.

Prado, p. 364.

Prado, pp. 378-384.

which were only nominally under the control of the Portuguese administrators.⁴⁰² By the beginning of the nineteenth century, Brazil had two military academies,⁴⁰³ one of which, the Royal Military Academy, provided the colony with many of its engineers, in contrast to the graduates of the Royal Naval Academy, who were not usually employed in civilian jobs.⁴⁰⁴ This established an early basis for the developmental role with which the military in Brazil is associated.

Conscription, an important political issue during the colonial period, particularly for the *tropa de linha*, was frequently carried out in the form of impressment, and according to Prado caused considerable fear of, and outrage against, the military in the colony. Similar anti-military sentiments would accompany conscriptions in the mid-nineteenth century.

The peaceful declaration of Brazilian independence in 1822 with the creation of the Empire by an heir of the Portuguese royal house of Braganza is generally cited as the primary factor behind Brazil's relative freedom from military intervention prior to 1889.⁴⁰⁵

⁴⁰² Johnson, *Military*, p. 178.

⁴⁰³ The Royal Military Academy was founded by Dom João, Prince Regent, in Rio de Janeiro in 1810.

⁴⁰⁴ Johnson, *Military*, p. 198.

⁴⁰⁵ June Hahner argues this point, while setting the date of military interference in government in the 1860s. Hahner, *Civilian-Military Relations in Brazil, 1889-1898* (Columbia, South Carolina: Univ. of South Carolina Press, 1969), p. 1. There was at least some intensification of military tensions after the declaration of independence by Pedro I, and according to Barroso for about three years thereafter the Brazilian military uniforms bore a green and yellow emblem.

The declaration of the Brazilian Empire was made possible by external pressures,⁴⁰⁶ and by the concerted efforts of José Bonifácio de Andrada e Silva, a senior statesman and close advisor to Pedro. His personal conservatism, fear of the lower classes and aversion to the prospects of violent revolution in Brazil are seen as being responsible for the well-planned tactical campaign which ultimately led to the "easy break with the mother country."⁴⁰⁷ Furthermore, shortly after independence Brazil experienced growing popular discontent with the military, first in the reaction to an incident involving the use of Portuguese troops to control legislative deputies, and then in the growing tensions between creole and Portuguese officers. These developments had "salutary effects" in forestalling the growth of militarism in Brazil, according to Johnson.⁴⁰⁸ The Constitution of 1824 provided for the role of poder moderador, or moderating power, for the Emperor, and this ostensibly established his primacy and placed him "above" partisan politics.⁴⁰⁹ The military later adopted this role

⁴⁰⁶ (cont'd) that read, "Independence or Death." Barroso, p. 37.

⁴⁰⁷ Johnson notes that Great Britain pressured Portugal to accept the new status of Brazil. Military, p. 180. Sodré points to the importance of the three million pound loan that Great Britain granted to the Empire in 1824, a loan which was not repaid until 1890, and which was followed in the 1820s with subsequent loans to cover Portuguese colonial debts in London, thus allowing the Brazilian economy a breathing space. Sodré, Historia Militar, p. 66.

⁴⁰⁸ Johnson, Military, pp. 181-182.

⁴⁰⁹ Johnson, Military, p. 181.

⁴¹⁰ Young, p. 10. Young contends that the role of poder moderador "is key to the whole structure of Brazilian political life from 1824 to 1889."

after it deposed Pedro II in 1889.

Pedro I had become thoroughly unpopular with the Brazilian political and economic elites by 1830. The military intervention in the Plata region, a war which many Brazilians felt was being fought to support Portugal's interests in the region, cost 8,000 lives and created yet another situation in which young Brazilians fled in fear of military conscription. The government was forced at one point to resort to the use of Irish and German mercenaries.⁴¹⁰ The loss of the war (and of the political control of Uruguay) led to widespread discontent which found expression in military mutinies, the abdication of the Emperor in favor of his young son, and the "virtual dismissal" of the imperial Army for "military indiscipline."⁴¹¹ Coelho argues that the Army did not recover in numbers from this drastic action, except during the brief period of the Paraguayan War, 1866-1870, until after 1889, as demonstrated in Table 2.1. Violent revolt, often the product of troops who deserted to regional rebellions, continued, moreover, at the "peak intensity" of modern Brazilian history until Pedro II was crowned in 1840.⁴¹²

The creation of the National Guard in 1831 represented a move by the latifundiários to break the power of both the

⁴¹⁰ Johnson, Military, p. 182.

⁴¹¹ Coelho, p. 39. This led to the establishment of the National Guard, according to Coelho.

⁴¹² Johnson, Military, pp. 183-184.

TABLE 2.1

Evolution of Regular Forces
(Army & Navy) in Brazil.

YEAR	REGULAR TROOPS (NUMBERS)	INDEX OF GROWTH (1830=100)
1830	30,000	100
1831	14,342	47.8
1842	20,925	69.7
1848	16,000	53.3
1855	20,000	66.6
1863	16,000	53.3
1865	35,689	118.9
1871	19,000	63.3
1880	15,000	50.0
1889	13,000	43.3
1892	27,013	90.0
1907	30,066	100.0
1920	45,405	151.3

Source: Coelho, p. 40.

regular Army and the central government.⁴¹³ A collection of private armies,⁴¹⁴ primarily involved in local issues, the Guard was placed under the jurisdiction of the Minister of Justice and was charged with defending "the Constitution, the liberty, the independence and the integrity of the Empire...."⁴¹⁵ It is likely that the primary impact of the Guard was regional and local in character, although important national consequences of its formation are evident: besides precipitating the "virtual unemployment" of much of the regular Army, and hindering its recruitment of

⁴¹³ Johnson, *Military*, p. 184. Sodré, p. 117.

⁴¹⁴ Although theoretically these armies were supposed to be the official remnants of the milícias and corpos de ordenança of colonial times. Charles W. Simmons, "Military Leaders in National Politics, 1835-1889," Perspectives on Armed Politics in Brazil, p. 38.

⁴¹⁵ Coelho, p. 40.

soldiers in subsequent years, the National Guard was implicated in the unsuccessful coup attempt of 1832.¹¹⁶ The National Guard is best known for its role in the consolidation of the political control of rural Brazil by the latifundiários. The resultant political system was known as coronelismo (rule by the colonels), the control of local politics by landowners whose title, either formal or adopted,¹¹⁷ signified both political control and para-military predominance in local matters in the countryside.¹¹⁸ It established a structure of political control that survived into the 1930s, and in isolated areas of the Northeast into the present, although the National Guard was "retired" as a fighting force in 1917.¹¹⁹ It can be surmised that the presence of the National Guard contributed indirectly to the technical and developmental rôles of the Brazilian Army by absorbing certain routine

¹¹⁶ Coelho, p. 42. According to Sodré, almost all free males were obliged to serve in the National Guard. Sodré, p. 127.

¹¹⁷ For a comprehensive description of coronelismo during the Old Republic, see Henry Keith, "Armed Federal Interventions in the States during the Old Republic," Perspectives on Armed Politics in Brazil, especially pp. 61-64; and Eul-Soo Pang, Bahia in the First Brazilian Republic; Coronelismo and Oligarchies, 1889-1934 (Gainesville: University Presses of Florida, 1979).

¹¹⁸ Sodré stresses that the Guard comprised "only a part of the policy of the dominant class, the other part was in the secondary role conferred on the Army." ("A criação da Guarda Nacional, porém, representava apenas uma parte da política da classe dominante, a outra parte estava no papel secundário conferido ao Exército.") Sodré, p. 120. According to Sodré, the peace-keeping function of the Guard was executed through the use of arms, as well as the legal sanctions of imprisonment, fines and corporal punishment. Sodré, pp. 132-133.

¹¹⁹ Pang, Bahia, p. 11.

functions such as the maintenance of public order. As Uricoechea concludes, "the contribution of the Guarda Nacional to the creation of a modern bureaucratic state in Brazil was impressive."²⁰

The forty-nine year reign of Dom Pedro II is regarded in the context of Brazilian history as one of stability and institution-building,²¹ although Johnson (and others) argue²² that it is perhaps better seen as two distinct periods: during the first, from 1840 to the Paraguayan War of the 1860s, the Emperor and his advisors exercised a relatively significant degree of control over the political system, with the support of the Catholic Church and the landowning elite, particularly in the sugar-producing zone of the Northeast.²³ During the second period, beginning in the 1870s and concluding with the fall of the Empire in 1889, the Emperor rapidly lost his sources of elite support. This was due in large measure to the incongruity of his political position and his classical liberal views: he supported political reform through the Lei Saraiva of 1881,²⁴ and the abolition of slavery by 1888 (the process of abolition actually had begun decades earlier). By 1889 the primary bases of his political support, the Church and

²⁰ Fernando Uricoechea, The Patrimonial Foundations of the Brazilian Bureaucratic State (Berkeley: Univ. of California Press, 1980), p. 183. He adds that "from the very start...the mission of the Guarda Nacional was understood to be the institutionalization of the new legal order." P. 66.

²¹ Burns, Nationalism, p. 47.

²² Johnson, Military, pp. 184-185.

²³ It was during this period that the regular Army was least influential politically.

²⁴ Flynn, Brazil, p. 15.

landowning elites, had been alienated. Although it can be argued that the Emperor's power, embodied in the poder moderador, was always very limited, and that this weakness was an important factor in the survival of the Empire,⁴²⁵ it is nevertheless true that the Paraguayan War marked an important turning point in the politics of the Empire. It was from this conflict that the Army emerged as a major political contender in Brazil.⁴²⁶ The new awareness of the officers of the serious lag in military technological development in Brazil was driven home by the costs of the war, which were largely borne by Brazil: the country lost between 33,000 and 50,000 men and spent over US\$300 million, suffering a consequent weakening of the national currency.⁴²⁷ The sudden popularity of the returned military heroes, and the attempts by civilian political groups to coopt them, moreover, created a military consensus that a threat to the "corporate self-interest" of the officer corps existed.⁴²⁸

The politicization of the Army subsequent to its emergence as a major actor in Brazil is widely, though not universally, regarded as a key element in the overthrow of the Empire in 1889. The fact that a poorly trained and

⁴²⁵ Flynn, Brazil, p. 8. Joachim Nabuco once said that "the Emperor inspired and directed, but he did not govern." Cited in Simmons, p. 39.

⁴²⁶ This point has been widely argued. One source that makes it persuasively is Rollie E. Poppino, Brazil; The Land and the People (New York: Oxford Univ. Press, 1968), p. 207.

⁴²⁷ Burns, History, p. 165.

⁴²⁸ Nunn, pp. 31-32.

badly equipped army could regain national honor on the field of battle,⁴²⁹ and immediately thereafter be cut back from fifty percent of the government expenditures (during the height of the war years) to eight percent within a decade was cause for anger and frustration and a subsequent desire to influence national politics on the part of many of the officer corps.⁴³⁰ The symbolic "neglect" of the military by the Emperor in the immediate post-war years is thought to have added to the increasing tensions leading to the coup of 1889.⁴³¹ Johnson argues, however, that "any carryover from the Paraguayan War, if such was actually the case, was of little or no importance in determining the behavior of the armed forces in the 1880's."⁴³² He maintains, rather, that despite the low budgetary levels, an effective military organization was maintained prior to 1870 (because of Brazil's problematic foreign relations), and that it was the character of the military role during these years which prevented that institution's politicization.⁴³³ It must be added that the Duke of Caxias, leader of the Paraguayan campaign and generally considered to be Brazil's greatest military hero,⁴³⁴

⁴²⁹ Although Sodré notes that the war "profoundly altered the social structure of the military." Sodré, p. 143.

⁴³⁰ Coelho, pp. 46-47. Flynn, Brazil, p. 19.

⁴³¹ E. Bradford Burns, Nationalism in Brazil (New York: Frederick A. Praeger, 1968), p. 48. The Army, moreover, is said to have derived its support for abolition from a combination of its distaste for the hunting of runaway slaves and the close contact between officers and black troops.

⁴³² Johnson, Military, p. 191n.

⁴³³ Johnson, Military, p. 185.

⁴³⁴ Caxias is also remembered as a pioneer in the use of the

actively discouraged civil-military conflicts after the war by acting as a "buffer" between the government and the Army.⁴³³ His death in 1880 was followed by the rapid politicization of the armed forces, which was coincidental to the first attempts at the professionalization of the officer corps,⁴³⁴ the result itself of a combination of the impetus for change derived from the Brazilian experiences in the Paraguayan War and the moves in Europe, and particularly Germany, to professionalize armies.⁴³⁵

The belief structure that was ultimately adopted by the intelligentsia of the "military activists" was Comtean positivism. This complex philosophy of human progress postulated the linear development of society, from military caste (at the lower end of the scale), to democratic industrial society (at the upper). There is a certain irony in its adoption by the activist officers, although the apparent basis of their attraction was its practical emphasis upon order in society, the responsibility of

⁴³³ (cont'd) Brazilian Army in the national socio-economic development process. Almeida e Albuquerque, p. 7.

⁴³⁴ Nunn, p. 31.

⁴³⁵ The first professional publication, A Revista do Exército Brasileiro (The Journal of the Brazilian Army), was initially published in 1882 by young Army officers, and dealt primarily with technical subjects, although editorials frequently expressed outrage at the lack of military preparedness. Coelho, p. 47.

⁴³⁶ Huntington, who is one of the few analysts formally to define "professionalism" within military officer corps, argues that it must evince the general characteristics of "professions", i.e., expertise, responsibility and corporateness, and must involve adherence to the "professional military ethic," a "pessimistic, collectivist, historically-inclined, power-oriented, nationalistic, militaristic, pacifist, and instrumentalist...view of the military profession." Huntington, The Soldier, p. 8; p. 79.

authorities and, as mentioned above, on technical and social progress. Johnson notes that positivism stressed the orderly progress of society as more important in priority than individual (liberal) development, and this contrasted sharply with the Emperor's own classical liberal views.⁴³⁸ A key exponent of positivism in Brazil was a young Army officer, Benjamin Constant de Magalhães, an instructor at the Escola Militar and tutor of the Emperor's grandchildren. Soon, according to Johnson, the Escola had become a "beehive of agitators who knew political doctrines better than theories of warfare."⁴³⁹ With many junior officers enthused over a new (and apparently subversive) philosophy, and senior officers incensed over the Emperor's continuing neglect of the military, the slightest shift in elite political support patterns produced a substantial reaction. That shift came with the abolition of slavery in 1888 and the prospect of imperial succession that would bring the less popular daughter and son-in-law of Pedro to the throne.

Seizure of political power by the military in 1889 followed solicitations for support from the military by civilian politicians in what is described as "cynical bids for power."⁴⁴⁰ It was a situation which closely paralleled the modern military golpe seventy five years later.⁴⁴¹ The

⁴³⁸ Johnson, Military, pp. 189-190.

⁴³⁹ Johnson, Military, p. 190.

⁴⁴⁰ Johnson, Military, p. 191.

⁴⁴¹ Lewis A. Tambs, "Five Times Against the System: Brazilian Foreign Military Expeditions and Their Effect on National Politics," Perspectives on Armed Politics in Brazil, p. 183.

military moved to oust the Emperor with a sudden burst of (apparently shallow) unanimity, despite the deep cleavages between the officers who were moving to uphold the honor of the military, and those (mainly positivists) who used the "military question" as a mere pretext to overthrow the government.⁴⁴² The military appeared to have (and is generally interpreted as having) replaced the Emperor as the moderating power albeit with a militarist bent,⁴⁴³ although there is some dispute as to whether or not this claim has been written into nineteenth century Brazilian history in retrospect. Edmundo Campos Coelho, argues that, although military and civilian leaders of the Republican movement claimed to have taken over the moderating power, which they regarded at the time as the legitimate executive role, in order to legitimize their insubordination, the term was not used commonly until 1924, and in any event is so "elastic" and basically ambiguous that it is "useless as an analytical instrument."⁴⁴⁴ In any event, the concept of the moderating power has been frequently identified as the primary cause of the pronounced politicization of the Brazilian military since 1889, particularly in its tendency to limit the extent

⁴⁴² Coelho, p. 56.

⁴⁴³ Huntington, noting that "perhaps the most extensive and explicit manifestation of the guardian role can be found in the outlook of the Brazilian army," quotes an unnamed Brazilian military intellectual of the era as affirming "the undeniable right of the armed forces to depose the legitimate powers...when the military feels that its honor requires this to be done, or judges it necessary and convenient for the good of the country." Huntington, Political Order, pp. 226-227.

⁴⁴⁴ Coelho, p. 69.

of its regular incursions into national politics prior to 1964.⁴⁴⁵

The "Old Republic," as the political system of 1889 to 1930 is commonly known, is one of the many striking examples in Brazilian development of plus ça change, plus c'est la même chose. The early military dictatorships of Deodoro da Fonseca and Floriano Peixoto became anomalies in the context of the period. The established political and socio-economic practices which had been so inimical to the weltanschauung of the junior officers persisted despite the growing professionalization of the military and the rapidly changing social structure in Brazil. In fact, the military dictatorships were frankly (and frequently corruptly) militarist,⁴⁴⁶ a pattern that was far from the sentiments of the many younger officers who were imbued with the ideals of Comtean positivism. The first military dictatorship, that of Marshal Manoel Deodoro da Fonseca, a northeasterner of humble origins who quickly declared himself "Generalissimo of the Forces of the Land and the Sea,"⁴⁴⁷ ended dismally (after only two years) in a power struggle that brought Floriano Peixoto, the "Iron Marshal," to power. Once again a confrontation eclipsed the regime after two years, this time between the Army and the Navy. In response to one of the many civil wars in the state of Rio Grande do Sul, the

⁴⁴⁵ Stepan, Military, p. 63.

⁴⁴⁶ Burns notes the common practice of conferring military rank upon sympathetic civilian politicians as an example. Burns, History, p. 205.

⁴⁴⁷ Burns, History, p. 205.

Navy (always considering itself somewhat more "aristocratic"--and hence monarchical--than the Army) joined a rebellion which included elements of the federal Army, and at one point was prevented from shelling the federal capital of Rio de Janeiro only by the intervention of foreign, and principally United States, naval vessels.⁴⁴⁴ The crisis compelled Peixoto to turn to the civilian elite of São Paulo for assistance,⁴⁴⁵ and when a paulista, Prudente de Moraes, was elected president in the elections of March 1894, Floriano declined to perpetuate the dictatorship, apparently by prior agreement.⁴⁴⁶

The major impact of the "Old Republic" on the military organization in Brazil was the progressive intensification of the rift between junior and senior Army officers. Senior officers consistently supported the oligarchy,⁴⁴⁷ while civilian governments--generally expressions of that oligarchy--made little effort to confront the rapidly changing social and economic conditions in the country.⁴⁴⁸

Brazil received four million immigrants between 1887 and

⁴⁴⁴ Burns, History, p. 213.

⁴⁴⁵ The São Paulo state militia was a well-trained and well-equipped Army during this period.

⁴⁴⁶ June Edith Hahner, "Officers and Civilians in Brazil, 1889-1898," Diss. Cornell Univ. 1966, p. 9.

⁴⁴⁷ Johnson, Military, p. 197.

⁴⁴⁸ Johnson notes that "oligarchical government left economic and social matters largely to take care of themselves. It showed a general lack of imagination in molding opinion and policy relating to commerce, industry, transportation, and power. It deprived the nation of effective leadership in the field of education. It did little or nothing to incorporate over a million immigrants into the body politic. It permitted provincialism to flourish; Brazil remained split into a half dozen regions...." Johnson, Military, p. 197.

1936,⁴⁵³ and this came at a time of a growing sense of frustration on the part of many groups, including the junior Army officers.⁴⁵⁴ Furthermore, the suppression in 1896-97 of Antônio "Conselheiro," a messianic figure who had attracted an army of devout followers in the Northeastern sertão--at great cost to, and humiliation of, the federal government--marked a "new stage" in military anxiety, and ultimately led to the evolution of a "Brazilian Bushido" that deeply involved junior and middle-level officers.⁴⁵⁵ Thus the issue that increasingly became central to the growing distance between junior and senior officers was that of national development, and the junior officers searched for opportunities to lead the way to national development, ostensibly beginning with the professionalization of the officer corps. The dismal failure of military maneuvers in 1905 soon led to a training program for junior officers conducted by the Prussian Army, already a highly politicized military establishment that routinely influenced its own national politics,⁴⁵⁶ and by 1913 the "Germanophiles" or "Young Turks," as the newly trained officers were called at the time, were publishing a journal, A Defeza Nacional[sic],

⁴⁵³ Eric Baklanoff, "External Factors in the Economic Development of Brazil's Heartland: The Center South, 1850-1930," The Shaping of Modern Brazil, p. 29.

⁴⁵⁴ Coelho points to the long-term growth of tension between junior and senior officers as exemplified by the frequently forgotten revolts of junior officers at the Military School at Praia Vermelha (1897), the Military School of Ceará (1897) and the Military School at Rio de Janeiro (1904). Coelho, p. 93n.

⁴⁵⁵ Nunn, "Military Professionalism," pp. 33-34.

⁴⁵⁶ This is a primary thesis of Craig's work.

TABLE 2.2

Immigration in Brazil after 1884

YEARS	TOTAL NUMBERS
1884-1893	883,668
1894-1903	862,110
1904-1913	1,006,619
1914-1923	503,981
1924-1933	737,223
1934-1943	197,238
1944-1953	348,443
1954	72,248

Source: Lambert, Os Dois Brasis, p. 59.

which stressed the developmental role of the Army within the nation.⁴⁵⁷ This general attitude, which implied the need for increased army autonomy from political affairs, was consistent with the views of of their Prussian army instructors. According to Craig, the Prussian (and, later, German) army had the tradition of functioning as "a law unto itself, acquiescing in directions issued by the political heads of the state for the most part only when it suited its purpose to do so."⁴⁵⁸ The presidential administration of General Hermes da Fonseca (1910-1914), which Johnson calls "the most inept, corrupt, and extravagant government that

⁴⁵⁷ Fiechter, p. 26. In its first issue, A Defeza argued that the Army was "the only truly organized force in the midst of an amorphous mass of ferment--it exceeds its professional obligations at times, to become...a decisive factor of political change or social stability." Nunn, "Military," p. 36. One of the key issues that the Young Turks stressed was the tenuous relationship between the Minister of War, a largely political office, and the Army General Staff (Estado Maior), a technical organ. They noted the effects of this relationship in dragging the military into partisan politics. Coelho, p. 80.

⁴⁵⁸ Craig, p. 468.

modern Brazil has known,"⁴⁵⁵ led to a dramatic intensification of military unrest;⁴⁵⁶ and the Young Turks, who had ambivalently argued for the de-politicization of the military, found themselves at the center of military conspiracies.⁴⁵⁷

The outbreak of World War I brought an end to the early part of the First Republican Period. Although Brazil was drawn into the conflict as a full belligerent in 1917, primarily because of its commercial ties with the Allies, the unpreparedness of the Army and the latent pro-German sentiments within it⁴⁵⁸ had the effect of limiting Brazil's rôle in the war to one of supply support and the provision of a small naval mission to patrol the South Atlantic.⁴⁵⁹ By the end of the war the deterioration of the political system was beginning to become apparent, and the military was increasingly involved in politics. The result was the manifest growth of contention within the officer corps (especially between ranks), and increased politicization of officers at all ranks.⁴⁶⁰ The largely favorable national

⁴⁵⁵ Johnson, Military, p. 194.

⁴⁵⁶ Robert A. Hayes, "The Military Club and National Politics in Brazil," Perspectives on Armed Politics in Brazil, p. 150.

⁴⁵⁷ Coelho, p. 81.

⁴⁵⁸ For a clear explanation of the importance of these conditions see Lewis A. Tambs, "Five Times against the System: Brazilian Foreign Military Expeditions and Their Effect on National Politics," Perspectives on Armed Politics in Brazil, especially p. 184.

⁴⁵⁹ Burns, History, p. 256.

⁴⁶⁰ Schneider, pp. 43-44. Schneider notes that the military and, to a lesser degree, the Brazilian public had come to believe that military involvement in national politics reflected national interests.

TABLE 2.3

Brazilian Army Strength, 1917-1927

YEAR	OFFICERS	SOLDIERS	TOTAL
1917	2,591	21,479	24,070
1918	2,475	35,558	38,033
1919	2,560	33,825	36,385
1920	2,672	30,150	32,822
1921	2,788	36,067	38,855
1922	2,886	43,062	45,948
1923	2,864	46,123	48,987
1924	3,567	36,197	39,764
1925	3,823	30,421	34,244
1926	3,84	35,635	39,478
1927	3,9	36,556	40,551

Source: Keith, "Armed Federal Interventions," p. 64.

image of the Brazilian military during this period had perhaps more to do with its contributions in engineering, local development projects and its exploration of the backlands,⁴⁶⁵ than its direct political role. Nevertheless, Brazilian military power provided a crucial political tool in the settlement of a series of border agreements with most of Brazil's neighbors.⁴⁶⁶ Furthermore, there had been a dramatic growth in the state militias over the period (as indicated in Table 2.4). Some of these received foreign military training, and they had contributed significantly to the formation of a new political role for the federal military establishment by supplanting it and by drawing it into political issues in which the militias lined up behind

⁴⁶⁵ Johnson, Military, pp. 198-199. Johnson underscores the importance in this regard of the contribution of General Cândido Rondon in exploring the interior and protecting the Indians.

⁴⁶⁶ Johnson, Military, p. 200.

TABLE 2.4

The Size of State Militias
for Selected States (by Year)

YEAR	SAO PAULO	MINAS GERAIS	BAHIA	RIO GRANDE DO SUL
1909	3,508	2,502	2,126	1,552
1917	8,618	2,967	2,200	2,528
1924	6,393	3,152	3,211	2,508
1925	7,236	3,457	3,392	3,182
1926	7,785	3,432	3,264	3,186
1927	8,666	3,680	3,142	3,528
1928	7,622	4,111	3,153	3,212

Source: Kerth, "Armed Federal Interventions," pp. 59-60.

their respective state governors. This reinforces Sodré's emphasis that "the military was incapable of substantive reform as long as archaic land-tenure patterns and class relations, of which the state militias were a product, were maintained in Brazil."⁶⁷ A new pattern of civil-military relations was in the offing,⁶⁸ and the professionalization of the officer corps was once again a key issue. In its emphasis upon technical competence and advancement through merit, professionalization in turn limited the tolerance of the junior officers for the corruption and privilege associated with the Brazilian oligarchy.

Tenentismo and the Ethos of Military Rebellion. Much has been written about the military rebellions of the junior officers, many of them lieutenants (or tenentes), during the

⁶⁷ Sodré, p. 201.

⁶⁸ Federal legislation passed in 1915 and 1918 reformed the military and abolished the National Guard. Sodré, História, p. 198.

1920s. The phenomenon of tenentismo, like so many other "spontaneous" political outbursts in Brazil, found its origins in patterns which had been emerging for decades.⁶⁶ The rapid professionalization of the officer corps contrasted sharply with the sporadic (and usually depressed) pace of socio-economic and political change in the nation,⁶⁷ and an intensification of this contrast was noted in the 1920s. Although in one sense the entire officer corps was affected equally by these contrasting changes, reactions differed based upon rank, and a subsequent hiatus developed between junior and senior officers.⁶⁸ Germany's loss of World War I widened this hiatus in that it led to the replacement of the German military training mission in Brazil with the French. Aside from providing a new source of military tradition, there were other reasons why the advent of the French mission meant that the junior officers

⁶⁶ John D. Wirth contends that "the roots of tenentismo go back to the civilian-military struggles for political supremacy (1910-1924)." Wirth, "Tenentismo in the Brazilian Revolution," HAHR, XLIV, No. 2 (May, 1964), p. 164.

⁶⁷ Burns describes the rapid changes in national industrialization that had begun prior to World War I, and which were accelerated by the attempts to fill wartime shortages. The result was a temporary international dependence on Brazilian raw materials, especially coffee, sugar, cotton and rubber, which had achieved a peak in Brazilian production in 1912 and thereafter slowly declined until its precipitous drop, because of Asian production, after WWI. The end of the war, in fact, brought a return to prewar trade patterns in most other commodities, and a subsequent collapse of the war "boom". Burns, History, p. 261.

⁶⁸ Wirth notes that junior and senior officers differed on "the military's role in national affairs. The tenentes would reform and regenerate the nation; their seniors would settle for a more active role in a reformed and centralized administration." Wirth, "Tenentismo," p. 164.

would now share significantly fewer political attitudes with their superiors.

The arrival in Brazil in 1918 of the first contingent of the French military training mission coincided with the appointment by President Pessôa of the civilian João Pandiá Calógeras as Minister of War. As an outsider to the military establishment, Calógeras strongly supported the views of the "Young Turks," and these included the call for higher military funding and the increased professionalization of the officer corps.⁴⁷² The first French training mission, moreover, devoted themselves to the training of professional officers,⁴⁷³ although it must be added that the mission itself was representative of an officer corps that had long been both explicitly political and fraught with internecine struggle.⁴⁷⁴ The French mission had the immediate effect of intensifying the polarization of the Brazilian officer corps between junior and senior officer camps, the former being significantly better trained than the latter.⁴⁷⁵

⁴⁷² Sodré, pp. 199-200.

⁴⁷³ Fiechter notes that "they endeavoured to train officers to be forward looking, adaptable, capable of political reasoning and of original thinking, and their style was a hallmark of the Brazilian Army up to the Second World War." Fiechter, p. 27.

⁴⁷⁴ Nunn, p. 41.

⁴⁷⁵ Tambs, pp. 184-185. The improved training was realized almost immediately at all levels of officer schooling, according to Tambs, and included the Escola Militar de Realengo, at which Humberto Castelo Branco and Arthur da Costa e Silva were enrolled in 1921. Tambs, p. 185. Schneider notes that "in light of the lower middle class origin of a larger proportion of the young officers [at Realengo], the example of their superiors' often mixing in politics, the siren call of renewed Florianismo through the

TABLE 2.5

The Comparative Sizes of State Militias
and the Federal Army, 1924-1928

YEAR	STATE MILITIAS	FED. ARMY
1924	31,988	39,764
1925	34,651	34,244
1926	35,135	39,478
1927	36,952	40,551
1928	35,932	40,926

Source: Keith, "Armed Federal Intervention,"
p. 64

and hence it had the secondary effect of defining the professionalization of the officer corps and the development of the nation as the two issues of central concern to the Brazilian military establishment.⁴⁷⁶

The phenomenon of tenentismo in the 1920s has remained a major landmark of the politics of Brazil. Similar in many respects to the republicanism and positivism of the junior officer corps of the 1880s,⁴⁷⁷ tenentismo involved the sons of an inchoate middle class, although the tenentes tended to come from states on the periphery of national power: Ceará, Pernambuco, Mato Grosso and Rio Grande do Sul.⁴⁷⁸

⁴⁷⁶(cont'd) person of Hermes da Fonseca, and the magnitude of the national problems (contrasted with the "selfish" interests of the "boss"-dominated political system), it is not surprising that a significant minority questioned the military's institutional role as a support of the established order." Schneider, p. 46. Tenentismo is thus said to have had its origins at Realengo. Schneider, p. 45.
⁴⁷⁷ Coelho, p. 83. The young officers were unclear in their conception of national development, although it can be surmised that they regarded industrialization and the 'modernization' of Brazilian culture as important elements.
⁴⁷⁸ Schneider, p. 45.

⁴⁷⁸ Robert M. Levine, The Vargas Regime; The Critical Years, 1934-1938 (New York: Columbia Univ. Press, 1970), p. 3. Levine suggests that the tenentes were part of a

Thus, although they were the immediate products of a new professional military training which stressed that "their duty was to serve the nation, not selfish regional interests,"⁴⁷⁷ the archaic and regionally-dominated national power structure caused them to question the terms of service. They became proponents of systemic reform, and insisted upon the withdrawal of military support for various parts of the power structure.⁴⁷⁸ Although they are thought by some observers to have represented a "bourgeois impulse,"⁴⁷⁹ their economic program was excessively vague and "simplistic,"⁴⁸⁰ and their political diagnosis did not evince the kinds of issues (even in vague terms) that might be expected from the sons of the bourgeoisie.⁴⁸¹

⁴⁷⁷(cont'd) "status-incongruent elite" owing to the contrast between their middle-class origins and "the secondary place of the states of their birth...in the political hierarchy of the Republic." Levine, p. 3.

⁴⁷⁸ Neill Macaulay, The Prestes Column; Revolution in Brazil (New York: New Viewpoints, 1974), p. 5.

⁴⁷⁹ Sodré, p. 214.

⁴⁸⁰ Sodré, p. 214. Octávio Malta regards tenentismo as a manifestation of bourgeois revolution in Brazil. Malta, Os Tenentes na Revolução Brasileira (Rio de Janeiro: Civilização Brasileira, 1969), p. 2.

⁴⁸¹ Poppino notes that "they tended to regard economic problems largely as problems of fiscal policy or law enforcement. They denounced profiteering and tax evasion by merchants and industrialists as violations of existing laws. They seemed to agree on the desirability of industrial development, but implied that this would come when state and local governments provided suitable incentives. In this vein, their only specific recommendation for economic reform was a tax measure to give municipal governments larger revenues and greater autonomy in fiscal matters." Poppino, p. 255.

⁴⁸² Tambs observes that the tenentes regarded Brazil as being "torn by regionalism, beset by caudilhismo..., betrayed by the oligarchy, bled white by foreigners, enslaved by monoculture, and rotted by corruption." Tambs, p. 185. Their sense that civilian politicians were corrupt, inefficient and unpatriotic (Tambs, p. 185) was, of course,

At least part of this ambiguity derives from the accelerated process of change that tenentismo experienced. Three discrete phases of the phenomenon, from isolated acts of frustration, through the forging of activist links with local and regional politicians, and finally to the entry of prominent tenentes in open opposition to the succession of President Washington Luis's handpicked candidate for the presidency, reflect an increasing degree of politicization.⁴⁴⁴ Thus a movement which had begun from "typically military factors"⁴⁴⁵ soon became primarily (and nationally) political in character.

The first outbreak of military rebellion by the tenentes on July 5, 1922 at the fort on Copacabana beach in Rio de Janeiro is best described as "quixotic in the extreme."⁴⁴⁶ Anger and frustration at the closing of the Clube Militar and the arrest of its president (and former national president) Hermes da Fonseca led to a poorly planned and executed barracks revolt, initially led by the arrested officer's son. The incident ended in the slaughter (by federal troops) of over a dozen of the final "eighteen of the fort"⁴⁴⁷

⁴⁴⁴ (cont'd) not devoid of reality. Wirth stresses that they had no scheme of priorities (Wirth, p. 167), and Coelho points to the testimony of former tenentes, particularly Juarez Távora, in arguing that they had no program whatsoever. Coelho, pp. 85-86.

⁴⁴⁵ Sodré, p. 213.

⁴⁴⁶ Coelho, p. 84.

⁴⁴⁷ Johnson, Military, p. 202.

⁴⁴⁸ It was President Pessoa's order to close the Clube and arrest its president for inflammatory statements that sparked this "family affair," in which there were actually less than eighteen staunch supporters. Flynn, p. 56n; p.

as they marched out onto the beach, determined to resist arrest and to "inspire" the federal troops with their bravery.^{***} The revolt provided the country with its first military martyrs at a time when public attention was focused upon the political corruption and archaic institutions of the Old Republic.^{***} Severe government reaction to the movement forced desertions from the military,^{***} and set the stage for the next outbreak of military rebellion in 1924.

The São Paulo uprising of 1924 represented a significantly more coherent and political act, reflecting the consolidation and rationalization of tenentismo. It began on the second anniversary of the first uprising, and pitched 5,000 rebels under the leadership of General Isidoro Dias Lopez against a federal force of over 20,000 men.^{***} This time the tenentes specified a political program which contained many of the elements later to play important parts in Brazilian national politics. Johnson notes that the tenentes of 1924

demanded minimum salaries for laborers and regulation of work for women and children, but they were unsympathetic to anarcho-syndicalism. They approved of limited capitalism and democratic liberalism but favored state ownership of natural resources. They opposed the latifundia system, which they associated with economic backwardness.

^{***} (cont'd) 44.

^{***} Macaulay, p. 235.

^{***} Flynn, p. 44.

^{***} Some of the deserters, like the famous Távora brothers, became full-time organizers of military revolt. Macaulay, p. 19.

^{***} The 5,000 included the very competent Força Pública of São Paulo and a number of European immigrants with extensive military experience. Flynn, p. 45.

They held that government was a benevolent authority and that the armed forces had a redemptive role to fulfill. They believed further that government should be expanded, the better to protect the common man, and that government should also be the principal agent in forming an integrated Brazilian nationality and in developing the nation's vast interior. They pushed Brazilian nationalism into new frontiers, to the deep concern of their superiors and the civilian elite, whose profound conviction that Brazil's welfare and coffee were inseparable made them at heart internationalists.⁴²²

What is perhaps most important, however, is that they enjoyed enough popular support in São Paulo to resist the vastly superior federal force for several weeks. Flynn observes that despite the extremely limited chances of success for the revolt, it performed the important function of uniting dissident state and regional interests with the tenentes in what later would come to be regarded as having been a practice run of the 1930 revolution.⁴²³ When they finally did retreat, it was to the interior, where they met with rebel forces from Rio Grande do Sul, forming a joint force under the command of Miguel Costa and Luís Carlos Prestes, to begin a heroic 14,000 mile trek through the Brazilian sertão in what was the epitome of quixotic adventure, its most significant accomplishment having been its role as a formative experience for the marchers.⁴²⁴

⁴²² Johnson, Military, p. 203.

⁴²³ Flynn, p. 45.

⁴²⁴ Use of the term "heroic" is, in this case, almost unavoidable. Burns refers to the march as an "odyssey" (Burns, History, p. 283), and Macaulay likens it to Aeneas and the Trojans. Macaulay, p. x.

Although the march of the Prestes Column¹¹¹ failed to arouse the countryside to revolution, most analysts agree that it fulfilled secondary functions which had an important bearing on the evolution of the contrasting military roles of national development and the evolution of authoritarian policy making.¹¹² The grudging admiration with which the Brazilian military viewed the accomplishments of the column,¹¹³ and the relevance of the experiences of the junior officers involved, some of whom later occupied political and military offices of great importance, cannot be overemphasized. The prolonged immersion of these urban elites in the poverty of the countryside, under conditions which forced them to impoverish it even further,¹¹⁴ surprisingly did not result in the breakdown of the corporate identity of the column. It is, indeed, this resistance to internal disintegration which is correctly considered to be "more impressive than their escapes from

¹¹¹ A number of observers, including Robert M. Levine, have stressed that although the column was ultimately identified with Prestes, Miguel Costa remained its commanding officer to the end. Levine, The Vargas Regime, p. 2.

¹¹² Sodré (p. 215), Burns (History, p. 283) and Flynn all argue this point, with Flynn concluding that the March was able "to underline the issues of Brazil as a whole and remind the coastal, urban elite of the poverty, degradation, and despair of the interior." Flynn, p. 47.

¹¹³ Sodré lists some of these as follows: "647 days on the march, more than 24,000 kilometers travelled with no stop longer than 48 hours; there were 800 to 1,000 men; they used a hundred thousand horses; they slaughtered 30,000 head of cattle; nearly 600 soldiers and 70 officers died; among these, 68 died in combat; more than 80% of the troops were wounded in skirmishes; 350,000 rounds of ammunition were fired...." Sodré, p. 217.

¹¹⁴ Macaulay, p. x.

annihilation by outside forces."⁴⁹⁹ Furthermore, the example of Prestes, who disdained the traditional elite avoidance of manual labor and spent much of his time helping and teaching the common soldiers, was ultimately to influence the self-conception of the Brazilian officer corps, to put it at variance with many of the traditional norms of elite behavior; despite Prestes's sharp break with the officer corps in 1930.⁵⁰⁰ Prestes and his cohorts had become heroes, and their lasting contribution was an enshrinement within military tradition of pragmatic resistance and awareness of national (and especially rural) problems.

Although evidence suggests that the young activists finally became "middle class radicals in uniform,"⁵⁰¹ it remained difficult to identify them with specific class interests, particularly because they derived their primary motivation to change the political system from a desire to remove obstacles to the modernization of the military.⁵⁰² The results of their actions, and the character of their secondary motivations, however, are also of some interest

⁴⁹⁹ Macaulay, p. 236.

⁵⁰⁰ Wirth stresses the utter unacceptability of communism (Prestes's chosen ideology after 1930) to his brother officers. John D. Wirth, "Tenentismo," p. 166.

⁵⁰¹ Wirth, "Tenentismo," p. 166. Wirth notes that by 1930 "their program called for limited capitalism of the petty bourgeoisie, democratic individualism bolstered by syndical organizations, producers and consumers cooperatives, minimum wage laws, and legislation regulating the hours of work for women and children. But above all the tenentes demanded the gradual elimination of latifundia, the nationalization of mines, power sources, commerce, and retail trade. Wirth, p. 166.

⁵⁰² Coelho, pp. 86-87.

here. Their residual concern for the "modernization" of Brazilian society surprisingly retained a basic urban focus after their leaders were placed in positions of power, and it can only be speculated as to whether this was the result of the incompetence of the tenentes in bringing revolution to the countryside,⁵⁰³ or their opportunism, which "exposed tenentismo to the manipulation of civilian political groups."⁵⁰⁴ The rapid politicization of the tenentes in the late 1920s appears to have been facilitated by the fact that they remained an entity apart from the armed forces, the latter, according to Johnson, benefitting from the popularity of the tenentes while continuing to support the oligarchy.⁵⁰⁵

1930-1945: The Military and the Dictatorship. The Brazilian military has usually fulfilled its "political function" (i.e. intervention) in response to complex political and economic conjunctures from which it is often difficult to specify compelling causes, as in all historical events.

⁵⁰³ This point is argued by Octávio Malta, Os Tenentes, p. 3.

⁵⁰⁴ Coelho, p. 90. "...o oportunismo terminou por expor o 'tenentismo' as manipulações dos grupos políticos civis."

⁵⁰⁵ Johnson, Military, p. 197. Johnson attributes the favorable public image of the armed forces before 1930 (despite the open unpopularity of the oligarchy) to factors which (it is speculated here) have some bearing on the later determination of contrasting military policies of national security and national development: (1) efforts to open the backlands and bring about national technological development; (2) support for an active foreign policy; (3) avoidance of confrontations with urban labor; and (4) popular association with the progressive stands of the tenentes.

Certainly one important catalyst in the events that led to the military and civilian golpe of 1930 was the international economic crisis, and especially the crisis in coffee prices, as Table 2.6 indicates. Coffee exports were responsible for over 70% of national revenues in the 1920s,⁵⁰⁶ and thus exerted an important influence on the economy, including its ability to service a \$900 million foreign debt.⁵⁰⁷ Indeed, to the reports in 1930 that President Washington Luis had the firm support of all of the Army generals, the cynics replied that "the most powerful general of all, 'General Coffee', had turned against him."⁵⁰⁸ Yet another "catalyst", civilian cooptation of the military for selfish political ends, is stressed by Alfred Stepan and Thomas Skidmore (among others) as a primary and perennial cause of intervention, and in 1930, according to Skidmore, the accumulated frustrations of having constantly to support civilian governments finally vented themselves in full-scale military intervention,⁵⁰⁹ albeit with care given to maintaining a modicum of civilian trappings. The extent and duration of pre-coup military conspiratorial planning should not be overlooked, however, in this emphasis upon the impatience of the officer corps.⁵¹⁰ Perhaps the most convincing explanation of the military intervention of 1930

⁵⁰⁶ Jordan M. Young, The Brazilian Revolution, p. 70.

⁵⁰⁷ Young, p. 71.

⁵⁰⁸ John W. F. Dulles, Vargas of Brazil; A Political Biography (Austin: Univ. of Texas Press, 1967), p. 53.

⁵⁰⁹ Skidmore, Politics in Brazil, p. 11.

⁵¹⁰ Young locates the beginning of active conspiracies in September of 1929. Young, pp. 55-56.

TABLE 2.6

Prices for Coffee on the
New York Coffee Exchange*

YEAR	CENTS PER POUND
1919-1920	19.0
1920-1921	10.4
1921-1922	14.3
1922-1923	14.8
1923-1924	21.3
1924-1925	24.5
1925-1926	22.3
1926-1927	18.7
1927-1928	23.2
1928-1929	22.1
1929-1930	13.2
1930-1931	8.7

*The New York prices closely reflected world prices. Brazil produced most of the world coffee supply in 1919, and the United States bought about half of the Brazilian product. Burns, History, pp. 217-218.

Source: Young, p. 70.

directs attention to the gravity of the long-term political crisis in Brazil which, according to many observers, verged on civil war.⁵¹¹ Ultimately a great part of the problem probably rested with President Washington Luís, who had exacerbated an already precarious situation by repeatedly refusing to compromise on basic political issues, such as the choice of his successor,⁵¹² a cardinal transgression of

⁵¹¹ Johnson uses this term in his explanation of the intervention of senior Army officers in Rio de Janeiro. Johnson, The Military, p. 194. Flynn likewise notes that intervention was a last effort to prevent a civil war (Flynn, Brazil, p. 50), and Stepan adds that shortly after the election the partisans of defeated presidential candidate Getúlio Vargas "began to organize for civil war." Stepan, Military, p. 18.

⁵¹² Flynn, Brazil, pp. 49-50.

the unwritten code of Brazilian politics. By 1930 the issues of national development and national security had merged in political and economic crisis, and the military quickly arbitrated the civilian dispute.

The dictatorship of Getúlio Vargas, which lasted from 1930 to 1945, and particularly its most authoritarian expression (the Estado Nôvo, or "New State", from 1937 to 1945), is most plausibly regarded as an informal military dictatorship, despite the civilian status of the president and many of his ministers. As Coelho succinctly puts it, the military "installed [the dictatorship], almost always imposed their points of view, [and] cancelled it. Any national interests that were brought forward were interpreted through the prism of Army interests."⁵¹³ Moreover, though many observers refer to the "civilian dictatorship",⁵¹⁴ they generally follow Johnson's example in qualifying that "the revolution of 1930 propelled the armed forces into the center of Brazilian politics and the locus of power has resided in them ever since."⁵¹⁵ It would therefore appear to be valid to regard the revolution of 1930 as the chronological point at which the Brazilian armed

⁵¹³ "Embora com uma chefia civil no governo, o Estado Novo foi, de fato, uma ditadura dos militares: eles a instauraram, impuseram quase sempre seus pontos de vista, eles a cancelaram. Quaisquer que tenham sido os interesses nacionais aduzidos, eles foram interpretados pela prisma dos interesses do Exército." Coelho, p. 111.

⁵¹⁴ E.g., Johnson, *Military*, p. 194.

⁵¹⁵ Johnson, *Military*, p. 206. He concludes that Vargas remained under the control of the military, and that politicians after 1945 likewise depended upon their "dispositivo militar".

forces initiated their hegemonic intervention in the process of national public policy formation. Wirth notes that "being the best-organized national institution, the Army impressed its nationalist, reformist, and centralist ideals upon the Vargas years."¹⁶ The previous role of qualified military subordination had been fundamentally altered: the military officers were now the arbiters of national politics.

The revolution of 1930 had a crucial and salutary effect upon the Brazilian military institution. The extensive dismissals of tenentes during the 1920s had created a relatively large conspiratorial military caste,¹⁷ and by 1930 this group continually plotted against the authorities while longing at the same time for a return to status within the officer corps. While still technically excluded from the Army, they were well placed within the new revolutionary coalition, and as former officers they were in a position of competition with the professionals, the political appointees and the getulistas, the latter being the political supporters of Vargas.¹⁸ The tenentes were ultimately appeased in this competitive situation by the appointment of their prominent members to some relatively

¹⁶ John D. Wirth, The Politics of Brazilian Development (Stanford, California: Stanford Univ. Press, 1970), p. 8.

¹⁷ Stepan notes that the tenentes comprised a disgruntled group of politicized and highly trained personnel who, moreover, shared a common specialization in the techniques of violence. Stepan, Military, p. 225.

¹⁸ Tambs, p. 189. Tambs observes that the only major point of agreement among these groups was that the government should play a leading role in sponsoring technological change.

important government posts.⁵¹ Of similar importance was the critical unifying role of General Pedro Aurélio de Góes Monteiro, whose technical competence, political views and rapid rise to the Ministry of War allowed him to forge important links with the professionals, the tenentes and the getulistas.⁵² Chosen to lead the military revolt after Prestes's newly found communist leanings were made known, Góes Monteiro's important contribution to subsequent military development has been largely ignored by most North American and European "Brazilianists".⁵³ It is also important to note in this regard Vargas's own moves in appointing officers to key political positions and in consolidating and professionalizing the officer corps,⁵⁴ especially given his relatively wide flexibility within the

⁵¹ The appointment of tenentes in 1930 was closely tied to their established reputations as progressive "middle-class rebels" during a time when world depression and the breakdown of Brazilian oligarchy placed a special emphasis on their ideological stand. Wirth notes that when these favorable factors declined in importance, so did the fortunes of the tenentes. Wirth, "Tenentismo", p. 178.

⁵² Coelho, pp. 90-91. Góes Monteiro had, paradoxically, led the last major government operation against the Prestes Column. Young, The Brazilian Revolution, pp. 27-28.

⁵³ His name is hardly mentioned in Burns's A History of Brazil and Stepan's The Military in Politics, and does not even arise in Schneider's work, despite his apparently formative influence upon the articulation of the Brazilian military doctrine of national security. Flynn is an exception to this pattern, considering Góes Monteiro to have been a "major figure" of the revolution. Flynn, p. 84. Nevertheless, as illustrated in the following pages, Coelho argues that Góes Monteiro personally developed a military doctrine which was of seminal influence upon, if not identical with, the doctrine of national security later elaborated by the Escola Superior de Guerra. Coelho, pp. 105-106. It is argued in later chapters that this doctrine became the justification of military intervention in 1964.

⁵⁴ Fiechter, p. 27.

ideologically amorphous "Liberal Alliance".⁵²¹

A class characterization of the early years of the Vargas dictatorship underscores the progressive importance of urban, industrial and bourgeois interests. It can be argued that the tradition of armed political contention in Vargas's home state of Rio Grande do Sul⁵²⁴ influenced Vargas's adoption of a centralized authoritarian government.⁵²⁵ Rio Grande do Sul had literally been "conceived and born of armed politics...."⁵²⁶ The profound regimentation of gaúcho society that derived from this traditional militarization, its patrimonial "military ethos",⁵²⁷ apparently contributed to the evolution of a political model in which military order functioned effectively in place of bureaucracy.⁵²⁸ The "gaúcho model" apparently corresponded well with the needs of capitalist development in Brazil, particularly as it was adapted to events after 1937.⁵²⁹ Vargas quickly moved to replace the extreme divisiveness of regional loyalties and autonomy of

⁵²¹ Flynn, p. 51; p. 96.

⁵²⁴ An excellent essay on the Gaúcho (the adjective for, and identification of the residents of, the state of Rio Grande do Sul) military tradition and its effects on the 1930 revolution is Carlos Cortes's "Armed Politics in Rio Grande do Sul," Perspectives on Armed Politics in Brazil, especially p. 115 and p. 124.

⁵²⁵ Flynn, p. 100.

⁵²⁶ Carlos E. Cortés, "Armed Politics in Rio Grande do Sul," Perspectives on Armed Politics in Brazil, ed. Henry H. Keith and Robert A. Hayes (Tempe, Arizona: Center for Latin American Studies, Arizona State Univ., 1976), p. 115.

⁵²⁷ Fernando Uricoechea, The Patrimonial Foundations of the Brazilian Bureaucratic State (Berkeley: Univ. of California Press, 1980), p. 130.

⁵²⁸ Uricoechea, p. 130.

⁵²⁹ Flynn, p. 99.

the states with moves toward national integration (clearly at the expense of the many benefits of federalism),⁵³⁰ the priority issue once again being the stabilization of coffee prices to the virtual exclusion of most other programs and plans.⁵³¹ However, the first stirrings of a statist, nationalist and capitalist populism were already present in the ideology of the tenentes according to some observers,⁵³² and the intervention of these military figures in the process of public policy formation after 1930, albeit limited, was to have an important effect on the course of the regime. Two essentially military events served as necessary "stages" in the adoption of a centralized and "populist" regime in Brazil after 1937: the 1932 São Paulo revolt and the communist "Intentona" of 1935.

The São Paulo revolt represented the inevitable challenge of regional interests to the moves by Vargas to centralize and nationalize the process of formulating public policy. The immediate issues of the revolt appear to have been the active presence of "outside" officials in key administrative positions in the state, and particularly the appointment of tenente João Alberto Lins de Barros as federal "interventor",⁵³³ along with the continued lack of a

⁵³⁰ The previous and incomplete capitalist class structure remained stable for the time being. Flynn, pp. 60-61.

⁵³¹ Flynn, p. 61.

⁵³² Sylvia Ann Hewlett, The Cruel Dilemmas of Development: Twentieth-Century Brazil (New York: Basic Books, Inc., 1980), pp. 62-63.

⁵³³ The "interventor" was the president's personal political representative to the state, in effect an appointed governor. Young describes the reaction in São Paulo to João Alberto's appointment as "stunned". Young, p. 84.

federal constitution during Vargas's "provisional" regime, two conditions which tended to curtail financial and political freedom in the state."³³⁴ When the conflict began in July 1932, the paulistas expected support from Rio Grande do Sul. The support never materialized, although key leaders (including Góes Monteiro) are said to have wavered briefly in their pro-Vargas sentiments."³³⁵ It was the largest internal conflict in the history of Brazil, with three hundred thousand combatants--of which nearly one hundred thousand were paulista volunteers. The stalemate which ensued was finally settled with the surrender of São Paulo in early October of the same year,"³³⁶ an event which appeared to end, once and for all, any aspirations of a return to the conditions of the "Old Republic."³³⁷

³³⁴ Karl Loewenstein, Brazil under Vargas (New York: The Macmillan Company, 1944), pp. 19-20. Young, pp. 85-86.

³³⁵ Young, p. 86. In contrast to enthusiastic upper- and middle-class support for the revolt within São Paulo, the working class remained "cool" to the paulista revolt, displaying perhaps greater sympathy for the program of the tenentes. Flynn, p. 64.

³³⁶ Loewenstein refers to the "complete defeat" of São Paulo (Brazil under Vargas, p. 20), although Young and Dulles prefer to stress the relative lack of advantage of the paulistas. Young, pp. 86-87. Dulles, Vargas of Brazil, pp. 113-116. Flynn concludes that the failure of the revolt pointed to the decisive role of the Army in determining the outcome of golpes in Brazil. Flynn, p. 64.

³³⁷ Flynn argues that "October 1932, rather than October 1930, marked the end of the Old Republic, representing the last effort by the paulista dominant groups and their allies to regain control of the state apparatus as they had managed to do after 1889. From 1932 onwards the most striking feature of Brazilian politics was now to be an increasing central control and direction, with the states' and regional powers steadily eroded." Flynn, p. 65. Vargas's "magnanimous" treatment of the paulistas, and his prompt action in ordering the preparation of a new constitution, further emphasized the strength (and hence ability to compromise) of the government position. Young, p. 87.

Vargas emerged from the crisis more dependent than ever on the support of the Army⁵³⁷ for his increasingly centralist and authoritarian policies.

The communist uprising, or the so-called Intentona, of 1935 likewise constituted a crucial excuse for Vargas's move toward authoritarianism, and as with the São Paulo revolt it had a formative effect on the role of the military in the formation of national public policy, particularly in the extent to which it centralized and unified the command structure of the Army so that the cooperation of the General Staff became the prerequisite for any political involvement of military units.⁵³⁸ Never clearly a communist revolt,⁵³⁹ the alleged threat was quickly extended to include all people thought to be associated with "subversive activity." Thus, although bloody street fighting did indeed take place in the Northeast, and several officers were killed,⁵⁴⁰ the primary effect of the revolt was the widespread government suppression and censorship of all opposition.⁵⁴¹ The armed

⁵³⁷ (cont'd) Loewenstein, p. 20.

⁵³⁸ Flynn, p. 61, p. 69.

⁵³⁹ Coelho, pp. 111-112.

⁵⁴⁰ Sodré cites Prestes's testimony, given nearly 28 years later, to the effect that although the communists constituted the vanguard of the National Liberation Alliance (ANL), "the insurrection of 1935 was not, however, an exclusively communist movement, nor did the insurrectionists of '35 intend to install in our country a dictatorship of the proletariat, much less a communist government...." ("A insurreição de 1935 não foi, porém, um movimento exclusivamente comunista, nem pretendiam os insurretos de 35 instaurar em nosso país a ditadura do proletariado nem muito menos, um governo comunista....") Cited in Sodré, p. 255.

⁵⁴¹ Dulles, Vargas of Brazil, p. 149.

⁵⁴² E.g., Sodré mentions the massive book-burnings that followed the Intentona. Sodré, p. 259.

forces created a special decoration for loyal officers who had served in the suppression of the revolt, and later celebrated with annual parades and ceremonies the date of the suppression.⁵⁴³ According to Coelho, the "communist threat" became a powerful tool of the military leaders in the forging of internal cohesion within the officer corps.⁵⁴⁴ Thus it can be said that the military benefitted directly from the Intentona; Vargas, moreover, was able to employ the communist "threat" as an important rationalization for declaring the Estado Nôvo--the corporatist and largely military dictatorship--in 1937. Before turning to this period, however, brief mention should be made of the Brazilian phenomenon of integralismo.

Commonly referred to as a "movement" after its formation in 1932, the Ação Integralista Brasileira (AIB) was in fact a relatively disciplined proto-fascist party,⁵⁴⁵ which soon became a real threat to the Brazilian sistema.⁵⁴⁶ The AIB Green Shirts stressed military discipline and

⁵⁴³ Flynn, pp. 83-84. I have had the opportunity to observe first hand (most recently in November 1980) the extensive publicity that is still accorded these annual military ceremonies.

⁵⁴⁴ Coelho, p. 109.

⁵⁴⁵ Hambloch, writing at the time, referred to it as "the Brazilian form of Nazism." Hambloch, His Majesty the President of Brazil; A Study of Constitutional Brazil (New York: E.P. Dutton and Company, 1936), p. 102. Despite its nationalist stands, the party consciously tried to "ape" European fascism (Flynn, pp. 71-72), and although it probably represented much less of a mobilizing force in Brazilian society than is commonly thought, Loewenstein stresses that it was the first political party in Brazilian history [with the possible exception of the ANL] to begin to build up a "real mass base." Loewenstein, p. 34.

⁵⁴⁶ Loewenstein, p. 34.

hierarchy,⁵⁴⁷ moreover, and ultimately attracted a large number of military officers, with an exceptionally high percentage of naval officers being members.⁵⁴⁸ The integralistas were so called because they urged the adoption of an integral, or organically unified (corporatist), system under an authoritarian leader.⁵⁴⁹ By 1937 it probably had at least 200,000 members, thus constituting, in Flynn's estimate, a major political organization (civilian or military) in Brazil.⁵⁵⁰ Its program, which "aped European fascism" in many respects, included protests against international capitalism, elite corruption and national underdevelopment, and calls for socio-economic and political change in Brazil, such as educational reform, improved health care, centralization of the banking system, wider credit in agriculture, etc.⁵⁵¹

⁵⁴⁷ Loewenstein, p. 33. Flínio Salgado, the founder and leader, was a writer from São Paulo.

⁵⁴⁸ Flynn, p. 74. Flynn observes that the officer class gave the AIB the highest level of support of any group in Brazil. Levine cites a War Ministry report of 1937 to the effect that 25% of active Army officers were integralists or supporters. Levine, p. 147.

⁵⁴⁹ See Burns, History, p. 295 for more detail regarding their political platform. Levine notes very generally that their publications and propaganda attacked liberal democrats, communists, Masons, Jews, spiritists, advocates of sex education, liberal intellectuals, progressive educators, and advocates of women's rights. Levine, p. 84. Flynn, Brazil, p. 72.

⁵⁵⁰ Flynn, p. 74. Many of the members were first and second generation Brazilians, the offspring of European immigrants. Levine, p. 84.

⁵⁵¹ And it thereby attracted a number of concerned intellectuals, including the present (well-known humanitarian) Archbishop of Recife and Olinda, Dom Helder Câmara. Flynn, pp. 73-73. Levine notes that the AIB and the ANL (National Liberation Alliance) held indistinguishable positions with regard to the undesirability of foreign capital. Levine, p. 83. The

Many of these same suggestions would be reiterated by the military rulers of Brazil after 1964.⁵⁵¹

It is a reflection of the political dexterity of Getúlio Vargas that he was able to use the "threat" of communist revolution as a pretext for launching his corporatist Estado Novo, and thereby outflank and ultimately destroy one of the most outspoken enemies of communism in Brazil, the AIB. Vargas's use of a "crudely forged"⁵⁵² document, the "Cohen Plan", which allegedly proved the existence of an imminent communist revolt, allowed him the excuse to nationalize the state militias⁵⁵³ at the same time as he relieved the Integralists of their two primary sources of popular support: their vanguard position in the struggle against communism and their self-righteous rejection of liberal democratic government.⁵⁵⁴ The essentially military golpe of 10 November 1937 cancelled the presidential elections⁵⁵⁵ and introduced a new authoritarian (and nationalist) constitution prepared by Francisco Campos

⁵⁵¹ (cont'd) anti-semitic activities of the AIB, like those of fascist Italy, tend to be exaggerated. Flynn, p. 72.

⁵⁵² Flynn, p. 74. Indeed, as Flynn notes, many of the Brazilian political figures in the mid- and late-1960s had themselves been integralistas.

⁵⁵³ Burns, History, p. 296. According to Flynn, the document was forged by an Integralist Army officer, Olímpio Mourão Filho (Flynn, p. 87); Mourão Filho is best remembered as one of the two officers in Minas Gerais in 1964 who initiated (prematurely) the military golpe.

⁵⁵⁴ Flynn, p. 87. According to Flynn this signified the final blow to the federalism of the Old Republic. Flynn, p. 88.

⁵⁵⁵ Levine, p. 98.

⁵⁵⁶ This became an important point with Vargas after his chosen candidate, José Américo, had turned increasingly to a leftist and anti-government position during the campaign. Levine, p. 144.

especially for the occasion.⁵⁵⁷ The document underscored the political hegemony of the presidency, confirmed the importance within relations of power of the industrial bourgeoisie, and established a dramatic centralization of government through a strong national bureaucracy.⁵⁵⁸

Although the provisions of the 1937 constitution were never fully instituted,⁵⁵⁹ the creation of the Estado Novo had a significant effect on the determination of the Brazilian military role.⁵⁶⁰ Perhaps the most important effect of the period was the articulation of the military concepts of national security and national development, originally based according to Coelho on the military philosophy of General Góes Monteiro; Coelho contends that these ideas would later be adopted by the Escola Superior de Guerra (ESG), and then by the military dictatorship after 1964.⁵⁶¹ It is in this sense that the Estado Novo can be

⁵⁵⁷ Campos later played an important role in the drafting of the first "Institutional Act" which "legitimized" the post-1964 dictatorship.

⁵⁵⁸ Flynn, p. 104. Loewenstein points to the sections of the constitution that established the National Economic Council as those provisions that were first thought to embody Italian corporatist ideas. Loewenstein, p. 53.

⁵⁵⁹ Howard Wiarda, "Corporatism and Development in the Iberic-Latin World: Persistent Strains and New Variations," The New Corporatism; Social-Political Structures in the Iberian World, ed. Frederick B. Pike and Thomas Stritch (Notre Dame, Indiana: Univ. of Notre Dame Press, 1974), p.28.

⁵⁶⁰ Coelho, pp. 97-98. Coelho argues that "the construction of the Estado Novo and the institutionalization of the 'identity' of the Army were one and the same enterprise." ("...a construção do Estado Novo e a institucionalização da 'identidade' do Exército eram uma mesma e única empresa.")

⁵⁶¹ Coelho, pp. 113-114. Wirth notes that Góes Monteiro originally persuaded Vargas to nationalize the steel industry. Wirth, p. 84.

said to have turned away from the spirit, if not the popular concerns, of the "liberal-democratic" movement of 1930: the form of nationalism ultimately adopted by the getulianto was amenable to, and required close ties with, an authoritarian military establishment."²²

The increasing dependence of the Estado Novo on the support of the military establishment, and its subsequent downfall, can be regarded as a function of its gradual alienation of the urban upper and middle classes, and the power vacuum which resulted as it shifted its support base to the nascent urban proletariat,²³ which Vargas wooed in the 1940s with promises of better working conditions and pay.²⁴ The growing competition between "nationalist" and "internationalist" bourgeoisies, those with capital investments based upon national accumulation of capital as opposed to those allied with foreign interests, at this time further weakened Vargas's position; he later attributed his downfall in 1945 (by military intervention) to the

²² It is possible that virtually any form of nationalism in Brazil would have required such ties, and indeed one observer notes that "the officer class, as the tenentes had demonstrated, was the one force in the country which had a national outlook and which was capable of modernising administrative and other structures in a nationalist direction." Richard Bourne, Getulio Vargas of Brazil, 1883-1954; Sphinx of the Pampas (London: Charles Knight and Company, Ltd., 1974), p. 209.

²³ This shift is cited in Yves Chaloult, Estado, Acumulação e Colonialismo Interno; Contradições Nordeste/Sudeste, 1960-1977 (Petropolis, Brazil: Vozes, 1978), p. 30.

²⁴ Johnson, Military, p. 216. Flynn says that the regime was "almost too successful in its exclusive representation of the narrow social forces which had shaped it, so that it only needed a shift in the balance of those forces to crack open the foundations on which it stood." Flynn, p. 108.

manipulation of a precarious situation by the "internationalist" class.⁵⁵⁵ Paradoxically, it was Brazil's dependence on Western "international" capitalism, leading to Vargas's active support of the Allies by the end of World War II, which has been said to have determined his own increasing reliance upon the urban proletariat after 1940.⁵⁵⁶ Meanwhile, the military's enhanced concern with national security caused it to support a high degree of state involvement in key sectors, particularly as regarding petroleum supplies.⁵⁵⁷ When the break with the Axis powers finally came in 1942, the rationale for the military resistance to the move included the fear of Brazil's own military unpreparedness, especially in strategic petroleum supplies.⁵⁵⁸ However, the participation of the Brazilian forces in the Italian Campaign is still regarded very favorably by the military. The experiences of a Brazilian division in the war exposed a generation of officers to military action, to the worst aspects of personalistic dictatorship (by 1944 Italy lay in ruins) and to close

⁵⁵⁵ Vargas declared in 1946 that "I was the victim of agents of international finance who intended to keep our country simply as an exporting colony for raw materials and a purchaser of industrial goods." Cited in Burns, History, p. 320. This was a complaint that Vargas echoed very dramatically in his suicide letter of 1954.

⁵⁵⁶ Flynn, p. 109. Flynn adds that since both the military and the national industrialists [Vargas's two primary bases of power] remained unclear in their loyalties in the war, Vargas was forced to define an ambiguous position until well after the conflict had begun.

⁵⁵⁷ Peter Evans, Dependent Development; The Alliance of Multinational, State, and Local Capital in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 90.

⁵⁵⁸ Coelho, pp. 107-108.

brother-officer ties with a number of Americans. The most noteworthy of these was Vernon Walters, liaison officer between the Brazilian Expeditionary Force (FEB) and General Mark Clark's Fifth Army, who maintained long-time friendships with key Brazilian officers such as General Castelo Branco.⁵⁶ When Vargas made several political appointments that appeared to military leaders to be preparations for the suspension of the 1945 presidential elections,⁵⁷ he was promptly removed from office and allowed to "retire" to his ranch in Rio Grande do Sul. The Vargas dictatorship thus ended as it had begun, with military intervention. Its influence, however, remained strong, particularly in the economic and developmental priorities that it had established.⁵⁸

⁵⁶ Out of 15,000 combatants, roughly 2,000 were wounded and 450 were killed. The FEB received the first surrender of a German division in Italy. Bourne, p. 112. Dulles, p. 244. A number of observers point to the importance of this influence, both in its application to the further professionalization of the Brazilian officer corps, and in its resultant enthusiasm among the returning officers for Western liberal democracy, a feeling that found expression in the military overthrow of Vargas in 1945. Fiechter, p. 27. Stepan, "The New Professionalism", p. 63. Johnson, Military, pp. 207-208. Bourne, p. 112. Tambs, p. 199. Tambs, moreover, stresses the importance of Vargas's intentional slighting of the homecoming commanders by the last-minute diverting of their plane away from the welcoming parade to a deserted airfield.

⁵⁷ The critical appointment was that of Vargas's brother Benjamin as chief of police in Rio de Janeiro (the federal capital at that time). This provoked General Góes Monteiro to set the intervention in motion. Dulles, Vargas, pp. 272-274.

⁵⁸ Skidmore notes that "in the area of economic policy, as in the sphere of political institutions, it was to prove far easier to overthrow the dictator than to repudiate his legacy." Skidmore, Politics in Brazil, p. 47. Flynn adds that Vargas's system, "though in new forms, continued unchanged" after 1945. Flynn, p. 96.

C. Populism and Intervention, 1945-64

1945-1950: The Background to Populism. Although socio-economic and political change had rapidly accelerated in pace during the Vargas dictatorship, the events after 1945 underscore the frenetic rate of change which had overtaken at least certain parts of the country in the post-war years.⁵⁷² The contrasting issues of nationalism (and national development) and political stability (and national security), which ultimately would influence the course of political events in Brazil, led in the short run to a series of military interventions after 1945. A combination of circumstances and adroit leadership, reinforced by a situation particularly conducive to direction from the top, and by military discretion--often at the expense of military unity--did have the effect of limiting direct military participation in the national policymaking process prior to 1964, however. The one possible exception to this generalization is the presidency of General Eurico Gaspar Dutra, who served from 1946 to 1951.⁵⁷³

⁵⁷² Specifically the South-Central and (to a lesser degree) Southern regions.

⁵⁷³ The Dutra presidency was characterized by an exceptionally low level of presidential initiative, and in fact Skidmore devotes a mere eight and one-half pages of his magnum opus to its description. Politics in Brazil, pp. 65-73. Sodré emphasizes "the severe police repression that characterized the government...." ("Começou, assim, em 1946, a duríssima repressão policial que caracterizou o período de governo do general Eurico Gaspar Dutra.") Sodré,

Brazilians in the late 1940s saw the emergence of political parties as important mobilizing agents,⁵⁷⁴ while the military established a highly politicized officers training school, the Escola Superior de Guerra (ESG). The three new nationally-organized parties,⁵⁷⁵ the Social Democratic Party (PSD), the Brazilian Labor Party (PTB) and the National Democratic Union (UDN), were the immediate products of the ambiguous and divisive political machinations of the final years of the Vargas dictatorship. Two of the parties, the PSD and the PTB, were created by Vargas to represent (ultimately for his own political purposes) specific class strata. The PSD was founded by Vargas supporters (prominent among whom was former War Minister Goes Monteiro)⁵⁷⁶ to represent "urban, moderate, middle-class interests."⁵⁷⁷ The PTB was founded by yet another group of Vargas supporters, and included Labor Minister Marcondes Filho and future Labor Minister José Segadas Viana.⁵⁷⁸ It "appealed to the workers and expressed a leftist ideology."⁵⁷⁹ The PSD was most closely associated

⁵⁷³ (cont'd) p. 291. Burns notes that the "[Dutra] administration regarded suspiciously any opinions favorable to economic, social or political reform, if, indeed, it did not outrightly label them Communist." Burns, A history, p. 324.

⁵⁷⁴ Focus here is upon the "relatively non-ideological (and essentially personalistic) parties which were the immediate products of the last years of the Estado Nôvo. The Communist Party of Brazil was an important political party as early as the mid-1930s.

⁵⁷⁵ Burns refers to them as "the first nationwide democratic parties in Brazilian history." Burns, Nationalism, p. 87.

⁵⁷⁶ Dulles, Vargas, p. 265.

⁵⁷⁷ Burns, Nationalism, p. 87.

⁵⁷⁸ Dulles, Vargas, p. 262.

⁵⁷⁹ Burns, Nationalism, p. 87.

with the pro-Vargas politicians, if not the actual bureaucracy of the dictatorship.⁵⁰⁰ The UDN, an agglomeration of opposition interests, became the anti-Vargas party, and stressed the conservative interests of the "traditional oligarchy".⁵⁰¹ The election of December 1945, in which the UDN presidential candidate General Eduardo Gomes was decisively defeated by PSD and PTB candidate General Dutra,⁵⁰² ultimately meant a victory for Vargas, who was elected as senator from São Paulo and Rio Grande do Sul and as federal deputy (deputado) from six states and the Federal District (Rio de Janeiro).⁵⁰³ Furthermore, the 1946 Constitution maintained the rights of private property, limited presidential tenure to one five-year term (non-consecutive terms were allowed) and upheld "much of the social legislation of the Estado Novo."⁵⁰⁴

⁵⁰⁰ Dulles, Vargas, pp. 262-263.

⁵⁰¹ Burns, Nationalism, p. 87. Flynn contends that the most important unifying force of the UDN was the fear of working-class politics. Flynn, p. 118.

⁵⁰² Burns notes that Vargas, already deposed by the time of the election, only very belatedly committed the PTB support to Dutra's candidacy. Burns, History, p. 323.

⁵⁰³ Dulles, Vargas, p. 281.

⁵⁰⁴ Dulles, Vargas, p. 282. The 1946 Constitution also returned to the 1891 and 1934 agreement that the military need only obey the president "within the limits of the law," a provision that was inserted at the insistence of civilian politicians (Bourne, p. 137). Furthermore, it prohibited illiterates and enlisted men from voting. Skidmore, Politics, p. 64. Francisco Weffort describes this restriction of suffrage to literate Brazilians as "removing (and in large measure eliminating) from political activity the majority of the adult population and almost all of the rural population." ("...a restrição do direito de voto aos alfabetos afasta da atividade política ((e em ampla medida elimina)) a maioria da população adulta e a quase totalidade da população rural.") Weffort, O Populismo na Política

TABLE 2.7

Strength of the Three Principal Parties
in the Chamber of Deputies, 1945-1962
(By Percentage)

Party	1945	1950	1954	1960	1962
PSD	40.9	32.3	31.1	34.6	30.0
UDN	25.4	23.9	20.7	21.4	23.0
PTB	9.7	17.5	19.8	20.5	26.6

Source: Burns, History, p. 322.

Thus Vargas could at least hope to have a stable foundation should he decide to attempt a return to power.

The formation of the Escola Superior de Guerra (Superior War College, or ESG) in 1949 was the end result of a combination of three interrelated issues: officer professionalization, national developmentalism (which stemmed from, and constituted a vital part of, populist politics) and the intensification of the Cold War in the Northern Hemisphere.⁵⁵⁵ Its early political positions were conditioned by its general world view, described as "a pro-US and anti-Communist political and economic outlook, a stress on the Christian tradition of Brazil and the leading role for her armed forces, a common bond among staff in experience of the Italian front in the Second World War, and a deep cynicism and hostility towards Getúlio Vargas."⁵⁵⁶ Moreover, its early commandants were politically

(cont'd) Brasileira (Rio de Janeiro, Brazil: Paz e Terra, 1960), p. 18.

⁵⁵⁵ Other noticeable effects of this historical conjuncture in Brazil were the intensification of political repression and the increasing presence of labor unrest.

⁵⁵⁶ Bourne, p. 174.

ambitious,⁵⁷⁷ and its emphasis upon elite civilian training (as well as its formal function of officer professionalization) was designed to provide maximum political influence.⁵⁷⁸ In its function as an officer training school, the ESG soon became an indispensable avenue to senior promotions, and by 1955 as many as half of the general officers were alumni.⁵⁷⁹

The late 1940s are best remembered by Brazilian political historians as the period in which populism became a characteristic feature of the national political processes.⁵⁸⁰ Populism has been variously defined, although one general definition regards it as:

The promotion of political ends independently of existing parties and institutions by appealing to the people to exercise direct pressure on governments...populism identifies the will of the people with morality and justice, puts this "will" above all other social standards and mechanisms, and insists on a direct relationship between people and government. It is usually accompanied by a simple belief in the virtues of the people, which are contrasted with the corrupt character of the degenerate ruling class or any other group resented because of its dominant political or economic position or social status.⁵⁸¹

⁵⁷⁷ E.g., General Cordeiro de Farias and Juarez Távora. Schneider, pp. 65-66.

⁵⁷⁸ The ESG will be dealt with in detail in the following chapter.

⁵⁷⁹ Bourne, p. 175. The ideology and political influence of the ESG will be explored in depth in the following chapter.

⁵⁸⁰ Weffort, one of the most thorough students of Brazilian populism (Schneider, p. 30), argues that in 1945 "for the first time in Brazilian history the urban masses appeared freely on the political stage." ("Pela primeira vez na história brasileira as massas urbanas aparecem livremente no cenário político." Weffort, p. 76.

⁵⁸¹ Alan Bullock and Oliver Stallybrass (eds.), The Harper Dictionary of Modern Thought (New York: Harper and Row, Publishers, 1977), p. 487.

A current explanation of the notion of populism in the Latin American context regards it as the precursor of "bureaucratic authoritarianism."⁵² Francisco Weffort stresses its characteristic (albeit limited) manipulation of the urban masses by a leader who, in maintaining the authority of the populist coalition (of urban social classes), must also allow the system to express popular dissatisfaction.⁵³ Octavio Ianni points to the subsuming of separate class interests (and the submersion of most working-class interests) within the populist system,⁵⁴

⁵² Borrowing from Guillermo O'Donnell's theoretical constructs, the glossary of this compendium of essays on the "new authoritarianism" in Latin America defines populism as "a type of political system or state characterized by a number of traits, including the following: (1) It is based on a multi-class coalition of urban-industrial interests, including industrial elites and the urban popular sector; (2) It is politically 'incorporating' vis-à-vis the urban (and sometimes also rural) popular sector; and (3) It promotes the initial phase of import-substituting industrialization oriented around consumer goods. Populism is commonly seen as the type of political system that emerges with the demise of the earlier oligarchic system and that is subsequently superseded by bureaucratic authoritarianism." David Collier, ed. The New Authoritarianism in Latin America (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 402.

⁵³ "Populism was the determined and concrete mode of manipulation of the popular classes but it was also a mode of expression of its dissatisfaction." ("O populismo foi um modo determinado e concreto de manipulação das classes populares mas foi também um modo de expressão de suas insatisfações.") Weffort, p. 62. Flynn stresses the peculiarities of Vargas's own style of populism, particularly in its "appeal to the mass urban electorate, especially through trabalhismo [workers' politics], and to the element, however conscious or otherwise on the part of Vargas and his associates, of the manipulation of a multi-class alliance, which further hindered the emergence of a more authentic, autonomous working-class political movement." Flynn, p. 144. Emphasis in the original.

⁵⁴ Octavio Ianni, "Populismo e Classes Subalternas," Debate e Crítica, No. 1 (July-December, 1973), p. 7.

which tends ultimately to embrace an ideology of national developmentalism,⁵⁵ mostly as an ideological 'cement' that holds the populist faction together. This is not incongruous with Jacques Lambert's contention that the appeal of Brazilian populism (specifically of the 1940s and 1950s) centered within those groups which had migrated from "archaic Brazil" and comprised a part of, but were not yet fully integrated into, "modern Brazil".⁵⁶ Populism had become, it would seem, both a function of, and a proponent for, a correlative tendency: developmentalism.⁵⁷ This latter viewpoint provided the basis for maintaining the populist coalition: nationalism, the promise (however vague) of improved standards of living, and the direction of attention away from the persistent class antagonisms.

The growth of populist politics just prior to the 1950 elections was in many respects a direct result of the

⁵⁵ Ianni, "Populismo," p. 13. Weffort notes that the "betrayal" of the masses is also a key feature. This happens, according to Weffort, because populist regimes limit themselves to petit bourgeois interests. Weffort, p. 34.

⁵⁶ "O 'populismo'...exerce influência cada vez maior sobre grupos que saídos do Brasil arcaico, ainda não se incorporaram plenamente no Brasil moderno." Lambert, *Os Dois Brasis* (São Paulo: Editôra Nacional, 1967), p. 275. Johnson notes that most of the five million urban workers in 1950 lived in degrading conditions of poverty and were increasingly aware of the role of politics in maintaining the status quo. "As voters they noisily but with little violence demanded more of the comforts and benefits that the privileged elements took for granted. They gave bread, shoes, and freedom precedence over God, country, and family." Johnson, *Military*, pp. 216-217.

⁵⁷ Schneider identifies six basic kinds of Brazilian populism between 1948 and 1964, which he associates with six very different political personalities: Vargas, Adhemar de Barros, Jânio Quadros, Carlos Lacerda, Leonel Brizola and Miguel Arraes. Schneider, p. 54.

character of the elite political confrontation between supporters of Getúlio Vargas and their opponents, ecclectically assembled under the banner of the UDN.⁵⁵⁵ It was a campaign that was laden with typically Brazilian compromises and ambiguities, not the least in Vargas's camp.⁵⁵⁶ It is, in fact, the flexibility of Brazilian populism that may provide something of an explanation for the acquiescence of the military.⁵⁵⁷ The authoritarian tendency within the military, it will be recalled, is highly adverse to any form of popular mobilization,⁵⁵⁸ and is likely to intervene precisely at those junctures in which key participants in elite political confrontations attempt to include mass mobilization as part of their power base. Vargas was able to make it clear, however, that a major hiatus existed between his rhetoric and his actual willingness to exploit the populist component of his campaign.⁵⁵⁹

⁵⁵⁵ Flynn regards the campaign as the "full, clear emergence of...Brazilian 'populism'." Flynn, p. 142.

⁵⁵⁶ Despite his "radical" posturing, Vargas made it clear during the campaign that he was anxious to conclude agreements with the UDN (he made key appointments from that party after his victory), and that he would openly welcome foreign capital in the Brazilian development process. Bourne, p. 155.

⁵⁵⁷ Lieuwen compares military acquiescence in the succession of populist regimes in Brazil (1950) and Peru (1945). Lieuwen, Generals vs. Presidents, p. 100.

⁵⁵⁸ Fernando Henrique Cardoso includes this in his characterization of military authoritarianism in Latin America, emphasizing that anti-mobilization is the primary distinguishing feature between fascism and "bureaucratic [military] authoritarianism". Cardoso, "On the Characterization of Authoritarian Regimes in Latin America," The New Authoritarianism in Latin America, p. 37.

⁵⁵⁹ Flynn, p. 154. Skidmore notes that in the campaign "Vargas had occasionally struck the populist pose, but his

The election, moreover, was characterized by numerous coalitions which varied significantly from state to state, and which likewise stressed the spirit of compromise. In the state of Pernambuco, for example, Vargas's PTB was aligned with the UDN in his support,⁶⁰³ an unlikely political entente if consideration is given to the origins of the latter party.

1950-1964: The Military and Presidential Succession. Vargas achieved electoral victory in 1950, although the support of the "legalist" Army officers was a crucial aspect of the orderly transfer of power from the administration of President (and General) Dutra.⁶⁰⁴ For the "liberal constitutionalist" officers (many of them junior grade, and some of them associated with the ESG), however, the return of Vargas by election caused a certain loss of faith in the "new democratic order."⁶⁰⁵ Vargas moved to counter this attitude with his appointments of War Minister⁶⁰⁶ and Air Minister, who he assumed were widely popular among the majority of junior officers.⁶⁰⁷ Furthermore, War Minister Estillac Leal had already been elected President of the

⁶⁰² (cont'd) approach remained essentially paternalistic, reflecting his own estimate of the growing but still limited political consciousness of the urban workers." Skidmore, Politics, p. 83.

⁶⁰³ Skidmore, Politics, p. 78.

⁶⁰⁴ Skidmore, Politics, p. 102.

⁶⁰⁵ Skidmore, Politics, p. 103. Skidmore argues that these junior officers were a minority within the military, however.

⁶⁰⁶ General Estillac Leal, who had the reputation of being a nationalist.

⁶⁰⁷ Dulles, Vargas, p. 304.

prestigious Clube Militar in early 1950,*** which seemed to offer further proof of the popularity of nationalism.

However, Estillac Leal's faction soon turned the Clube's periodical into an instrument of the nationalist debate,** and his own refusal to work with the United States in the creation of a joint defense pact forced Vargas's hand. In March 1951 Estillac Leal was removed from his post.*** As both a nationalist and a prominent Army general, Estillac Leal had brought to the fore what was to be the key issue of the nationalist debate of the 1950s: the form that the exploitation of Brazil's supposed oil reserves should take.***

*** Sodré, who deals extensively with the politics of the Clube in this era, argues that nationalism and imperialism [support of international capital] were the contending positions in the 1950 Clube election, and that with the victory of Estillac Leal and the Yellow-Green Faction, "a new factor which would have considerable weight from here on was introduced into the Brazilian situation:" i.e., nationalism, especially as it regarded the question of national oil production. Sodré, p. 305. Johnson notes that the presidential elections of the Clube Militar represented a key indication of overall military sentiment. Johnson, Military, pp. 219-220.

*** Of particular interest here was an article which accused the United States of starting the Korean War, a position which inflamed the "internationalists", many of whom had fought in Italy. Peter Seaborn Smith, Oil and politics in Modern Brazil (Toronto: Macmillan of Canada, 1976), p. 76.

*** Robert A. Hayes, "The Military Club and National Politics in Brazil," Perspectives on Armed Politics in Brazil, p. 159. Sodré affirms that even in 1950, Estillac, as "Minister of War, president of the Clube Militar, head of the nationalist current of the armed forces, had to be the target, for all of this, of a terrible campaign." ("Ministro da Guerra, presidente do Clube Militar, chefe da corrente nacionalista nas Forças Armadas, Estillac teria de ser alvo, por tudo isso, de terrível campanha.") Sodré, p. 314.

*** Furthermore, his defeat for reelection to the presidency of the Clube Militar in 1952 seems to have signified a major shift in military opinion vis-à-vis that debate,

Furthermore, the Brazilian military was drawn to some extent to the nationalist position because of its insecurities regarding the national petroleum deficiency.

Aside from being the most important issue of Brazilian economic nationalism, indeed, "the backbone of nationalism," the public policy of national petroleum exploitation was dominated from the first by military officers. The fundamental Brazilian belief in the existence of bountiful supplies of crude oil within the national patrimony had, in the words of one observer, a "mythic quality" about it, and the nationalist motto, "O petróleo é nosso," is ironic in retrospect. A central

(cont'd) particularly given his vice-presidential running-mate, General Horta Barbosa, who had championed Brazil's petroleum development in the 1930s. Flynn, p. 166. Eliezer Rizzo de Oliveira notes that the issue of petroleum, was linked directly to nationalism, and the "question of nationalism (taken in the sense of the possibility of autonomous and self-sustained economic development), which gripped the country politically in the decade of the 50s, cannot be separated from the problems of national security at the level of military debate." ("...a própria questão do nacionalismo (tomado no sentido da possibilidade do desenvolvimento econômico autônomo e auto-sustentado), que empolga politicamente o país na década de 50, não se separa dos problemas de segurança nacional ao nível do debate militar.") Oliveira, As Forças Armadas: Política e Ideologia no Brasil (1964-1969) (Petrópolis, Brazil: Vozes, 1976), p. 19.

General Pery Bevilacqua, cited in Burns, Nationalism, pp. 82-83. Flynn notes that "by the 1940s it was perhaps the most highly charged, emotive political issue yet to emerge in twentieth-century Brazil." Flynn, p. 158.

Flynn, p. 155. P.S. Smith, p. 58. P.S. Smith, p. 1. Smith adds that Brazilians likewise believed that international oil companies were inexorably conspiring to control their oil. Smith, p. 1. I was advised in 1970, for example, to avoid picking up rocks in the Northeast Brazilian countryside because of the persistence of a national hysteria regarding foreign geological "spies".

Trans: "The oil is ours."

forum for the debate between the nationalists and the internationalists was the Clube Militar, where Juarez Távora and his fellow associates from the ESG (many of whom were veterans of the Brazilian campaign in Italy) argued for the need to maintain a closer association with foreign-based multinational corporations in the development of the precious commodity.¹⁷ Despite the vociferous objections of this latter group of officers, and contrary to the relatively mild version of the proposal favored by Vargas,¹⁸ the Brazilian Congress created the national petroleum company, Pétrobrás, on October 3, 1953.¹⁹

The military remained ambivalent in its support of Vargas. Drawn back into political issues at the insistence (in most cases) of civilian politicians,²⁰

¹⁷ P.S. Smith, p. 58. Smith contends that the primary rationale for their position was a fear of statism that was interrelated with their basic distrust of Vargas. Smith, p. 58. He adds, moreover, that Távora claimed to have been a nationalist until he saw the critical influence of petroleum supplies on the outcome of WWII. Smith, pp. 53-54. Dulles notes the reaction of the internationalists to Vargas's apparently growing association with Juan Perón of Argentina, and Perón's attempts to bring Brazil into the anti-United States bloc. Dulles, Unrest, p. 4.

¹⁸ According to Dulles, Vargas's proposal would have allowed for foreign investment and would not have made Petrobrás into a state monopoly. He was outflanked, however, by the UDN, which made use of "an opportunity to appear to be more 'patriotic' than Vargas." Dulles, Vargas, p. 348.

¹⁹ Flynn observes that "a study of Petrobrás and its politics...fails to support the myth of Vargas the dangerous 'populist', revealing, instead, a moderate, responsible, flexible politician, able to reconcile widely divergent interests, both military and civilian, foreign and domestic, while still maintaining the confidence of the mass of Brazil's working people." Flynn, p. 160.

²⁰ Johnson, Military, p. 217. Johnson argues that the military allowed Vargas to return to the presidency on the understanding that he would not subvert the constitution,

military officers were increasingly evident in the very vocal opposition.²¹ Some consideration should be given to the relatively low levels of military spending by the Vargas administration, as Table 2.8 indicates. The fear of many Air Force officers that the life of UDN newspaper publisher Carlos Lacerda was in danger led to the posting of a volunteer officer guard, and when the assassination attempt did in fact come, the guard of the hour, Major Vaz, was killed (and Lacerda wounded). The assassination was traced back to the Presidential Palace Guard.²² Although Vargas himself appeared to have been unaware of the assassination conspiracy,²³ military honor had been compromised, and a strong military coalition soon demanded the president's withdrawal from office.²⁴ On the morning of August 24, 1954, Vargas returned to his bedroom after a night of futile

²⁰ (cont'd) and that such subversion was seen as including any direct appeals to the masses for the purposes of establishing an autonomous power base. This happened, in Johnson's view, with the appointment of João Goulart (and his subsequent policy promises) as Vargas's second Labor Minister. Flynn, on the other hand, argues that Goulart soon became the hapless "victim of an intense, vituperative, scaremongering campaign in the right-wing press...." Flynn, p. 167.

²¹ E.g., in February 1954 a movement of junior officers protested to the War Minister over low pay and increasing demoralization. The movement quickly acquired the support of a number of senior officers and its protest memorandum "landed like a bombshell in the tense political atmosphere." Skidmore, Politics, p. 125.

²² Dulles, Vargas, pp. 319-323. The illiterate head of the Presidential Guard was later convicted of the crime.

²³ Flynn, p. 169.

²⁴ According to Sodré, the manifesto of August 23, signed by 32 active generals, demanded the immediate resignation of the president, with the threat of force for noncompliance. Sodré, p. 354.

TABLE 2.8

Comparative Dimensions of Military Expenditures
(1950-1964)

YEAR	Expend. of the War Min. (as % of Total Gov. Expend.)	Military Expend. (% GNP)
1950	-----	2.5
1951	-----	2.5
1952	15.1	2.6
1953	12.6	2.6
1954	11.8	2.3
1955	13.1	2.6
1956	12.8	3.0
1957	14.5	3.3
1958	13.5	3.1
1959	11.7	2.5
1960	11.4	2.3
1961	8.9	2.0
1962	7.4	---
1963	6.8	---
1964	5.7	---

Source: Coelho, pp. 135-137.

negotiations and committed suicide with a handgun.²⁵ The act produced a wave of national sympathy which "disarmed the anti-getulistas and robbed them of clear-cut victory."²⁶

The Vargas presidencies, and particularly the last one, were periods of rapid development in Brazil. What is perhaps more important, however, is that they were periods in which nationalism flourished in the form of

²⁵ His suicide note, which strongly implied that international capital was behind both his own political opposition and the "spoliation of Brazil", is printed in full in Dulles, Vargas, pp. 334-335. Skidmore says that Vargas's "suicide message was the strongest nationalist appeal he had ever made." Skidmore, Politics, p. 142.

²⁶ Skidmore, Politics, p. 143. Sodré adds: "Never had such fearful men come to power." ("Nunca homens tão amedrontados chegaram ao poder.") Sodré, p. 355. Johnson contends that the military solidarity in opposition to the demands of the urban workers was shattered by the death of Vargas. Johnson, Military, p. 217.

developmentalism,²⁷ the creation of huge public works. By 1954, this view²⁸ had been identified with Vargas's distinctive brand of nationalist populism.²⁹ Thus it is not surprising that a rejection of Vargas (and an aversion to his populist politics) by a military coalition spearheaded by pro-United States officers³⁰ ultimately established a permanent resistance within prominent military circles to development programs thought to be 'tainted' with developmentalism.³¹ If we assume that high levels of military authoritarianism imply a predominant military reaction to these issues, then it may be possible to trace the basic tenets of the primary hypothesis of this dissertation, that high levels of military authoritarianism

²⁷ Briefly reiterated, developmentalism of this type embodies the Brazilian belief in the autonomous development potential of Brazil. Burns observes that this "developmental nationalism" was considered to be the only way to liberate Brazil, to unchain it from the past and propel it into the future. The concept attracted many who did not necessarily support all of the hard-core nationalist causes." Burns, Nationalism, p. 92.

²⁸ Although primarily associated with the industrialization process itself, desenvolvimentismo has an important concern with welfare, and the neglect of welfare by the industrialization process. Don Huddle, "Postwar Brazilian Industrialization: Growth Patterns, Inflation, and Sources of Stagnation," The Shaping of Modern Brazil, ed. Baklanoff (Baton Rouge, La: Louisiana State Univ. Press, 1969), p. 105.

²⁹ Bourne discusses Vargas's important contribution to the Brazilian "ideology of 'development'", particularly in its correlative belief that it was "likely to involve a collision with US interests...." Bourne, p. 211.

³⁰ Many of whom had been members of FEB and were largely associated with the ESG.

³¹ This argument will be illustrated in following chapters. Flynn argues in this regard that the golpe of 1964 shared many common features with earlier interventions (including the overthrow of Vargas), and that key issues tended to involve populism and development. Flynn, p. 122.

after 1964 are correlated with low levels of regional development (many of the programs of which are among the most 'developmentalist' of development projects), to this important period.

The interim administration of President João Café Filho, which replaced the Vargas regime, was ousted by a "preventative golpe" in 1955, which sought to guarantee the succession of the victorious president-elect. Once again the intervention had profound repercussions for the military,³² and involved an elite civilian sector which had urged military intervention, though clearly not in the form that it finally appeared.³³ The victories of getulistas Juscelino Kubitschek (PSD) and João ("Jango") Goulart (PTB) in the presidential and vice-presidential elections of October 1955, and the attendant buildup of political tensions, put an increased strain on the "legalist"³⁴

³² Johnson argues that the intervention "had a two-fold impact. It produced wounds in the military that had not healed eight years later, and it initiated the courtship of labor by powerful and perhaps dominant elements in the army." Johnson, Military, p. 218.

³³ Carlos Lacerda, and others of his UDN and anti-Vargas persuasion, had begun to assail the idea of free elections as soon as getulista Juscelino Kubitschek was nominated by the PSD in February, 1955. Skidmore, Politics, p. 147. Furthermore, by October "extremists such as Lacerda had already given up faith in 'legal' means to block the return of the getulistas. Lacerda was in contact with a group of military junior officers who hoped to push the higher military into intervening directly." Skidmore, Politics, p. 150.

³⁴ This adjective represents more of an identification than an accurate description of a political faction. Lott's group, The Military Constitutionalist Movement, or "constitutionalists", suspected (with some justification) that the "legalists" were not in fact going to allow the constitutional succession of the president-elect. Skidmore, Politics, pp. 155-156.

President Café Filho, and probably contributed to his heart attack in November. He was temporarily replaced by the the President of the Chamber of Deputies, Carlos Luz. The "constitutionalist" Minister of War, General Henrique Batista Duffles Texeira Lott,¹⁵ who had assumed his post after the death of Vargas, was immediately dismissed by Acting President Luz. Sensing the likelihood of a golpe against Kubitschek and Goulart (not to mention the frustration of his own political ambitions), Lott ordered a military intervention, which included the dismissal of Luz.¹⁶ Luz's replacement with federal deputy Nereu Ramos resulted in yet another brief military intervention a week later when Café Filho, apparently recovered from his heart

¹⁵ A great deal has been written about this military figure, who maintained a strong (and relatively neutral) political position throughout much of his career. His break with the FEB in World War II over a personality conflict with its commander (Tams, p. 198) allowed him the added benefit of having ties with, but no particular commitments to, the FEB/ESG group. He was not known as a getulista, although he was a nationalist. His nationalism, moreover, was relatively moderate. This greatly enhanced his political currency within the Brazilian system, especially given his previous roles as trusted mediator within the military and as leader of the "constitutionalist" counter-golpe in 1955. His popularity (and personal political ambitions) grew accordingly.

¹⁶ And his flight from Rio de Janeiro in the notorious Tamandaré incident, recounted in detail in Dulles, Unrest, pp. 39-51. Luz was politically supported by the Navy and Air Force, and Coelho notes that "the crisis was more profound because the action of Gen. Lott, aside from provoking dissension within the Army itself, was interpreted by military [officers] as a factor of dissension between land forces, on the one hand, and the Navy and Air Force, on the other." ("Em 1955 a crise foi mais profunda porque a ação do Gal. Lott, além de provocar dissensões dentro do próprio Exército, foi interpretada pelos militares como fator de desunião entre a força terrestre, por um lado, a Marinha e Aeronáutica, por outro.") Coelho, p. 115.

attack, attempted to resume his duties as president.''' The underlying issue of the confrontation was the desirability to the military of the succession to the presidency of developmentalist and getulista candidates, which was ensured by General Lott's "preventative" military intervention. As "constitutional" and morally correct as the action seems in retrospect, however, it had the two-fold (pejorative) outcome of damaging military unity while further weakening the civilian political process--and hence making it more dependent upon military "support".'''

The presidency of Juscelino Kubitschek is often lauded for its achievements in national development while maintaining a framework of democratic government. The building of Brasília (the modern national capital in the interior), the creation of SUDENE and the orderly transference of the presidency to his duly elected successor in 1961 tend to divert attention from the strongly pro-military policies of the administration, however.'''

'' Skidmore, Politics, pp. 156-157. Nereu Ramos was retained in the presidency until the inauguration of Kubitschek and Goulart in January 1956.

''' Flynn notes that the confrontation stressed once again this civilian dependence upon military intervention, and it "showed that respect for 'democracy', on both sides in the conflict, very much depended on each group's understanding of what 'Brazilian democracy' really meant." Flynn, p. 181.

''' Johnson notes in this regard that "five officers served in Kubitschek's cabinet and during his presidency Brazil spent more funds on the armed forces than on all public development programs, despite the fact that massive development programs were the hallmark of his administration." Johnson, Military, p. 209. Coelho apparently does not subscribe to this view, arguing rather that "the problem of the military budget is not sufficient to explain politico-military crises. At least it does not explain the stability of the Kubitschek Government, which

Philippe Schmitter implies that even the formation of "developmentalist" public policy during the Kubitschek administration was perhaps more apparent than real, with the successes owing less to presidential initiative than to recently emerging societal conditions.¹⁰ Be that as it may, the Kubitschek presidency experienced several minor (though potentially serious) military revolts which pointed to the vulnerability of the regime despite its veneer of stability. The rebellion of several Air Force officers in 1956, the abortive plan of a few naval officers to kidnap the president in 1957, and another revolt (the most serious) led by Air Force officers in 1959,¹¹ illustrate the depth of feeling against Kubitschek, as well as the common view among military officers that the development process was not directed toward the nation's interior. This theme had

¹⁰ (cont'd) was little different from the rest of them in this point." ("Certamente que o problema do orçamento militar não é suficiente para explicar as crises político-militares. Pelo menos não explica a estabilidade do Governo Kubitschek que pouco se distinguiu dos demais quanto a este ponto.") Coelho, p. 136.

¹¹ Schmitter argues that Kubitschek's plans to build Brasília, create SUDENE and even to break with the IMF (over its demand that he institute an austerity policy) were widely supported by the "major interest associations." Schmitter, Interest Conflict, p. 347. He notes, moreover, that by the late 1950s a degree of "maturity" had been achieved in the rate of "structural differentiation", and with the presence of increased stability in occupations, "a new kind of group consciousness emerged." The implication is that it was this new consciousness, and not the specific presidential initiatives, which made the development possible. Schmitter, Interest Conflict, p. 194.

¹² In each of these cases, support well beyond the limits of the few active participants indicated a strong current of military sentiment against Kubitschek. The three revolts are detailed in Dulles, Unrest, pp. 65-100.

persisted from the era of the tenentes."⁴² The formation of the government-sponsored and supported Instituto Superior de Estudos Brasileiros (ISEB), an explicitly nationalistic academic resource and training center,⁴³ attempted to address some of these questions. Internal conflict resulted in the drastic polarization of the organization, however,⁴⁴ and it was ultimately rejected by many of the otherwise

⁴² Flynn contends that the 1956 revolt "reflected a widespread belief among many serving officers that they knew the Brazilian interior and the problems of its people far better than city-bound politicians deep in political intrigue. It represented, therefore, a diffuse but important set of social and political perceptions, analogous to those of the tenentes in the 1920s, a reaction of men who had direct experience of the harsh conditions of work in the interior against what they easily perceived as the softness, hypocrisy, and corruption of political life in the coastal cities." Flynn, p. 193.

⁴³ The ISEB was created to elaborate and explore a Brazilian ideology of development, according to the preface of its first published book, Introdução aos Problemas Brasileiros, and the observations of an early staff member, Nelson Werneck Sodré. Sodré, A Verdade sobre o ISEB (Rio de Janeiro, Brazil: Avenir Editora Limitada, 1978), p. 12. Hélio Jaguaribe, another important founding member of ISEB, writes that "the discovery of the community of interests shared by all dynamic elements of Brazilian society in opposition to the protagonists of a semi-colonial and underdeveloped status quo was a powerful inducement to form a common nationalist-development front." Hélio Jaguaribe, "The Dynamics of Brazilian Nationalism," Obstacles to Change in Latin America, ed. Claudio Veliz (London: Oxford Univ. Press, 1965), p. 173.

⁴⁴ In 1959 the ISEB moved explicitly to the left, and under the directorship of Nelson Werneck Sodré "remained a center of fervent nationalist activity until it was dissolved by the military government in 1964." Burns, Nationalism, p. 103. The polarizing split within the agency is described by Lewis Hanke as centering on the question of whether or not the Brazilian industrialists could, by themselves (i.e., without the massive support of international capital), direct the development process in Brazil. Hanke, "Brasil, Gigante Indeciso," Revista Brasileira de Estudos Políticos, No. 25/26 (July 1968/January 1969), p. 63.

nationalist military officers.''' Thus, although nationalism and national development are commonly cited as the bases of stability during the Kubitschek period,''' the nationalist debate had by no means been settled.

The election of 1960 tested the fear of many of the electorate that rampant inflation would continue to go unchecked,''' and Jânio Quadros, the flamboyant and politically independent former governor of São Paulo, defeated "nationalist" ex-War Minister Lott, who had received the support of leftist parties despite his open anti-communism,'''

''' An alternative agency, the Instituto de Pesquisa e Estudos (IPES), was established in 1961 to do research on (and to publicize) the "internationalist" development viewpoint. Dulles, Unrest, pp. 172-173. General Golbery do Couto e Silva, a prominent theoretician of the ESG [and about whom more will later be said], was an early director of the IPES. Flynn, p. 285.

''' Flynn argues this point, concluding that nationalism was strong at all social levels: a general belief in the inexorable progress of the country seemed to exist. Flynn, pp. 198-199.

''' Gordon Campbell, Brazil Struggles for Development (London: Charles Knight and Company, 1972), p. 31. Flynn refers to the election as confirmation of the extant political "crisis of hegemony" in the country. Flynn, p. 208. One observer contended in 1964 that "'development[all]ism' was defeated in the 1960 elections." Timothy F. Harding, "Revolution Tomorrow: The Failure of the Left in Brazil," Studies on the Left, 4, No. 4 (1964), p. 36.

''' Young notes that "the relatively open political structure of Brazil [at this time] is illustrated by the fact that the semi-official government candidate [Lott] held the highest rank in the armed forces and was supported by two of the major parties, and yet lost the election." Young, p. 106. It should be added that President Kubitschek, who was eligible to run again for president in 1965, did little to support Lott, preferring to remain "apolitical" in the apparent hope of bolstering his chances later. Dulles, Unrest, p. 106. It was also argued that "the organized left, by supporting the status quo in the

Although the brief Quadros presidency evinced a conservative and relatively non-nationalistic domestic policy, its foreign policy was considerably more "nationalistic", at least in its symbolic content.⁴⁴ After recognizing several communist nations (a major step at that time), Quadros spontaneously (and without consultation with his ministers) awarded the nation's highest decoration, the Cruzeiro do Sul, to Ché Guevara, who had by chance arranged a brief meeting with the president in August 1961 for unrelated reasons.⁴⁵ The crisis which ensued, though not tied completely to the Guevara incident,⁴⁶ was at least precipitated by it. Quadros's unexpected (and still largely inexplicable) resignation several days later may well have resulted from a miscalculation on Quadros's part: he might have believed that the military would not allow the inauguration of Vice-president Goulart, a leftist getulista and populist labor politician, and would thus refuse to accept his own resignation.⁴⁷ Although as it turned out there was indeed a pronounced military resistance to

⁴⁴(cont'd) name of nationalism, was discredited by Lott's defeat." Harding, "Revolution," p. 37.

⁴⁵ Although "theatrical" is probably a better term. Dulles uses this word to describe Quadros's apparently unstable behavior. Dulles, Unrest, p. 117.

⁴⁶ Dulles, Unrest, pp. 124-126.

⁴⁷ Skidmore analyzes several other issues and concludes that "the August crisis has remained difficult to analyze because the lines of conflict in domestic politics were obscured by the personal eccentricities of the president." Skidmore, Politics, p. 203.

⁴⁸ Skidmore, Politics, pp. 203-204. There are indications, moreover, that the resignation followed a confidential military refusal to support the broadening of presidential powers. Johnson, Military, p. 210.

Goulart's inauguration, military sentiment had been irrevocably turned against Quadros because of the decoration of Guevarra.⁵³

The willingness of the military ministers to accept Quadros's resignation⁵⁴ in effect forced them to deal directly with the question of Goulart's succession, an issue in which they had a relatively limited range of options. Furthermore, the acceptance of the resignation amounted to a severe setback for the UDN, the "internationalists" and, indeed, other "liberal" groups on the right, such as the ESG, whose policy interests were now jeopardized by the growing alarm in United States and European financial circles.⁵⁵ And although the military hierarchy generally resisted the succession of Goulart,⁵⁶ their position was severely compromised by the explicit constitutional provisions for succession, and the existence of a strong contingent of pro-Goulart and "constitutionalist" military

⁵³ Flynn, pp. 218-219. Lieuwen explains the phobia of Latin American military establishments, particularly in the 1960s, of Cuban communism: "The spectacle of Castro's utter destruction of Batista's armed forces and his summary execution of most of the senior officers in Cuba (more than 600 of them) filled the hearts of their professional brethren in the other countries of Latin America with horror and apprehension." Lieuwen, Generals vs. Presidents, pp. 101-102.

⁵⁴ By treating the resignation and the succession as two separate issues. Skidmore, Politics, pp. 203-204. Flynn notes that the senior military appointments of both Kubitschek and Quadros reflected a preference for the most right wing tendencies, and it was these appointees who would later spearhead the 1964 golpe. Flynn, p. 374.

⁵⁵ Flynn, p. 230.

⁵⁶ Goulart was visiting mainland China at the time of the crisis [at the request, incidently, of Quadros], and Skidmore notes that this dramatized his unacceptability to the military. Skidmore, Politics, p. 204.

officers. The suddenness of the resignation had the effect of preempting the planning which was necessary to overcome divisions within the military,⁵⁷ and thus ultimately allowed for the succession of Goulart, although under conditions of compromise.⁵⁸ The compromise included the alteration of the presidential system to a "modified parliamentary" form in which a prime minister was given many of the powers formerly held by the president, and on September 7, 1961--Brazilian Independence Day--Goulart was finally sworn in as president.

As a populist who had "built his career upon the federally created system of labor unions and labor tribunals,"⁵⁹ Goulart understandably turned to the electorate in his struggle to regain his presidential powers. Although this effort was necessarily tempered by the systemic requirement that he prove his 'respectability,'⁶⁰

⁵⁷ Johnson and Skidmore mention some of these divisions (Military, p. 218., Skidmore, Politics, p. 210), and Sodré recounts the details of the brief imprisonment of General Lott by anti-succession forces. Sodré, História, pp. 376-377.

⁵⁸ While Goulart deliberately delayed his return from China, and an acting president was sworn in, the process of bargaining ensued. The apparent willingness of troops in Rio Grande do Sul to support Goulart's succession with violence, and a growing "constitutionalist" sentiment among certain elite sectors, persuaded the military command to resolve the crisis peacefully by September 4, over two weeks after it had begun. Skidmore, Politics, pp. 210-212.

⁵⁹ Skidmore, Politics, p. 214.

⁶⁰ Skidmore refers to Goulart's efforts to prove himself to be anti-communist and to convince the international financial establishment (and especially the United States) of his "serious intent" to solve the financial crisis within the acceptable norms of response. Skidmore, pp. 216-221. There was also attention paid to the promotion of

it was a strategy which nevertheless seriously tested the stability of the system.¹¹¹ Brazil had retained many of the characteristics of an elite authoritarian system in the early 1960s,¹¹² and Goulart's strategy amounted to yet another increase in the political mobilization that was already threatening systemic stability.¹¹³ Although sixteen months of presidential campaign finally produced a referendum on the question of a return to the presidential system, which Goulart won by a margin of five-to-one, his increasing populist campaigning had achieved its own momentum. Furthermore, his attempts simultaneously to appease both the political left and right had deprived him of a clearly-defined political position.¹¹⁴ Nevertheless, his approach to public policy formation has been described as innovative in that it produced a global view of basic

¹¹¹(cont'd) nationalist military officers in an apparent bid to retain military support, although this involved problems.
¹¹² Part of Goulart's strategy required that he "prove" the parliamentary system to be unworkable while consolidating as much support as possible (mostly on the political left). This led to increased conflict with Congress as well as "the neglect of economic and social problems and a deepening mistrust and suspicion." Schneider, p. 78.

¹¹³ Sérgio Henrique Hudson de Abranches, "The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil," Ph.D. Diss. Cornell, 1978, p. 78.
¹¹⁴ Schmitter notes that "by the late 1950s and early 1960s, Brazil's political mobilization had probably exceeded the limits of tolerance of stable authoritarian rule, especially because the rate and scope of this burgeoning attention to politics seemed to be outrunning the assimilative capacity of state institutions." Schmitter, "The Portugalization," pp. 211-212.

¹¹⁵ Schneider, p. 75. Sodré notes that the ongoing condition of "unstable equilibrium" (increasingly evident during Goulart's presidency) led to a situation of ceaseless military anxiety ("inquietação"). Sodré, História, pp. 386-387.

national problems." " The mobilization and polarization of the 1961-1964 period was, in this sense, a necessary part of their own resolution. That it would finally be deemed unacceptable to the military establishment was probably inevitable.

D. Conclusion

A review of the salient features of Brazilian military history prior to 1964 reveals the importance of the recurrent themes of national development and political intervention. But it also emphasizes the validity of Stepan's observation that "no single factor, institutional or otherwise, taken in isolation can explain or predict the political behavior of the military." " From its colonial beginnings as a popularly feared and resented institution, the military was transformed into the guarantor of Imperial honor and, finally, into that moderating power itself. But until 1964 it had never actually taken power in a formal sense, save for a brief period after the overthrow of the Empire. And the rivalries and ideological divisions within

 " Hudson de Abranches says that "Goulart's period was understandably meager in policy outputs, though extremely rich in policy initiatives. For the first time attempts were made to resolve the country's structural problems from a global perspective and in terms of long-range strategies. During the whole period, the political struggle was punctuated by inflamed debates around structural and institutional reforms. In every arena, inside both the Congress and the Executive, these reforms were objects of debate and confrontation. Civil society was mobilized and polarized by the prospects of change, reform proposals anticipated." Hudson de Abranches, p. 106.

" Stepan, Military, p. 21.

the officer corps (which led to the return of civilian rule) in 1894 were not unlike those continuing patterns of the twentieth century, which would constitute the fundamental impediment to military dictatorship in Brazil prior to 1964. The primary factor underlying these divisions was the inevitable disparity in viewpoints vis-à-vis public policies of national development. The prominent role that the military (and particularly the Army) had played in national development projects since the 1930s⁶⁶ made it both logical and necessary that officers maintain a high degree of awareness in matters pertaining to the national development process, although the political ramifications of this awareness were often embarrassing to senior officers, as tenentismo graphically illustrated. Nevertheless, the officer corps was careful to maintain forums for political debate, such as the Clube Militar, as well as a certain attentiveness to the radically divergent opinions. The range of "acceptable" development options appears to have been increasingly narrowed by such incidents as the communist "Intentona" and the advent of populism, however. Although the debate (within the military) between the "nationalists" and the "internationalists" was very evident throughout the 1950s and early 1960s, the acceptability of

⁶⁶ Wirth, in the conclusion of his important study of the economic development of Brazil during this period, pointed to the "emergence of a developmental ideology that identified Brazil's future with industrialization. In this, the Army took the lead during the 1930's when military officers examined the nation's military and defense requirements." Wirth, p. 221.

the former position to the consensus of the military hierarchy seems to have been steadily eroded. By 1960, the military concern with political intervention was in ascendance, while regard for the consideration of the wide range of options for national development was in decline.

The following chapter will analyze the tendency of the Brazilian political system to encourage the political intervention of the military, and the manner in which this tendency was readily transformed into military authoritarianism, based on the primary justification of "national security".

III. IMPLICATIONS OF THE 1964 INTERVENTION

A. Introduction

Analyses of Brazilian military politics and the formation of public policy after 1964 invariably grapple with the contrast between two distinctive perceptions: the continuity of the period with pre-1964 political patterns, as the culmination of systemic tendencies that had been increasingly evident since the 1930s and before; and the striking distinction between pre- and post-1964 Brazilian politics. The following chapter attempts to establish the validity of a middle ground, albeit one that is somewhat partial to the latter interpretation, by describing and assessing the most prominent political and ideological themes of the immediate post-golpe period. Analyses of the intervention itself, and of its political and ideological tenets, reveal the presence of significant patterns established in the previous decades, the maintenance of elite interests and political structures and the reliance upon ideological orientations derived originally from tenentismo, the dictatorship of Getúlio Vargas, the experiences of the Brazilian Expeditionary Force in Italy and the derivation of a formal military ideology of national security and national development in the Escola Superior de Guerra (Superior War College, or ESG) after 1949. However, crucial additions to both theory and policy appeared after

March 1964, some of which had the effect of enhancing the authoritarian dimensions of the regime. The analysis of an hypothesis to be explored later in this work, that military authoritarianism and effective federal expenditure policy for Northeast regional development are inversely related in the post-1964 period, requires an explanation of both of these interpretations of the panoply of authoritarian structures and development perspectives that had been established by the beginning of the most authoritarian of modern Brazilian military dictatorships, the Médici presidency, in 1969.

The primary task of this chapter is to identify and explore the general policy implications of the relatively articulate ideology of military authoritarianism which predominated in the immediate post-1964 period in Brazil, with special attention to its implications for national development. Chapter Four will focus upon the history of Northeast regional development to 1969, and will outline the basic interpretations of the political and economic interrelation between Brazilian national and Northeast regional development.

The contention that military authoritarian regimes generally lack a cohesive ideological framework, " that

According to Linz's definition, authoritarian regimes in general lack strong ideological orientations and encourage the growth of ostensibly non-ideological social strata, although this requires further elaboration in the case of Brazilian military authoritarianism because, as mentioned in Chapter 1, Linz also suggests that paradigmatic authoritarianism evinces an independence of the chief executive from direct military influence.

they tend to be, in Huntington's terms, Burkeian conservative precisely because this orientation does not impose a cohesive ideological framework, "" can be seriously qualified for the case of Brazil. Analyses of the political ideology of the proponents of the ESG within the Brazilian officer corps stress the complex interrelation of national security and national development as mutual, if fundamentally ambiguous, ideological constructs which function as rationales for both the seizure and maintenance of power by the Brazilian military establishment.

A second endeavor of this chapter is to underscore the fundamental differences between the first three post-1964 military presidencies in Brazil. This, in turn, has two purposes. First, it supports the comparison of military presidencies, especially regarding their varying orientations with respect to authoritarianism and development. Second, it outlines the background to the establishment of the most authoritarian thus far of the post-1964 presidencies, and the focus of this work, the Médici regime. This is crucial in view of the primary contention of this work, that specific presidencies establish particular climates of authoritarianism and development, and hence can be compared with each other in order to understand the interrelation of these two dynamics.

The third task of this chapter is to elaborate and illustrate the significance of the advent of military

"" Samuel P. Huntington, The Soldier and the State (Cambridge, Mass: Harvard Univ. Press, 1957), pp. 93-94.

authoritarianism to Brazil. Despite the numerous military challenges to the Brazilian political system prior to 1964,⁶⁷⁰ the changes introduced after March 1964 were both far-reaching and, to some degree, unexpected. The pervasive character of post-1964 Brazilian military authoritarianism,⁶⁷¹ in fact, has raised serious questions as to its 'positive' attributes. The notion that authoritarianism may facilitate or even foster national development, an argument that is reinforced by the centrality of development within the predominant ideology of post-1964 Brazilian military dictatorship, is similarly called into question.

B. Immediate Explanations of the Golpe

The 'Watershed'. The Brazilian military intervention of March 31, 1964 constitutes, in many respects, "the great political divide" of Modern Brazil.⁶⁷²

⁶⁷⁰ Frederick M. Nunn argues that the hostility of the military to civilian government in Brazil had been developing for a considerable period of time, held in check largely because of the presence of strong civil-military alliances. Nunn, "Military Professionalism and Professional Militarism in Brazil, 1870-1970: Historical Perspectives and Political Implications," Journal of Latin American Studies, 4, Part I (May 1972), p. 44.

⁶⁷¹ Philippe Schmitter notes some of its most immediate and egregious features, including widespread political purges, mass firings, deprivation of political rights, and the substantial restructuring of the political system.

Schmitter, "The 'Portugalization' of Brazil?" Authoritarian Brazil: Origins, Policies, and Future, ed. Alfred Stepan (New Haven: Yale Univ. Press, 1973), p. 212.

⁶⁷² Peter Flynn uses this expression in describing

a fundamental systemic and ideological transformation of the familiar policy making landscape.⁷³ The event itself, in the sheer numbers of people arrested, banned from political activity, prohibited by force from demonstrating and fired from government and university positions, was undeniably significant.⁷⁴ The longitudinal policy making implications, however, have been even more extensive. Octavio Ianni describes post-1964 economic policy making as replacing "an ideology of development with an ideology of modernization."⁷⁵

⁷³(cont'd) Brazilians' view of the golpe. Flynn, Brazil: A Political Analysis (Boulder, Colorado: Westview Press, 1979, 1978), p. 314.

⁷⁴ Alfred Stepan argues that "unlike the military coups of 1930, 1945, 1954, and 1955, the military in 1964 had not merely removed a chief executive; they had assumed political power in the nation. By assuming power the military went beyond the parameters of the moderating pattern of civil-military relations that had dominated in the period after 1945; the political system as a whole had undergone a 'boundary change.' Underlying this change was a major change in ideology: the military were going to be the directors not the moderators of politics." Alfred Stepan, The Military in Politics; Changing Patterns in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1971), pp. 123-124.

⁷⁵ Barry Ames summarizes some of the short-term effects of the golpe: "the political activity of thousands of people was repressed, and elections were devalued by reducing their number and restricting potential candidates' eligibility. Leaders of over 400 labor unions were replaced, liberal newspapers attacked, and the right to strike was nearly eliminated. The regime attempted to repress the National Student Union (UNE) and prohibited marches and demonstrations. Changes in the policy making structure included centralizing authority by decreasing the power of the legislature and the states and increasing the power of the executive, creating new ministries..., removing authority to create new programs from certain ministries...." Barry Ames, Rhetoric and Reality in a Militarized Regime: Brazil since 1964 (Beverly Hills: Sage Publications, 1973), p. 9.

⁷⁶ "O que singulariza a política econômica inaugurada em 1964 é o fato de que ela substituiu a ideologia do

This chapter will undertake an analysis of Brazilian military politics between 1964 and 1969 with a view to clarifying the ideological and political origins of national and regional development policies that emerged during the Médici presidency, 1969-1974.

In analyzing the deposition of President Goulart and the subsequent military dictatorship, it is necessary to underscore the problems latent in identifying early evidence of specific policy priorities by the leaders of the military golpe. A frequent interpretation of the 1964 intervention describes it as a chance occurrence, at least in its immediate causes. In the words of Ronald M. Schneider, "the President was in no immediate danger of being overthrown until the March, 1964, naval crisis convinced the yet uncommitted that action must be taken before the capabilities of the Armed Forces to intervene decisively were undermined by the spread of indiscipline through the ranks."⁷⁵

⁷⁵ (cont'd) desenvolvimento pela ideologia da modernização. Ianni, O Colapso do Populismo no Brasil (Rio de Janeiro, Brazil: Civilização Brasileira, 1971), p. 177. Emphasis in the original.

⁷⁶ Schneider concludes that "reaction on this issue was so strong and united that the coup succeeded almost immediately on widely separated fronts as only a handful of troop commanders supported the government and very few fence-sitters remained." Schneider, The Political System of Brazil; Emergence of a 'Modernizing' Authoritarian Regime, 1964-1970. (New York: Columbia Univ. Press, 1971), pp. 92-93. This argument is echoed by Stepan (Military, p. 64), and Albert O. Hirschman, who adds that "the armed forces did not intend to remain in power, but events led them consistently along the road to total political control. Instead of taking chances on old-style politicians, they continued in power but made extensive use of civilian tecnicos." Hirschman, Brazil: A Study in Development

Although there is some disagreement with this interpretation,⁷⁷ the overriding factor is that decisions taken by the military authorities immediately after the intervention were to have significant and prolonged implications,⁷⁸ which stood in direct contrast to the character of the previous civilian presidencies. A careful analysis of the 1964 golpe, in fact, reveals a great deal of significance in the magnitude of this shift in federal policy patterns,⁷⁹ particularly in specific policy areas in

⁷⁷ (cont'd) Progress (Lexington, Mass.: Lexington Books, 1975), p. 31.

⁷⁸ A common analysis associated with Brazilian social scientists stresses that the fundamental transformation of capitalism in Brazil required a complementary political change. (This argument will be explained and documented in the following sections.) Furthermore, according to Nelson Werneck Sodré, the golpe had been planned at least as far back as 1961, as many of its early conspirators later bragged. Sodré, História Militar do Brasil, 2da edição (Rio de Janeiro, Brazil: Civilização Brasileira, 1968), p. 389. Flynn largely agrees with this interpretation, adding that "the economic and financial crises which deepened during [Goulart's] presidency did not arise spontaneously, but, like the severe political constraints within which he had to work, reflected a system developed over many years by those who in the past had controlled Brazilian politics." Flynn, p. 308.

⁷⁹ Stepan points to two decisions in particular which committed the military to the long-term retention of political power: the cassações (ten-year cancellation of all political rights) of many prominent civilian and military figures, and the immediate enforcement of a rigid "stabilization and development policy", which required a lengthy administration period. Stepan, Military, p. 218. A third decision, also mentioned by Stepan, to prohibit the emergence of charismatic political personalities from among their own ranks, placed the "revolution" beyond the pale of caretaker government and, in my view, ensured the survival of a close and enduring relationship between the military command and the subsequent military presidents.

⁸⁰ Fernando Henrique Cardoso stresses this point. Cardoso, "Associated-Dependent Development: Theoretical and Practical Implications," Authoritarian Brazil, ed. Alfred Stepan (New Haven: Yale Univ. Press, 1973), p. 142.

which the military ideology of, and subsequent interest in, development is clearly highlighted.¹⁰⁰ The following pages will outline the salient issues of the golpe, as well as the background to, and the outcome of, major federal government policies between 1964 and 1969.

The Immediate Origins of the Intervention. It is useful, in the assessment of "causes" of the 1964 Brazilian military intervention, to distinguish between two contrasting levels of explanation. One basic type of explanation stresses the broad ideological conflicts of mid-twentieth century Brazil and their interrelation with the major social and economic conditions of the period. These are thought ultimately to have produced a departure from accepted political behavior, i.e., the golpe of 1964.¹⁰¹ Although this is an important theme in most careful analyses, and is frequently cited by military apologists as well,¹⁰²

¹⁰⁰ Northeast development policy appears to constitute such a policy area, and moreover provides an interesting vehicle for the analysis of military policy making because of its secondary status in the policy priorities of the técnicos, or technocrats, who have come to play an important role in most areas of the post-1964 federal policy making process. ¹⁰¹ E. Bradford Burns voices this common contention when he notes that "in 1964, the military radically altered its twentieth-century behavior pattern." Burns, A History of Brazil (New York: Columbia Univ. Press, 1970), p. 369.

¹⁰² E.g., General A. de Lyra Tavares, an important military theorist associated with the ESG, wrote in 1965 that "the phenomenon of the Brazilian Revolution will have to be analyzed, later, ... to conclude that the Movement of March first arose in the recesses of the homes and public squares, to reach, later, and to arm, afterwards, the viscerally legalistic spirit of the barracks." ("O fenômeno da Revolução brasileira haverá de ser analisado, mais tarde, com serenidade e pureza de julgamento, para concluir que o movimento de março surgiu e se mobilizou, primeiro, no

it is not always clearly linked to the second level of explanation, a focus upon the immediate precipitants of the intervention.¹¹¹ In this section we will briefly reiterate some of the salient points of this second level of explanation, keeping in mind that while it is widely represented in the literature of Brazilian politics, it is somewhat misleading when employed exclusively, and in any event is only tangentially relevant to the primary hypothesis. This "pragmatic" level of explanation focuses upon the rapid breakdown of military discipline (particularly among the enlisted ranks) in 1964, and the presidential support of military unionization, which was widely perceived by the senior officers as politically "subversive," and which apparently "triggered" the military intervention of 1964. Four important causal factors (at

¹¹¹(cont'd)recesso dos lares e na praça pública, para atingir, depois, e armar, em seguida, o espírito visceralmente legalista dos quartéis.") Tavares, Exército e Nação (Recife, Brazil: Imprensa Universitária, 1965), p. 99.
¹¹²Gordon Campbell explains, on the other hand, two direct justifications of the golpe which (it can be speculated) represent close facsimiles of those posited by many of the interventionist officers in 1964. According to this interpretation, of the two principal reasons for the golpe, "the first was [the officers'] alarm at the lack of effective government....The second was the subversion of discipline in the armed forces." Gordon Campbell, Brazil Struggles for Development (London: Charles Knight & Co., Ltd., 1972), p. 38. John W. F. Dulles recently argued that there were only two reasons for the military intervention in 1964: "the indiscipline in military sectors and the great influence of communists close to the government such as Oswaldo Pacheco, [and] Pelecani." ("As razões do movimento de 1964 foram apenas duas: a indisciplina nos quadros militares e a grande influência de comunistas como Oswaldo Pacheco, Pelacani, junto ao Governo.") Dulles, interviewed in Jornal do Brasil, Ano XCI, No. 109 (26 July 1981), Caderno "Especial", p. 1.

this explanatory level) are: the growing fears within the military of the subversion of military discipline through populist unionization (and the association of this with the alleged imminence of Cuban-style communism), the deficiencies of Goulart's political personality (particularly in allaying these fears), the immediate character and consequences of the national economic crisis of 1963-64, and finally the resultant struggle for political power, evident within both the civilian and military spheres, that materialized by 1963. This probably influenced Goulart's increasing reliance upon populist tactics, although it could by no means be said to have been of primary responsibility for them.

The two levels of explanation, while not completely discrete, can be divided on the basis of the presence or absence of fundamental ideological objectives. The first level seeks fundamental ideological and systemic determinants in explaining the panorama of Brazilian politics since 1930 (or before),¹ with an explicit

¹ Skidmore is employing this level of explanation when he describes the 1964 golpe as "restorationist"--an attempt to return to the ideological and political stability of the Estado Novo. Skidmore, "Politics and Economic Policy Making in Authoritarian Brazil, 1937-1971," Authoritarian Brazil, ed. Alfred Stepan, p. 38. This level is also evident in his focus upon the long-term patterns of Brazilian politics as a struggle between the friends and foes of Getúlio Vargas: "What the anti-getulistas had won by the Army's intervention in 1945, lost in Vargas' election in 1950, won by the military again in 1954, lost in 1955..., and apparently won by the ballot box in 1960, was now again [in 1961] lost." Skidmore, Politics in Brazil, 1930-1964; An Experiment in Democracy (London: Oxford Univ. Press, 1967), p. 208.

disregard for the short-term systemic implications of political compromise. The second level, however, must inevitably deal with the Brazilian capacity for jeitinho, the ability to work out improvised stop-gap solutions, as well as the occasional failure of this ability in given situations. Both levels of explanation are valid within certain limits. Each of them can be misleading in its own way, however, especially when employed as a unique explanation of Brazilian politics. The second level, the most frequently cited explanatory mode, is a case in point.

The issue of subversion of military discipline was clearly one of the immediate factors that precipitated the golpe. Military bureaucracies generally tend to define the advent of popular political participation in threatening terms, and it is only fair to add that the hierarchical structure of the military may well be threatened by the proliferation of such societal "insubordination".¹¹¹ One observer points, for example, to the importance of Brazilian military perceptions¹¹² "that [by 1964] rising militant

¹¹¹ Raymond Aron notes that "in the West, it is the military bureaucracy that is menaced by the spirit of democracy or leftism. The formula of a professional army or of soldiers' unions illustrates an evolution that appears to the eyes of some people as logical, appears to others as paradoxical: what I mean is, logical in relation to the spirit of democratic governments, paradoxical with respect to the necessary hierarchy of a military and technically complex apparatus." Aron, "Remarks on Lasswell's 'The Garrison State'", Armed Forces and Society, 5, No. 3 (spring 1979), p. 357.

¹¹² Flynn observes that "by April 1964 it is arguable that political perceptions, what people thought or alleged was going on in Brazil, were more important than the changes which were really taking place...." Flynn, p. 256. Emphasis in the original.

trade-union influence among enlisted men was destroying institutional cohesion and [breaking] down the image of the military as 'above class'--an intrinsic part of its pre-1964 image as moderator."¹¹¹ In fact, there is ample evidence to suggest that increasing partisan political activity among the officers was equally responsible in threatening hierarchical stability,¹¹² although such political behavior had long been tolerated and even encouraged by political leaders such as Getúlio Vargas. Nevertheless, the identification of unionization and increased militancy of enlisted men as characteristic of communism,¹¹³ and particularly as Castroism, triggered deep institutional insecurities of many officers who were profoundly influenced by the recent example of Cuba's destruction of its military establishment.¹¹⁴

Two events, a mass populist rally held in Rio de Janeiro by Goulart on (Friday) March 13, and a "mutiny" organized by the newly-formed Sailors' and Marines' union

¹¹¹ Stepan, Military, p. 165.

¹¹² See, for example, Sodré, História, p. 393.

¹¹³ In March 1964 General Castelo Branco released a memorandum which labelled the trade union leadership as both subversive and associated with pro-Moscow communism. Flynn, Brazil, p. 285.

¹¹⁴ Stepan, Military, p. 155. Stepan notes, moreover, that "the fear of Castro-style Communism created a new factor in civil-military relations in Brazil--the possibility that one of the major actors in the political system might depart from the accepted rules of the game, in which traditionally everyone used the military for political ends but no single group threatened to destroy the military or their role of moderator of the political system. Here the perception that a threat was being made was as politically significant as the reality of any such threat." Stepan, Military, p. 156. Emphasis in the original.

between March 25 and 27 further consolidated the anti-communist opposition.''' Goulart's inability to predict this response, however, represents one of the short term (although nevertheless important) dimensions of of the subsequent events.'''

The political personality of João Goulart was in other respects an impediment, at least in a pragmatic sense, to the formation of a cohesive national public policy in Brazil during the early 1960s.''' His close association with organized labor, and his long political apprenticeship under the tutelage of Getúlio Vargas, accounted for his primary source of political support prior to 1961 and probably explained his tendency to turn to his labor support as a

 '' Flynn, Brazil, p. 281.

'' In a recent interview, Dulles was asked if the golpe of 1964 had come on the heels of a major political crisis. His response is startling in its directness: "No. On the 26th of March the mutinying sailors at the Metalurgical Union decided to demand amnesty from the government. It all began there. With the help of the CGT [General Labor Command], the sailors chose the next Navy Minister. Imagine: the rebellious sailors and the communists of the CGT choosing a military minister. All of this went against discipline. Discipline is a fundamental thing in the Army." ("Não. No dia 26 de março, os marinheiros amotinados no Sindicato dos Metalúrgicos resolveram exigir do Governo anistia para eles. Tudo começava aí. Com a ajuda do CGT, os marinheiros escolheram o próximo ministro da Marinha. Imagine: os marinheiros revoltados e os comunistas do CGT escolhendo um ministro militar. Tudo isso vai contra a disciplina. A disciplina é uma coisa fundamental no Exército.") Interview with John W.F. Dulles, Jornal do Brasil, Ano XCI, No. 109 (26 July 1981), Caderno "Especial", p. 1.

'' Flynn, Brazil, p. 232. Skidmore notes, moreover, that "João Goulart had the reputation of being a weak man." Politics, p. 255. Dulles's assessment of Goulart, while by no means a political endorsement, is somewhat more flattering. John W. F. Dulles, Unrest in Brazil; Political-Military Crises, 1955-1964 (Austin: Univ. of Texas Press, 1970), pp. 159-160.

"political weapon", especially when the crises of his presidency deepened." He was consequently portrayed, particularly in the rightist anti-Vargas press, as a Vargas-style populist or, what was far worse in the eyes of the military officers, as a pro-Cuban communist." He was relatively ineffective as a populist," however, because of his uncharismatic personality, not to mention his public image as a latifundiário." Furthermore, even the limited truce that he maintained with the military between 1961 and 1963 seems to have been a product of his own political ineptitude; the severe constraints that the new quasi-parliamentary system placed on him necessitated an

 "Burns uses this expression to describe Goulart's use of his labor support. Burns, History, p. 363. Harding contends, moreover, that a close scrutiny of the 1960 elections, in which Goulart lost in his home state of Rio Grande do Sul and in the industrial state of São Paulo, reveals that "Goulart's brand of 'populism'--the appeal of personalist and paternalistic politicians symbolized by Vargas ('the father of the poor') was definitely on the way out with urban masses." Timothy F. Harding, "Revolution Tomorrow: The Failure of the Left in Brazil," Studies on the Left, 4, No. 4 (1964), p. 37.

"Flynn notes that it is difficult, in fact, to identify any of Goulart's own policies. "He spoke of the need for basic reforms, but insisted on his commitment to democracy and resistance to communism, and did all he could to identify his government with the attack on inflation already launched under Quadros." Flynn, p. 233.

"Flynn argues that "in so far...as Vargista populism represented a manipulative multi-class alliance directed from above, João Goulart was its archtypal representative. He was certainly no tribune of the people, or political activist committed to workers' control at factory or plan level, still less to a radical restructuring of rural society." Flynn, Brazil, p. 233.

"Burns notes that "Goulart's personal actions sometimes belied his words....At the same time that he was advocating land reform, he was buying up millions of acres of land, to become one of the largest landowners in the nation." E. Bradford Burns, Nationalism in Brazil; A Historical Survey (New York: Frederick A. Praeger, 1969), p. 112.

unusual degree of cooperation (even for a Brazilian president) with military interests.⁶⁹⁹ Full restoration of presidential powers in 1963 led to an immediate deterioration of military support, again resulting in large measure from Goulart's political miscalculations. Schneider ~~notes~~ that Goulart had an inflated view of his own military support based on the belief that his strongest advocates within the military were more popular within the senior echelons of the officer corps than was in fact the case.⁷⁰⁰ His ineffectiveness as a political personality was, in short, a major liability, especially in the context of the immense economic problems of the nation and the degree of political opposition that he confronted,⁷⁰¹ a dichotomy which would increasingly underscore the tensions between the imminent growth in authoritarianism of the Brazilian government and the developmentalism of the Vargista tradition.

A third condition which figures prominently in cursory analyses of the 1964 Brazilian military golpe is the national economic crisis of 1962-1965. The dramatic

⁶⁹⁹ Schneider, p. 77.

⁷⁰⁰ Schneider, The Political, p. 82. Dulles argues that Goulart "believed his attention to promoting officers faithful to himself as a person or as a president had considerably improved his position since Quadros's resignation...." Dulles, "Post-Dictatorship in Brazil, 1945-1964," New Perspectives of Brazil, ed. Eric N. Baklanoff (Nashville: The Vanderbilt Univ. Press, 1966), p. 50.

⁷⁰¹ Werner Baer notes that there was no consistent economic policy from 1961 to 1964, primarily because of the lack of Goulart's leadership abilities. Werner Baer, The Brazilian Economy: Its Growth and Development (Columbus, Ohio: Grid Publishing, Inc., 1979), p. 90.

inflation of the early 1960s, part of a larger trend that had begun in 1948, reached the "runaway" stage in 1963, and was thus transformed from what had been for Goulart an effective political weapon⁷⁰¹ to "a seemingly uncontrollable force which threatened to disrupt the economy and plunge the country into chaos,"⁷⁰² as Table 3.1 illustrates. The immediate causes of this inflation are usually linked to the populist policies that had defined the national development pattern since the early 1950s: large capital-intensive projects, the rapid proliferation of bank credit and substantial increases in minimum wages.⁷⁰³ Furthermore, the severe inflation of 1963 was accompanied by two other crises, a drastic reduction in industrial investment (and hence in industrial growth) and a sudden critical deficit in the national balance of payments.⁷⁰⁴ Military officers took an increasingly dim view of the situation, in part because of their own deteriorating economic position. They frequently interpreted government policy as encouraging inflation by tolerating, if not supporting, strikes and workers' pay increases.⁷⁰⁵ The failure of a mission to Washington in March 1963 by Foreign Minister San Thiago Dantas (in an attempt to secure a massive injection of

⁷⁰¹ Raouf Kahil, Inflation and Economic Development in Brazil, 1946-1963 (London: Clarendon Press, 1973), p. 333.

⁷⁰² Kahil, p. 334.

⁷⁰³ Kahil, p. 329.

⁷⁰⁴ Flynn, p. 257.

⁷⁰⁵ Stepan, Military, pp. 140-141. Stepan contends that the "political significance of the military reaction to inflation was particularly important because the military began to identify the labor unions and mobilization politics as being the most culpable factor."

TABLE 3.1

Inflation in Brazil
Exchange Rates, Cruzeiros per US Dollar
(Selling Rate for the Dollar)

Date	\$CR	Date	\$CR
1945a	19	ave. Jan. 1957	66
1946	19	ave. July 1957	73
early July 1947b	22	ave. Jan. 1958	96
early Jan. 1948	23	ave. July 1958	135
early July 1948	23	ave. Jan. 1959	147
early Jan. 1949	25	ave. July 1959	151
early July 1949	30	ave. Jan. 1960	189
early Jan. 1950	30	ave. July 1960	186
early July 1950	32	ave. Jan. 1961	219
early Jan. 1951	32	ave. July 1961	263
early July 1951	29	ave. Jan. 1962d	369
early Jan. 1952	31	ave. July 1962	469
early July 1952	34	ave. Jan. 1963e	805
ave. Feb. 1953c	40	early July 1963f	802
ave. July 1953	43	early Jan. 1964	1285
ave. Jan. 1954	54	March 29, 1964	1700
ave. July 1954	60	March 30, 1964	1800
ave. Sept. 1954	63	March 31, 1964	1840
ave. Jan. 1955	75	early Apr. 1964	1420
ave. July 1955	76	early July 1964g	1300
ave. Jan. 1956	73	early Jan. 1965	1820
ave. July 1956	80	late June 1965	1850

- a. 1945-1946: "Free Rate".
 b. Early July 1947 to early July 1952:
 "Unofficial Market".
 c. Ave. Feb. 1953 to ave. July 1961: "Free Market".
 d. Ave. Jan. 1962 & ave. July 1962: "Parallel Market".
 e. Early Jan. 1963: "Free Market".
 f. Early July 1963 to Early April 1964:
 "Unofficial Market".
 g. Early July 1964 and after: "Parallel Market".

Source: J.W.F. Dulles, "Post-Dictatorship", p. 58.

United States foreign assistance) ultimately reinforced this interpretation, as Goulart's populist coalition rapidly disintegrated, and he was consequently pushed towards the left. It is useful at this juncture, however, to recall the cursory character of this kind of explanation. Although

inflation and the widespread national economic crisis were important factors in subsequent political events,⁷⁰⁶ it is misleading to attribute to them the status of "primary causes", either of Goulart's gravitation to the left, or for that matter of the 1964 military golpe itself. Underlying these factors, as Peter Flynn observes, was a critical and far-reaching struggle for political power.⁷⁰⁷

The final political struggle of the Goulart administration coalesced in a substantial shift, apparent on both sides, in the unwritten political "rules" of the sistema: the appearance of government support for a coalition between trade union members and a group of rebellious enlisted men in the Navy and Marines, and the protracted preparation, through an intensely ideological training process in an important officers' school, of a rationale for the long-term military control of government. Hence, the strict limitation--to members of the officer corps--of military involvement in politics, a norm assiduously observed prior to the Goulart presidency, had been seriously threatened by the growing pressures of many enlisted men for unionization and democratization of the military establishment, and their willingness to take public

⁷⁰⁶ Gláucio Ary Dillon Soares, "Military Authoritarianism and Executive Absolutism in Brazil," Studies in Comparative International Development, 14, Nos. 3-4 (Fall-Winter 1979), p. 105.

⁷⁰⁷ Flynn, p. 250. He notes, moreover, that the opposition of the business and finance sectors, as well as that of many other traditionally powerful sectors, grouped around the common fear of the growth of a república sindicalista. Flynn, p. 309.

TABLE 3.2
Profits and Wages
(in Real Terms: 1960=100)

Year	Total Net Profits		Average Wages
	a	b	
1960	100	100	100
1961	115	112	104
1962	131	132	108
1963	125	127	107
1964	143	147	111
1965	143	139	94
1966	144	125	79
1967	123	101	75
1968	162	158	75

a=All corporations

b=Industrial corporations

Source: M. Wallerstein, "The Collapse," p. 20

(and therefore political) stands on these issues after 1962.⁷⁰⁰ The indignant, and ironic, reaction of many senior officers was to proclaim this "politicization" of the military to be intolerable.⁷⁰¹

⁷⁰⁰ Flynn, Brazil, p. 287.

⁷⁰¹ General Lyra Tavares, an important senior officer associated with the ESG, wrote in 1965, for example, that the Armed Forces might easily "come to interfere in political questions, which are not pertinent to them. And not only do they flee from their constitutional mission but they compromise themselves, seriously, when the political passion, very appropriate to democratic activities, infiltrates the barracks and disturbs the climate of order, discipline and essentially professional work that constitutes the structural support of the Military Institution." (As Forças Armadas começam a fugir do seu papel e a perder a popularidade...[quando eles] venham a imiscuir-se nas questões políticas, que não lhes são pertinentes. E não apenas fogem à sua missão constitucional como se comprometem, seriamente, quando a paixão política, muito própria das atividades democráticas, infiltra-se no interior do quartel e perturba o clima de ordem, de disciplina e de trabalho essencialmente profissional que constitui o esteio da Instituição Militar.") General A. de Lyra Tavares, Segurança Nacional; Problemas Atuais (Rio de Janeiro, Brazil: Ministério de Educação e Cultura, 1965),

On the other hand, a select group within the military, officers of the ESG and the office of the Chief of Staff, formulated the ideological rationale for protracted and active military intervention, one that clearly implied disaster as its only alternative. The first step was the formation of a broad-based civil-military opposition. The widespread fear of some unspecified move by Goulart was crucial here, and observers such as Fernando Pedreira therefore argue that Goulart's opposition was "essentially defensive," and that it "sought to avoid the golpe of the adversary and did not, exactly, favor the action of the conspirators, which might end in chaotically removing the hopes of all. And that they had some cause for these concerns was proven by what happened afterwards."⁷¹⁰

Although representatives of the key military conspirators would continue to maintain that a broad-based coalition, "armed society", had ultimately deposed Goulart,⁷¹¹ a more plausible cursory explanation of the golpe points to the critical importance of political and economic sabotage, undertaken by relatively narrow interests, in creating and

⁷⁰⁹ (cont'd) pp. 193-194.

⁷¹⁰ "O esquema oposicionista...era essencialmente defensivo; visava evitar o golpe do adversário e não, exatamente, favorecer a ação dos conspiradores, que podia acabar levando de roldão as esperanças de todos. E que tinham alguma razão nos seus cuidados, prova-o o que aconteceu depois."

Fernando Pedreira, Março 31; Civis e Militares no Processo da Crise Brasileira (Rio de Janeiro, Brazil: José Alvaro, Editor, 1964), pp. 15-16.

⁷¹¹ General Tavares maintained, for example, that it was 'Armed Society', rather than the Armed Forces, which overthrew Goulart in 1964. Tavares, Exército, p. 99.

maintaining a viable opposition to Goulart,⁷¹² and to Goulart's personal inadequacies in dealing effectively with it.

The question of sabotage is not wholly inappropriate to an analysis of the naval mutiny of March 1964, the confrontation that finally precipitated the military intervention by persuading constitutionalist (and other unconvinced) officers that concrete action was necessary.⁷¹³

Peter Flynn mentions the common speculation that the mutiny was provoked. This is largely based on its timing and strategic character, and on the reported presence of agents provocateurs in the sergeants' revolt of the previous September.⁷¹⁴ Although the Union of Sailors and Marines (Associação dos Marinheiros e Fuzileiros Navais) was already

⁷¹² Flynn makes this point in noting that "the reason, and blame, for the breakdown [of the system] rested, however, less with Goulart than with those groups, both in Brazil and abroad, who did not scruple to sabotage the political system when their interests appeared to be in danger. The weeks from early January to the end of March merely allowed them to win extra support from both civilian and military officers whose backing of the coup was no more than a reluctant grasp at what seemed a last straw." Flynn, p. 275.

⁷¹³ Riordan Roett, Brazil: Politics in a Patrimonial Society (Boston: Allyn and Bacon, 1972), p. 108. Stepan quotes a constitutionalist general (later purged from the Army) to the effect that the naval mutiny, and its subsequent "inversion of [the military] hierarchy", was the key factor in the golpe. Stepan concludes that "most of the strong Goulart supporters in the military did not actively join the opposition, but what was crucial was that when the government was actively challenged by the plotters, the intensity of military support for Goulart was not sufficient to prevent Goulart's displacement. Not one officer died defending the Goulart government." Stepan, Military, p. 208.

⁷¹⁴ Flynn, Brazil, p. 290.

two years old, its growing coalitions with civilian trade unions and expressions of solidarity with striking oil refinery workers alarmed officers. Flynn observes that its

demands in themselves were moderate, ranging from simple political participation to changes in the rules concerning the sailors' right to marry and wear civilian clothes when off duty. The context in which these demands were made was, however, by now explosive, with echoes, deliberate or otherwise, of the sailors' participation in the Russian revolution, including the Ministry of Education's showing of Battleship Potemkin to a sailors' organization, with commentary to draw relevant parallels, just a few days before the mutiny broke out.⁷¹⁵

That mutiny, in which more than a thousand sailors and marines locked themselves in a metalworkers' union building in Rio de Janeiro, has been closely identified with both trade union and radical student politics, the latter principally through a key figure in the revolt, Anselmo, who was known as a radical university student who had joined the Navy in the hopes of extending radical ~~activity~~ to that branch while fulfilling his military obligation.⁷¹⁶ Skidmore argues that Goulart's conciliatory response to the mutineers galvanized anti-government activity by pushing moderate and otherwise reluctant officers into the conspirators' camp,⁷¹⁷ although this point is subject to some qualification by other analysts, including Eliézer Rizzo de Oliveira, who

⁷¹⁵ Flynn, Brazil, pp. 287-288.

⁷¹⁶ Skidmore, Politics, p. 296. Dulles describes Anselmo's record in the Navy as "so bad that he was due to be expelled..." (J.W.F. Dulles, Unrest, p. 28), although the evidence suggests that his record had been a direct reflection of his union activities.

⁷¹⁷ Skidmore, Politics, pp. 296-297.

stresses that the conspiracy unfolded well in advance of these occurrences.⁷¹⁸ At any rate, Goulart's sudden amnesty for the sailors, his appointment of a new Navy minister in consultation with them, and his open support for radical officers such as Admiral Cândido Aragão, moves ostensibly designed to bolster his own populist base,⁷¹⁹ provided, if not a unifying issue, at least the rationale commonly given for the fundamental and long-lasting military intervention.⁷²⁰

The politicization of enlisted men, and the "interference" of the chief executive in the chain of military command, actions which were widely perceived as changes in the traditional "rules" of Brazilian political behavior, have been characterized as stimulating--at least in the cursory sense--the subsequent military intervention. It is at such a juncture, however, that this cursory explanatory mode tends to break down. The golpe was, indeed, the product of a coalition of forces opposed to

⁷¹⁸ Eliézer Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil (1964-1969) (Petropolis, Brazil: Vozes, 1978), p. 53. Emphasis added.

⁷¹⁹ Edmundo Campos Coelho notes that the Goulart regime fostered the impression of having radicalized the Brazilian officer corps, and that this image of "radicalization provoked the union of military currents which allied themselves for somewhat diverse motives, although all related to the integrity of the army." (A radicalização provoca a união de correntes militares que se coligam por motivos algo diversos, mas todos relacionados com a integridade do Exército.") Coelho, Em Busca de Identidade: O Exército e a Política na Sociedade Brasileira (Rio de Janeiro: Forense-Universitária, 1976), p. 138.

⁷²⁰ Soares emphasizes that "from the standpoint of the military, Goulart's intervention in the internal hierarchy of the armed forces was crucial." Soares, "Military Authoritarianism," p. 110.

Goulart, although it quickly became evident, once the government had fallen, that mere opposition to Goulart was a relatively insignificant consideration in the minds of the new dictators,⁷²¹ and that a relatively explicit ideological orientation would become the strict prerequisite for participation in government. This transcendence of the pattern of pragmatic (short-term) military intervention is largely inexplicable without reference to the ideological concerns of the ESG. Nevertheless, if we accept, for the moment, this radical divergence from previous motivational patterns as given, we can turn briefly to a final manifestation of cursory explanations of the 1964 golpe: the problem of extrication.

The most noteworthy characteristic of the events of 1964 is that they did not result in the departure of the military from power after the customary and temporary stabilization of the government. Furthermore, military proponents of the ousted regime were summarily dismissed, and in some cases even arrested.⁷²² The standard--and, again, cursory--explanation of these developments is that, for a variety of reasons, including presidential

⁷²¹ Ames notes that of the three principal opposition forces, the ESG group, civilian politicians and non-ESG officers, the latter two were soon made aware of the political predominance of the first group: "civilian politicians like Adhemar de Barros and Carlos Lacerda lost their political influence. Generals sympathetic to the coup but not to the ESG were purged, including Olympio Mourão Filho and Amaury Krueel." Ames, *Rhetoric*, p. 8.

⁷²² Stepan points to this in particular as representative of a significant digression from the traditional "moderating pattern." Stepan, *Military*, pp. 119-120.

interference in military discipline, extrication from power became a difficult task for the military dictators. Thus the basic argument is that the excessively harsh measures (at least within the context of the tradition of non-recrimination in Brazilian military politics), which were ostensibly taken to ensure the restoration of military discipline, made it impossible in the short run for the incumbent disciplinarians to allow for the possibility of the reinstatement of their opponents, particularly given the predominance of many junior officers in military tribunals which disciplined senior officers.²³ While this is clearly an insightful explanation within limits, it does not touch upon the significant transformations in the Brazilian development pattern immediately after 1964, or their relation to the specific dimensions of authoritarianism that have persisted since then. The following sections of this chapter will undertake a comprehensive analysis of the background and early outcome of the events of 1964, with a view to explaining at least part of their relation to long-term economic patterns and ideological orientations.

C. The Political Context of the Golpe

Low Government Legitimacy. Brazilian public policy of the past twenty years can be characterized, in many respects, as

²³ Stepan regards this as a "built-in institutional obstacle to amnesty." Stepan, Military, pp. 224-225.

a series of varying responses to a widely perceived crisis of legitimacy. The legitimacy of regimes in developing countries is likely to be called into question during periods of rapid social transformation, such as occurred in Brazil after 1945, when public policy and social mobilization began to interact to a greatly increasing degree. The close association in the Brazilian system of the concept of legitimacy with executive competency and institutional "identity"⁷²⁴ implies the likelihood of legitimacy crises when such conditions are called into question. The golpe of 1964 is appropriately regarded, in a relatively narrow sense, as a military response to a widely perceived crisis of legitimacy, although the public policy output of subsequent military dictatorships can likewise be characterized as concerted, and largely unsuccessful, attempts to forge bases for establishing regime legitimacy through the ambiguous and sporadic applications of authoritarianism and distributive development policies.

The 1964 golpe followed, at least at first, the traditional Brazilian pattern of bloodless and unrecriminating "restoration" of order,⁷²⁵ reflecting the sense that the military could conceivably act legitimately

⁷²⁴ One key exponent of the military's traditionally constitutional role, and its ultimate subservience to civilian rule, was General Humberto de Alencar Castelo Branco. Stepan, Military, p. 120.

⁷²⁵ Stepan explains this "recurrent theme" as emanating from the view that a breakdown in presidential legitimacy "forces" activists to take action. This action is thus regarded as defensive and necessary, requiring the complete cooperation of the military in order to avoid unnecessary bloodshed. Stepan, Military, p. 90.

as long as it conformed with these accepted norms. The argument that the Goulart government had been illegitimate⁷²⁶ provided the new military rulers with a short-lived sense of legitimacy, a tenuous agreement regarding their role as governors, based in part on the deliberately vague position of the key conspirators.⁷²⁷ Hence the group of victorious "conspirators" was at first markedly heterogeneous, and consciously represented diverse interests and ideological perspectives. Nevertheless, although this heterogeneity had been an asset in sparking the intervention, and in maintaining a modicum of regime legitimacy immediately following it, it soon became an impediment to executive rule. As Huntington observes in a general sense, and in terms that may be somewhat predisposed to the potential benefits of authoritarian rule,

unity, esprit, morale, and discipline are needed in governments as well as in regiments. Numbers, weapons, and strategy all count in war, but major deficiencies in any one of those may still be counter-balanced by superior coherence and discipline. The problems of creating coherent political organizations are more difficult but not fundamentally different from those involved in the creation of coherent military organizations.⁷²⁸

⁷²⁶ General Tavares argues, for example, that the Goulart regime was not a constitutional regime because of its hostility toward the Congress. Tavares, Segurança, p. 302. The irony of this allegation in light of subsequent military closures of the Congress deserves some mention.

⁷²⁷ "Before the coup there had been a conscious desire to avoid debate over issues that would have made it difficult to put together a winning coup coalition." Stepan, Military, p. 216.

⁷²⁸ Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale Univ. Press, 1968), p. 23.

The retention of power by the military after 1964 may have brought some elements of this pragmatic military penchant for organization to Brazilian government, but only at the cost of violating the the traditional norm that had allowed it the legitimacy of a "moderator".

Systemic pressures for some of the wider changes induced by military dictatorship, the ideological and systemic "boundary change," as Stepan refers to it,⁷² points to the utility of a wider analytical scope: post-war political, economic and sociological transformations in Brazil had interacted to a significant degree by 1964. Schmitter stresses the reactionary function of the golpe, interpreting it as an attempt to stem the tide of the "political cultural transformation of considerable magnitude" that had picked up momentum in Brazil.⁷³ Cardoso stresses the importance of the realignment of "distinct social forces," thus minimizing the recent gains by the populist coalition. At the time these gains were thought by many to require a consequent increase in the authoritarian character of government, although perhaps not to the extent that it occurred:

...the establishment of the process of accumulation required the prior disarticulation of the instruments of pressure and of defense of the popular classes, a task that the golpe of '64, in its repressive aspect, immediately fulfilled. The acceptance by the bourgeoisie, in the first moment, of the increase in military interference to achieve that objective cost them, in the following moments,

⁷² Stepan, Military, pp. 123-124.

⁷³ Schmitter, "The 'Portugalization,'" p. 215.

the possibility of retaking civil control of the political process. To restrain the "pressure from below", measures were taken that involved not only the liquidation of the populist regime, but of the direct political expression of the bourgeoisie itself: the party system remained at the margin of the decision making system and the forms of organization and political pressure of the middle class and the bourgeoisie, that had never been solid, began to depend on contacts and alliances with military and technocratic groups that occupied the state.⁷³¹

The demands of government, and the articulate ideology of one group within the "conspiratorial elite", officers associated with the Escola Superior de Guerra (ESG), facilitated the emergence of this latter group as the initial (and, to some degree, persevering) dominant faction of the dictatorship.⁷³²

Center-Peripheral Perspectives: Foreign Involvement and

⁷³¹ "...o estabelecimento do processo de acumulação necessitava da prévia desarticulação dos instrumentos de pressão e defesa das classes populares, tarefa que o golpe de 64, no seu aspecto repressivo, cumpriu imediatamente. A aceitação pela burguesia, no primeiro momento, do aumento de interferência militar para lograr aquele objetivo, custou, nos momentos seguintes, a impossibilidade da retomada do controle civil do processo político. Para conter a 'pressão de baixo' foram tomadas medidas que implicaram não apenas na liquidação do regime populista, mas da própria expressão política direta da burguesia: o sistema de partidos ficou à margem do sistema de decisões e as formas de organização e pressão política da classe média e da burguesia, que nunca foram sólidas, passaram a depender de contatos e alianças com os grupos militares e tecnocráticos que ocupavam o Estado." Fernando Henrique Cardoso, O Modelo Político Brasileiro e Outros Ensaios, 3a. Edição (Rio de Janeiro, Brazil: DIFEL, 1977), p. 55.

⁷³² Flynn notes that the policies of the ESG "had the ready, even anxious, support of the most important interests outside Brazil, especially the United States government." Flynn, Brazil, p. 315.

Bonapartism. The 1964 Brazilian military intervention has been commonly regarded from two widely differing perspectives which, perhaps ironically, vary largely according to the national (center or peripheral) origins of the analysts consulted. Many established political scientists and historians, represented by such observers such as Stepan, Schmitter, Schneider, Skidmore and Burns, tend to regard the golpe as a single, albeit dramatic, part of a continuous process of change within the Brazilian sistema, whereas a contemporary interpretation of these events, one that stresses the importance of class analysis and systemic dependency (and is associated with a new generation of Brazilian social scientists) is generally agreed as to its unique and fundamental political and socio-economic significance, particularly its influence upon later events such as "the lurch to the right and harsher repression as expressed in Institutional Act No. 5 of December 1968."³ The most fruitful analysis, in my estimate, lies somewhere between these two contrasting perspectives.

The golpe should, indeed, be regarded as a fundamental restructuring of the Brazilian system, but one that largely conformed to the exigencies of existing patterns of capitalist development in Brazil. This analysis receives some support from Flynn, who agrees that the golpe, "however sharp and important a watershed, was only a shift within the

³ Flynn, Brazil, p. 314.

longer development of Brazil's capitalist economy, leaving still unresolved its most basic tensions or contradictions, problems still to be faced, therefore, in terms of economic, social, and political organization, long after the successful coup of 1964...."⁷³⁴ Cardoso, writing in a vein which is similar to Flynn's, but which reflects somewhat more of the regard for the significance of the golpe, suggests that it rationalized the center-periphery relations by altering the basic class dominance in favor of the center and the national urban-industrial elite, at the expense of other sectors of the traditional national bourgeoisie."⁷³⁵ I would generally agree with this analysis. This may, in fact, be one of the key respects in which dependency analysis clarifies the focus upon the developmental goals and potential of the military dictatorships after 1964: the subsequent dictatorship derived its policy-making potential from the power vacuum created by this sharing of class hegemony, and hence allowed for the creation of a relatively

⁷³⁴ Flynn, Brazil, p. 315. He is careful to observe that "the crucial struggle throughout the whole modern period had been about who was to control the state, and in whose interests, and how that control should be made effective. 1964 saw a new alignment of social forces, with a different relationship between the state apparatus and the contending groups within Brazilian politics. But this again implied continuity, since essentially it was no more than a readjustment of the internal mechanisms of a capitalist economy and of a 'bourgeois' state organized to support it." Flynn, Brazil, pp. 314-315.

⁷³⁵ Cardoso argues that the golpe favored more internationalized capital because of its important position in the international system. Hence the golpe represents a fuller integration of the Brazilian system within the world system, as well as a further consolidation of the economic hegemony of urban-industrial interests in Brazil. Cardoso, O Modelo, p. 69.

independent military policy in such "peripheral" areas as Northeast regional development policy after 1964.

The dramatic replacement of national with international capital as the key determinant of Brazilian development priorities after 1964 inevitably raises the question of center-country (and, particularly, United States) involvement in the golpe.⁷³⁶ The 1960s represented, in the view of many observers, a stage of transition in center-peripheral relations in which the center began to refrain from employing the most blatant tactics of domination.⁷³⁷ Increasing use of ideological and technical training as a means of supporting center-country interests involved Brazil to a significant degree, where, as Stepan notes, despite the minimal presence of Brazilian officers in programs staged in Panama and Washington (probably because most classes were conducted in Spanish), "about one-third of the Brazilian army line generals on active duty in January

⁷³⁶ One analyst has noted that "Brazil in the early 1960s is a classic illustration of how [largely US] economic sanctions interacted with domestic political and economic divisions to weaken some groups and strengthen others." Richard Stuart Olson, "Expropriation and Economic Coercion in World Politics: A Retrospective Look at Brazil in the 1960s," Journal Of Developing Areas, 13, No. 3 (April 1979), p. 262.

⁷³⁷ Peter Evans notes, in reference to the key decade of the 1960s, that "the costly and frustrating fight against socialist- and communist-led movements of national liberation, culminating in the debacle of Indochina, made some decentralization of the means of violence appear advantageous even from the point of view of the United States. It began to seem easier to train and equip local police and armed forces than to try to maintain order by sending in the marines." Evans, Dependent Development; The Alliance of Multinational, State, and Local Capital in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 24.

of 1964 had received some US training."⁷³⁸ The United States military support operation that was held in readiness should the golpe run into difficulties, and ironically called "Operation Brother Sam,"⁷³⁹ was not needed, according to Flynn, because of the success of the long-term and close personal contacts between United States and Brazilian officers, and the plethora of business interests that had indirectly contributed to a lengthy preparation for the golpe.⁷⁴⁰ Brazil's transforming dependency relationship, in other words, had apparently transcended the more archaic relationship that had earlier been noted between the economies of the United States and Latin American countries, in which direct military intervention by the "center" was periodically required in many cases.

An important interpretation of the 1964 golpe that proceeds from the logic of Brazil's dependent development pattern, "Bonapartism,"⁷⁴¹ regards the crisis preceding the intervention as stemming from a crisis of hegemony within the system of Brazilian class competition, a situation similar in some respects to that of nineteenth-century France as interpreted by Karl Marx.⁷⁴² Bonapartism suggests

⁷³⁸ Stepan, Military, p. 131.

⁷³⁹ Flynn, Brazil, p. 279.

⁷⁴⁰ Flynn, Brazil, p. 280.

⁷⁴¹ Philippe Schmitter, "The 'Portugalization,'" p. 184. Schmitter's article, as noted in the first chapter, is a formative influence on this interpretation and begins from the assumption that there is an "elective affinity" between dependency and authoritarianism in Brazil.

⁷⁴² Marx, "The Eighteenth Brumaire of Louis Bonaparte," Marx and Engels; Basic Writings on Politics and Philosophy, ed. Lewis S. Feuer (Garden City, New York: Anchor Books, 1959), pp. 318-348.

that a dictator may come to power as the result of a power vacuum created by a deadlock in the competition between rival sectors of the national bourgeoisie:

The executive power, in contrast to the legislative power, expresses the heteronomy of a nation, in contrast to its autonomy. France, therefore, seems to have escaped the despotism of a class only to fall back beneath the despotism of an individual, and, what is more, beneath the authority of an individual without authority. The struggle seems to be settled in such a way that all classes, equally impotent and equally mute, fall on their knees before the rifle butt.⁷⁴³

Although this overstates the case for Brazil after 1964, it is nonetheless clear, as Eliézer Rizzo de Oliveira observes, that the political crisis precipitated by the replacement of President Quadros in 1961, coupled with the subsequent path of foreign relations and the rapidly changing power relations among the domestic political parties in the next two years, suggest that the military intervention ultimately resulted "from the incapacity of civil groups to 'resolve their problems'."⁷⁴⁴ The basis of this incapacity appears to be the product of what Peter Flynn refers to as Brazil's ongoing "crisis of hegemony."⁷⁴⁵

⁷⁴³ Marx, "The Eighteenth," p. 336.

⁷⁴⁴ "Os obstáculos à posse do substituto constitucional de Jânio Quadros, os rumos da política externa, as alterações nas relações de força entre os Partidos, etc., fatos que se reforçam no Governo Goulart, têm bastado a boa parte dos analistas do período para analisar a intervenção militar como resultado da incapacidade dos grupos civis para 'resolver os seus problemas'." Rizzo de Oliveira, As Forças Armadas, p. 46.

⁷⁴⁵ Flynn borrows the concept of "hegemony" from Antonio Gramsci. A primary conclusion of Gramsci's seminal exploration of the mechanisms of class domination is paraphrased in one of his essays: "The methodological criterion on which our own study must be based is the

The origins of the "crisis of hegemony", a situation in which, according to Flynn, "no single socio-economic group could impose definitive control of national policy through the state apparatus," are linked to the Getuliato, beginning in 1930.⁷⁴⁶ It was during this fifteen-year period that the industrializing bourgeoisie, backed by the armed forces and the new state apparatus created by Getúlio Vargas, wrested control from the coffee elite and established a system that would itself become increasingly vulnerable to foreign influence.⁷⁴⁷ Furthermore, by 1960 the electoral system, identified by Flynn as the extant "mechanism of social control," no longer represented the interests of "some of the most powerful forces in Brazil's political economy..." and hence was being increasingly circumvented in attempts "to act directly on the levers of power, notably the executive, and, in moments of crisis, even to try to change the rules of the game, to alter the whole structure of national politics."⁷⁴⁸ The subsequent military intervention

 746 (cont'd) following: that the supremacy of a social group manifests itself in two ways, as 'domination' and as 'intellectual and moral leadership'. A social group dominates antagonistic groups, which it tends to 'liquidate', or to subjugate perhaps even by armed force; it leads kindred and allied groups. A social group can, and indeed must, already exercise 'leadership' before winning governmental power (this indeed is one of the principal conditions for the winning of such power); it subsequently becomes dominant when it exercises power, but even if it holds it firmly in its grasp, it must continue to 'lead' as well." Gramsci, "Notes on Italian History," Selections from the Prison Notebooks of Antonio Gramsci, ed. and trans. Quinton Hoare and Geoffrey Nowell Smith (New York: International Publishers, 1976), pp. 57-58.

⁷⁴⁶ Flynn, Brazil, p. 210.

⁷⁴⁷ Flynn, Brazil, p. 210.

⁷⁴⁸ Flynn, Brazil, p. 211.

put an end to this elite class competition for hegemony, although it is not clear that this was its primary goal. It was, in fact, most likely a secondary objective at best.⁷⁴⁹ Furthermore, although this crisis of hegemony is analogous to the French situation as described by Marx, there appear to be major qualifications in the interpretation of the post-1964 dictatorship along the lines of Bonapartism.

One level on which the Bonapartist analysis of post-1964 Brazil⁷⁵⁰ can be criticized is that of state "autonomy" from class influence. Marx insists that the regime of Louis Bonaparte, in representing the "class" of small-holding peasants,⁷⁵¹ was in effect representing a non-class, or at least a class of people who were "incapable of enforcing their class interest in their own name..." and "the political influence of the small-holding peasants, therefore, finds its final expression in the executive power subordinating society to itself."⁷⁵² Schmitter is criticized precisely because he believes that "the temporary political marginalization of the bourgeoisie that is implied by the [Bonapartist] concept could become a permanent feature of a capitalist state, in Brazil or anywhere else."⁷⁵³

⁷⁴⁹ Rizzo de Oliveira, p. 47.

⁷⁵⁰ Of which Schmitter's formative article, "The 'Portugalization'", is an important example.

⁷⁵¹ Marx, "Eighteenth," p. 338.

⁷⁵² Marx, "Eighteenth," p. 339. Marx adds that "as the executive authority which has made itself an independent power, Bonaparte feels it to be his mission to safeguard 'bourgeois order'. But the strength of this bourgeois order lies in the middle class. He looks on himself, therefore, as the representative of the middle class, and issues decrees in this sense." P. 345.

⁷⁵³ David R. Dye and Carlos Eduardo de Souza e Silva, "A

The correspondence between the public policy performance of the post-1964 Brazilian regimes and specific class interests underscores this point.⁷⁵³ Thus one interpretation of the post-1964 Brazilian milieu asserts that "the capitalist class, rather than being marginalized politically, makes a definite contribution to the realization of its general interest, although the outlines of that general interest are defined by the directing state elite."⁷⁵⁴

A second level of criticism which might be directed at Bonapartist interpretations of the post-1964 Brazilian state involves the comparability of nineteenth-century France and twentieth-century Brazil. Substantial structural differences, according to Dye and Souza e Silva, suggest that, despite cursorily similar state powers, the Brazilian state (compared with the French model) "is not likely to have a similar kind of autonomy, nor does it have a similar

⁷⁵³ (cont'd) Perspective on the Brazilian State," LARR, 14, No. 1 (1979), p. 95. Schmitter, "The 'Portugalization'", p. 190.

⁷⁵⁴ Flynn stresses the relevance of post-1964 policies to the interests of "narrow social groups," although he attributes this in some degree to the class-based ideology of the military that was the product of such officer training schools as the ESG. Flynn, Brazil, p. 520. Sylvia Ann Hewlett notes that "the ideology developed by the military establishment reflected the attitudes and the needs of the Brazilian bourgeoisie in the mid-1960s." Hewlett, The Cruel Dilemmas of Development: Twentieth-Century Brazil (New York: Basic Books, Inc., 1980), p. 71.

⁷⁵⁵ Dye and Souza e Silva, p. 92. The authors also note that "Schmitter's formulations exaggerate the degree of autonomy possessed by the state in relation to the capitalist class in Brazil, virtually to the point where the state ceases to have a class character at all. That exaggeration is bolstered by his one-sided analysis of the specific role of the military in that state. The essentially capitalist nature of the Brazilian state is thereby obscured." Dye and Souza e Silva, p. 96.

restrictive impact on the development of civil society."⁷⁵⁶
 This last point relates further to our analysis because it calls attention to Schmitter's reliance upon his notion of "delayed-dependent development."⁷⁵⁷ Dependency, and Cardoso's conceptualization of "associated-dependent development", likewise figure prominently in our own heuristic use of the concept of Bonapartism vis-à-vis post-1964 Brazilian public policy formation. Dye and Souza e Silva's observation that a primary characteristic of the modelo brasileiro is its "rationalization of the state apparatus for the purpose of stimulating the growth of the private economy,"⁷⁵⁸ moreover, is clearly consistent with Cardoso's analysis of dependency in Brazil.

The primary utility of the Bonapartist interpretation of the Brazilian military dictatorships, with certain qualifications considered, is that it suggests that there are certain areas in which the Brazilian state can be expected to act with a degree of relative autonomy from bourgeois class interests. Hence, despite the apparent weaknesses of the relatively sophisticated notion of "portugalization",⁷⁵⁹ Schmitter's application of Bonapartism to the relatively "modern" case of Brazil may afford one way

⁷⁵⁶ Dye and Souza e Silva, p. 85.

⁷⁵⁷ Schmitter, "The 'Portugalization'", pp. 184-185.

⁷⁵⁸ Dye and Souza e Silva, p. 85.

⁷⁵⁹ Dye and Souza e Silva conclude that the proximity of the concept of Portugalization to that of corporatism underscores Schmitter's misleading comparison of the modernizing Brazilian regime with the archaic and tradition-bound regime of a dictator such as Salazar in Portugal. Dye and Souza e Silva, p. 96.

of explaining the continuing autonomy, or independence, of military policy (at least in certain areas) in the face of the interests of the significant civilian sectors that contributed to the success of the golpe.⁷⁶⁰ The following section will review civilian participation in an attempt to clarify this important dimension of the golpe and the subsequent Brazilian development process.

Civilian Interests and Participation in the 1964 Golpe. A crucial political factor of the 1964 golpe, and one which relates directly to the problems of interpreting public policy formation of the post-1964 dictatorships, is the character and extent of civilian participation in the intervention. The "moderator role" of the Brazilian military between 1889 and 1964 assumed that there would always be a high degree of civilian participation in military interventions,⁷⁶¹ if not the active cooptation of the military by civilian presidents.⁷⁶² Although Stepan recognizes the likelihood of a "bandwagon effect" in some stages of the numerous interventions, he stresses that at

⁷⁶⁰ Stepan maintains that the golpe was the result of "a twofold process: civilian solicitation to act, and effective construction of a civil-military coup coalition." Stepan, Military, p. 94.

⁷⁶¹ Marshall Cordeiro de Farias, a former tenente and FEB participant who founded the ESG, argued in 1968 that only the tenentes' revolts of 1922 and 1924 can be characterized as purely military. "The successful movements of 1930, 1945, 1954, and 1964 were highly political and civilian in formation and execution." As cited in Stepan, Military, p. 98.

⁷⁶² Stepan argues that almost every government between 1937 and 1964, except Kubitschek's, evinced active cooptation of the military. Stepan, Military, p. 68.

other junctures "elite civilian opinion was pushing, not following, the military."⁷⁶³ Hence the argument is frequently made, although not without some qualification, that the military was, in some respects, induced to intervene in the Brazilian political processes in 1964.⁷⁶⁴ Professor Fernando Pedreira notes, however, in his careful study of the golpe, that

the decisive contacts between the principal civil leaders and the clandestine heads of the military conspiracy took place at almost the last moment, despite all that is said now. Even Sr. Carlos Lacerda only very belatedly met with the rebellious officers, and not to spur them to action, but to put himself in the current of a process that had already reached the last phases, one or two weeks before the conclusion. In truth, what is important to stress is that March 31 resulted from an impulse coming from the periphery to the center. Its principal leaders, even those of the greatest and most unequivocal prestige, such as President Castelo Branco and Governor Lacerda, integrated themselves in it when its force was already irresistible. For all reasons--and this is valid especially for the majority of civilian leaders, but also for many of the military--they would have preferred to avoid the interruption of the legal democratic process, at least for awhile, if their political and military support had not been bypassed, the lack of which they felt, and if the occurrences themselves had not taken on a galloping pace.⁷⁶⁵

⁷⁶³ Stepan, Military, p. 99.

⁷⁶⁴ And Stepan notes the fears of the salaried classes, rightist and centrist politicians and business interests that prompted them to call for a temporary military presidency immediately after the golpe. Stepan, Military, p. 211.

⁷⁶⁵ "Os contatos decisivos entre os principais líderes civis e chefes clandestinos da conspiração militar foram realizados quase nos últimos momentos, apesar de tudo o que se possa dizer, agora. Mesmo o sr. Carlos Lacerda só muito tarde se reuniu aos oficiais rebeldes, e não para levá-los à ação, mas para ser pôsto ao corrente de um processo que já atingia as últimas fases, uma ou duas semanas antes do desfêcho. Na verdade, o que importa assinalar é que o 31 de março resultou de um impulso vindo da periferia para o centro. Seus principais chefes, mesmo os de maior e mais

It is critical, of course, to distinguish very clearly between the coalitions and participants of the golpe, on the one hand, and the policies and personnel of the regime that emerged from it, on the other, although the two are not unrelated: the prominent civilian participants tended to represent "dominant" class interests, and hence would continue to exercise at least a negative influence upon subsequent policies.⁷⁶⁶ Cardoso summarized the alliance that emerged in 1964 (between officers, the bourgeoisie and the middle class) as one of "relative stability" owing to the formation of

a model of development and a political regime that, without eliminating the contradictions between these diverse factions that, of course, were not antagonistic, made them compatible in the face of greater, antagonistic, enemies, represented by the threat of a policy favorable to the popular classes.⁷⁶⁷

765 (cont'd) inegável prestígio, como o presidente Castelo Branco e o governador Lacerda, integraram-se nele quando a sua força já era irresistível. Por tôdas as razões--e isto é válido especialmente para a maioria dos chefes civis, mas também para muitos dos militares--êles teriam preferido evitar a interrupção do processo democrático legal, ao menos ainda por algum tempo, se as suas bases políticas e militares não os tivessem ultrapassado, sem que êles o sentissem, e se os próprios acontecimentos não tivessem tomado o ritmo galopante que tomaram." Fernando Pedreira, Março 31, pp. 20-21.

766 In general, this is carried out through the "exercise [of] 'negative sanctions' by withdrawing investment, cutting back production, etc." Nora Hamilton, "State Autonomy and Dependent Capitalism in Latin America," British Journal of Sociology, 32, No. 3 (September 1981), p. 307.

767 "...o que permitiu o estabilidade relativa na aliança entre militares, burguesia e classes médias foi a formulação de um modelo de desenvolvimento e um regime político que, sem eliminar as contradições entre estas diversas facções que, claro está, não eram antagônicas, tornou-as compatíveis em face de inimigos maiores, estes sim, antagônicos, representados pela ameaça de uma política favorável às

Analysis of the efficacy and persistence of this alliance between 1964 and 1969 requires reference to the policy patterns that emerged from it.

One primary indicator of a dominant military influence upon post-1964 policy formation might be the evidence of the presence of budgetary "tradeoffs".⁷⁶ The subject of Brazilian military tradeoffs in federal budgetary policy, as explored in an article by Margaret Daly Hayes, defines "tradeoffs" as "the movement of two [budgetary] categories in opposite directions. The category to which allocations are decreased is the one which is 'burdened' by the substitution."⁷⁷ On the basis of this criterion, Hayes only partially confirms for the Brazilian case (between 1964 and 1967) the general thesis that "military governments tend to prefer spending policies which serve their own interests...." Rough estimates of subsequent data show a peak in military-related expenditures in 1967, and hence allow Hayes to modify her conclusion.⁷⁸ Analyses of military priorities within a budgetary nexus for a country

76 (cont'd) classes populares." Cardoso, O Modelo, p. 68.

77 This would only be one indicator, of course, and would be subject to important qualifications. It is possible that military budgetary "goals" can coincide with "civilian goals" given certain nationalist ideological orientations.

78 Margaret Daly Hayes, "Policy Consequences of Military Participation in Politics: An Analysis of Tradeoffs in Brazilian Federal Expenditures," Comparative Public Policy: Issues, Theories, and Methods, ed. Craig Liske, William Loehr and John McCamant (New York: John Wiley and Sons, 1975), p. 36.

79 Hayes, "Policy," p. 31.

such as Brazil⁷⁷¹ requires that careful definition be made of what exactly it is that constitutes a "military interest". Although the categories chosen by Hayes, and evident in Table 3.3, are revealing, they do not necessarily express the universe of Brazilian military interests.⁷⁷² Moreover, a percentage breakdown does not reveal the contrary effects of an erratic and "expanding-sum" system,⁷⁷³ which is indicated by Table 3.4. In yet another qualification, Hayes observes that earlier policies may have resulted in the deprivation of military categories, such as military personnel, patterns which were merely reversed by the Castelo Branco government.⁷⁷⁴ Her conclusion, albeit qualified, is that military budgetary allocations between 1964 and 1967 did not come at the expense of economic and social investment.⁷⁷⁵

⁷⁷¹ particularly given its relatively small armed forces which are committed to internal security and national development goals.

⁷⁷² The unique tendency of the Brazilian military to identify its interests with the requisites of national development, for example, may not be reflected by Hayes's categories. Hayes agrees that this may be "identical to those of many of the military's civilian counterparts." Hayes, "Policy," p. 50.

⁷⁷³ Hayes argues that "if an expanding-sum game is assumed, increases in total spending over time are sufficiently great to override tradeoffs which occur in percentage terms." Hayes, "Policy", p. 35.

⁷⁷⁴ "In the context of the highly personalistic Brazilian political system, dominated by a traditional and highly clientelistic bureaucracy, these personnel-related substitutions may well be more interesting in terms of explaining the pattern and cause of tradeoffs." Hayes, "Policy," p. 34.

⁷⁷⁵ Hayes argues that substitutions between military and non-military allocations do exist, but that they are not severe, and the military allocations are, in fact, sometimes severely hit by such tradeoffs, although in general military

TABLE 3.3

Average Percentage of Expenditures
to Major Allocation Categories,* by Regime

Category	Vargas	Kubitschek	Quadros/ Goulart	Castelo Branco
Military	30	25	17	22
Social Development	10	11	12	9
Infrastructure Development	34	37	40	42
Civilian Personnel	23	24	31	22
Military Personnel	20	18	13	16

*Categories are not necessarily mutually exclusive; percentages therefore do not equal 100 added across categories.

Source: Hayes, "Policy", p. 43.

This is called into question, however, in a analysis by Albert Fishlow which employs a more extensive longitudinal survey of post-1964 policy making. He argues that after 1964 "the importance of military wage increases was...considerable, and it is not surprising that Castello Branco, included it in one of his speeches at the Superior War College [ESG]." ⁷⁷⁵ According to Fishlow, increases after 1964 in military wages, alone were a significant budgetary and economic consideration. ⁷⁷⁶

⁷⁷⁵ (cont'd) allocations are least frequently burdened by such tradeoffs. Hayes, "Policy," pp. 48-49.

⁷⁷⁶ Fishlow, "Some Reflections on Post-1964 Brazilian Economic Policy," Authoritarian Brazil, p. 96.

⁷⁷⁷ "Expenditures for military personnel in 1961 were only a fourth of the total direct federal outlays for wages in that year, rising in the next two to about 45 percent.

Analysis of the effects of civilian participation in the 1964 Brazilian military golpe, and the subsequent military dictatorships, tends to involve certain ambiguities. Many of these may be characterized as largely the product of an erratic and personalistic policy process in Brazil, although such a characterization avoids the critical importance of ideological orientations upon the process of post-1964 military policy making. The following section will explain the background to, and the important role of, the ESG in the evolving Brazilian military ideology of the post-1964 period.

D. The ESG: Influence and Ideology

The Seizure of Political Hegemony. The importance of ideological orientation tends to be overshadowed in the case of the ESG by the remarkable political achievements in 1964 of the major figures associated with the school. Its program was (and remains) designed to integrate elite

(cont'd) Thereafter in 1964 and 1965 they amounted to more than half of total wages and salaries. In the latter year military salaries represented 1.3 percent of the gross domestic product. The reallocation of priorities was not temporary. The military share of budgeted expenditures rose to as much as 25 percent in 1968. (From 1957 to 1963 its share had declined from 29.2 percent to 15.2 percent.) The ideology of the Revolution produced its own inflationary pressures, hardly different from those arising from previous political bargaining over the budget. What was new was the ability to impose reductions in outlay elsewhere, to reconcile divergent interests by fiat, and to pursue restrictive wage policies despite their unpopularity." Fishlow, "Reflections," pp. 96-97.

TABLE 3.4

Total Increase to Allocation Categories and
Average Annual Increase by Regime
(Values in tens of trillions
of constant [1965-1967] cruzeiros)

Categories	Vargas	Kubitschek	Quadros/ Goulart	Castelo Branco
Military	+107,72 (21.14)	+29,78 (5.96)	+234,49 (78.16)	+586,54 (146.63)
Social Development	+180,70 (36.14)	+135,98 (27.20)	+171,22 (57.07)	+44,83 (11.21)
Infrastructure Development	+201,34 (40.27)	+326,45 (65.29)	+991,38 (330.46)	468,04 (117.01)
Civilian Personnel	90,92 (18.18)	-18,89 (-3.78)	847,68 (282.56)	-249,72 (-62.43)
Military Personnel	16,18 (3.20)	+114,83 (22.97)	+300,51 (100.71)	191,42 (47.85)
Total Expenditures	341,44	1073,62	1800,11	804,18

Source: Hayes, "Policy," p. 45.

military and civilian trainees (estagiários) in a common national political program, with careful attention paid to the special conditions and problems of Brazil. The essence of the program is expressed by the term "national security",⁷⁷ which has been regarded as a determinant of the behavior of the Brazilian armed forces just before the golpe.⁷⁸ The following sections will explore the function of the ESG and the important effects of its ideology,

⁷⁷ Schmitter stresses the important role that this concept (as defined and elaborated by the ESG) has played in the ideological transformation of elite views in Brazil since 1964. Schmitter, "The 'Portugalization'", p. 218. National Security as used by the Brazilian military is defined in the next section.

⁷⁸ Riordan Roett, Brazil, p. 102.

including the key concept of "national security", both in achieving political hegemony in Brazil, and in conditioning a predominant military attitude regarding national development.

Two factors have deeply affected the role of the Brazilian military in the national political process: international wars, and the advent (and subsequent programs) of advanced military training schools. In the case of the former, as best exemplified by the Paraguayan War and World War II, demobilized war veterans were instrumental in overthrowing established political figures. In the case of the latter, many of which have themselves been the by-products of post-war politics, strong political orientations have been common. In the, albeit partisan, view of General A. de Lyra Tavares, these schools (including the ESG) "have represented an important role in the preservation of the democratic spirit of the Brazilian military and, indirectly, of the nation itself."⁷⁴⁰

Huntington's broadly comparative conceptualization of the officer corps in developing countries as representative of bureaucratized professions may explain at least part of this tendency: the closed and corporate (professional) character of the military hierarchy requires selective mechanisms, not only to ensure technical proficiency in training, but to

⁷⁴⁰ "...os estabelecimentos de ensino das Forças Armadas, sobretudo os do Exército, têm representado importante papel na preservação do espírito democrático do militar brasileiro e, indiretamente, no da própria Nação." Tavares, Segurança Nacional, pp. 294-295.

fulfill the "functional imperatives of security."⁷⁸¹ The ESG is a striking example of the role that military training can play in the political processes of a country.⁷⁸² A dedication to its own political advancement⁷⁸³ was coupled with a clear, if somewhat arcane, ideology characterized as stressing "nationalism, a puritanical outlook, acceptance of collective public enterprise, and a planning mentality based on an anti-politics position....," and focusing upon "a strong anti-communism (helped along by the Cuban experience) and a definite alignment with the U.S. in the Cold War."⁷⁸⁴

The creation of the school, frequently referred to as the "Brazilian Sorbonne", in 1949 as an "institute of higher studies, destined to develop and consolidate the knowledge necessary to the direction and planning of national security,"⁷⁸⁵ was based on the growing military conviction of the importance of officer training within a multi-disciplinary and frankly political curriculum.⁷⁸⁶

⁷⁸¹ Huntington, The Soldier, p. 16.

⁷⁸² As one observer notes, "rarely if ever has one educational institution, in less than two decades of existence, had so profound an impact upon the course of a nation's development....By 1955, nearly half the new generals had already been through it, and by 1962 the proportion had risen to nearly 80 per cent. At the time of the 1964 coup nearly two-thirds of the active-duty generals were ESG graduates...." Schneider, p. 244. Similar data is disclosed in Roett, Brazi: Politics, p. 102.

⁷⁸³ Rizzo de Oliveira contends that a primary, though unstated, objective of the creators of the ESG was the reinforcement of their strategic position within the state structure. Rizzo de Oliveira, p. 21.

⁷⁸⁴ Ames, Rhetoric, p. 8.

⁷⁸⁵ Quoted from Law No. 785 of August 20, 1949, which established the ESG. Schneider, p. 245n.

⁷⁸⁶ Hence the choice of its seven formal academic divisions: Political Affairs, Psychological/Social Affairs, Economic Affairs, Military Affairs, Logistical and Mobilization

Most analysts agree that its creation was "intimately associated with two factors in Brazilian military history: the participation in WWII, through the Brazilian Expeditionary Force (FEB) and the political debate over the exploitation of oil."⁷¹⁷ Correlation between participation in the ESG's training program and subsequent political activity--without assuming a specific causal direction, given the careful political screening of candidates for the school--is borne out by the 1964 golpe: 60 percent of the general officers who had attended the ESG were "active plotters", according to Stepan, while only 15 percent of those without ESG training could be so considered.⁷¹⁸ This should be related to the character of the military takeover, of course, which was largely carried out by the officer elite. It was clearly not a Nasserist revolt.

The roles of FEB, and of United States military advisors, in the establishment of the ESG are crucial. Furthermore, its establishment was reminiscent of the creation of the Escola Militar after the Paraguayan War in the nineteenth century,⁷¹⁹ and reflected a growing awareness on the part of Brazilian military officers of the importance

⁷¹⁷ (cont'd) Affairs, Intelligence and Counterintelligence, and Doctrine and Coordination." Stepan, Military, p. 176.

⁷¹⁸ "A criação e fundação da ESG está intimamente associada a dois fatores na história militar brasileira: a participação na II Guerra, através da Força Expedicionária Brasileira (FEB) e o debate político sobre a exploração do petróleo." Rizzo de Oliveira, p. 19.

⁷¹⁹ Stepan, Military, pp. 183-184.

⁷²⁰ The graduates of the Escola Militar were, similarly, the political "gravediggers" of the Empire. Schneider, p. 44.

of international military ties.⁷⁹⁰ The experiences of FEB officers in Italy, their largely favorable view of the United States and the maintenance of their close ties of personal and professional friendship with American officers is reflected in the comments of the founder and first commander of the school, General Cordeiro de Farias, in an interview with Stepan in 1968:

The impact of the FEB was such that we came back to Brazil looking for models of government that would work--order, planning, rational financing. We did not find this model in Brazil at this stage, but we decided to seek ways to find the root in the long run. The ESG was one way to this, and the ESG grew out of the FEB experience.⁷⁹¹

The Joint Brazil-United States Defense Commission established after the war⁷⁹² was supplemented by an advisory mission for the establishment of the ESG, and this is frequently cited as substantiation of the argument that the

⁷⁹⁰ General Tavares notes that the "interchange of documents, books and acquaintances with other American nations, particularly with the kindred schools of the armed forces of the United States, provided precious elements to the study of revolutionary war and its application in the Brazilian case." ("O intercâmbio de documentos, livros e conhecimentos com outras nações americanas, particularmente com as escolas congêneres das Forças Armadas dos Estados Unidos, proporcionou preciosos elementos para os estudos de Guerra Revolucionária e sua aplicação ao caso brasileiro.") Tavares, Segurança, p. 295.

⁷⁹¹ Quoted in Stepan, Military, p. 245. Hewlett confirms that because the FEB "had been firmly integrated into the United States Army in Italy...the Brazilians looked to the United States military for advice in setting up their new war college." Hewlett, p. 68.

⁷⁹² Stepan notes that "the agreement institutionalized a program of high-level exchange on security issues that is not found in other bilateral treaties in Latin America." Stepan, Military, p. 129.

ESG "is modelled after the United States National War College both in organization and focus."⁷⁷³ The focus of the ESG upon questions of national development, however, represents much more of a "fleshing out" of the ideas that emerged in the FEB⁷⁷⁴ than a copy of the program of the North American institution.⁷⁷⁵ In fact, the elite civilian component of the school's student body, indirectly a product of the high regard in the FEB for the private sector,⁷⁷⁶ represents a substantial digression from the North American institution, and is unique in Latin America.

The debate in Brazil over oil policy and nationalism in the 1950s, discussed in the previous chapters, deeply affected the development of the ESG, both through the intensification of its ideological commitment to the value of international ties and the most contemporary and technologically efficient production strategies, and by

⁷⁷³ Hewlett, p. 68.

⁷⁷⁴ Stepan, Military, p. 245.

⁷⁷⁵ Fiechter notes that "its curriculum goes far beyond that of the [National War] College...At least as much emphasis is placed on the development of the country as on security itself." Georges-Andre Fiechter, Brazil since 1964: Modernisation under a Military Regime, trans. Alan Braley (London: The Macmillan Press, 1975 [1972]), p. 28. This is an apt description of "civic action". Furthermore, a recent analysis of the ESG published in the Brazilian military journal A Defesa Nacional argues that "from the first, it was considered inadvisable that our school copy the National War College. This would be the main inspiration, but not the only model." ("Considerou-se, desde logo, desaconselhável que copiasse a nossa Escola o 'National War College'. Este seria o grande inspirador, mas não o seu único modelo.") Antônio de Arruda, "A Doutrina da Escola Superior de Guerra," A Defesa Nacional, 65, No. 679 (September/October 1978), p. 67.

⁷⁷⁶ Stepan, Military, p. 246.

⁷⁷⁷ Stepan, Military, p. 246.

contributing to the increased hardening of its anti-communist outlook. The formation of the national oil monopoly, Petrobrás, in the early 1950s, which was openly resisted by the United States government,"' was also opposed by officers associated with the ESG.'" In contrast to, and competition with, the ISEB, the government-sponsored (nationalistic) Brazilian Studies Institute which had been established during the Kubitschek presidency, the ESG, according to Stepan, "cared more about efficiency and productivity, and argued that because of the scarcity of capital in Brazil, the private sector should be utilized in order to develop Brazil's potential most rapidly."'" The belief in the likelihood that Brazil would soon become a world power also supported this view.'"'

The school had extended its considerable influence throughout the elite establishment by 1964, and one popular magazine observed that year that "many high military chiefs, even without having studied at the ESG, are influenced by former students [who] attract them to the schematics and

'"' Schneider, p. 63.

'"' Stepan, Military, p. 246. He adds that General Juarez Távora, commanding officer of the school during this period, "was a prominent spokesman of the policy of allowing private and foreign companies some role in developing oil resources." Rizzo de Oliveira notes, moreover, that the ESG was originally "promoted by officers in general identified with the orientation of Juarez Távora as to the petroleum question...." ("...promovida por oficiais de um modo geral identificados com a orientação de Juarez Távora quanto a questão do petróleo...."), Rizzo de Oliveira, p. 20.

'"' Stepan, Military, p. 246. Schneider notes that the activity of the ISEB caused the ESG "to harden its basically neo-capitalist, pro-United States, and anti-Communist positions." Schneider, p. 248.

'"' Stepan, Military, p. 129.

solutions learned at the institute of higher studies." The magazine concluded that this happened in the civilian sphere as well.¹⁰² An important requisite for the seizing of the government had been assiduously provided for by the school. For the ESG, the intervention thus represented "its highest point. Not only did the President of the Republic and the ministers Juarez Távora and Cordeiro de Farias come from it, but also the chief of the 'invisible ministry' (National Information Service), General Golberi do Couto e Silva."¹⁰³

The ESG: Organization and Ideology. The success of the ESG in attracting and training a significant segment of Brazil's relatively small and concentrated civilian and military elite is striking.¹⁰⁴

¹⁰² "Muitos altos chefes militares, mesmo sem terem cursado a ESG, recebem a influência de antigos estagiários, os atraem para os esquemas e soluções aprendidos naquele instituto de altos estudos. No campo civil é também atuante a presença desses elementos...." "A Sorbonne Brasileira," Manchete, 8 August 1964, p. 43. Flynn suggests that, largely because of the ESG, at the time of the golpe "there was already in the wings a strong team of technically able, confident men, ready to put into practice ideas and theories developed and debated over a long period." Flynn, Brazil, p. 318.

¹⁰³ "O 'espírito da Sorbonne Brasileira,' com a revolução de 31 de março, atingiu, depois de 13 anos, o seu ponto mais alto. Dela saíram não só o Presidente da República e os Ministros Juarez Távora e Cordeiro de Farias, mas ainda o chefe do 'Ministério Invisível' (Serviço Nacional de Informações), General Golberi do Couto e Silva." Manchete, 8 August 1964, p. 43. The last minister's name is usually spelled "Golbery".

¹⁰⁴ Schneider observes that by 1966 "its nearly 1600 alumni included 800 senior officers of the Armed Forces; 424 government officials (including 39 congressmen, 23 judges, 200 higher echelon bureaucrats from the ministries, 97 leading administrators of autonomous agencies, and 45 state officials); and 328 individuals from the private sector, chiefly businessmen and industrial managers. The 1,116

Although at least some of this can be attributed to the prominent political position of the institution, since its inception, including its central role in national security planning and its direct subordination (within the military hierarchy) to the presidency,^{***} the social prestige associated with an invitation to become an estagiário was likewise significant, apparently deriving in large measure from the selection criteria of the institution.^{***} The training program stressed a collegial environment in which the seminar format and the conscientious avoidance of teacher/student roles further encouraged elite participation.^{***} Ideological orientation was carefully blended with practical national "problem solving", in keeping with the belief of the ESG directors that "in Brazil...rather than preparation for war, the priority is to train elites to solve the problems of the country in peacetime."^{***}

^{***}(cont'd) officers graduated through 1967 included 620 from the Army, 272 from the Navy, and 224 from the Air Force. All civilian graduates are incorporated into plans for mobilization in case of national emergency, in posts accorded rank of colonel or above." Schneider, p. 250.

^{***} Manchete, 8 August 1964, pp. 40-41. Schneider notes its crucial role in the annual reassessment of the official "national objectives." Schneider, p. 247.

^{***} An article in 1964 noted the minimum qualifications: 35 years of age, proven experience and aptitude, a career relating in some way to public administration and the possession of a university degree. The article suggests that appointments, made largely from "cultural" or "class" groups, should emphasise technical expertise. The appointment of military officers was limited to generals, colonels, and occasionally lieutenant colonels. Manchete, 8 August 1964, p. 41.

^{***} Manchete, 8 August 1964, p. 41.

^{***} "No Brasil...mais do que a preparação para a guerra, a tarefa prioritária seria a de formar elites para a solução

A key dimension of the political prominence of the ESG was its consistency in supporting powerful international interests while manifesting a traditional Brazilian organization and outlook, including its careful maintenance of close ties with elite social groups. A sympathetic posture towards the West, and particularly towards the United States, however, was stressed explicitly, although usually in the context of the Cold War, and frequently under the aegis of what Rizzo de Oliveira calls the "internalization of the concept of national security."¹⁰⁰ In response to arguments that international economic ties amounted to entreguismo, or the selling out of national resources, ESG spokesman replied that efficiency was the highest priority in national development, and that foreign firms offered the technology and experience that Brazilian firms (and, particularly, state-run operations) lacked.¹⁰¹

¹⁰⁰ (cont'd) dos problemas do País, em tempo de paz." Arruda, "A Doutrina," p. 67. Manchete describes some of the prominent subjects studied in 1964, including: inflation, peasant leagues, political-electoral corruption, supplies and transportation, the monetary system, the ideological themes of the century, etc. "Trips reveal complex and surprising images Brazil, from new hydroelectric dams to children with distended bellies that hunt crabs in the infected backwaters of Recife. The courses end with a planning session that seeks the solution of national problems." ("As viagens revelam complexas e surpreendentes imagens do Brasil, desde aos novos hidroelétricas às crianças barrigudas que perseguem caranguejos nos manges infetos do Recife. Os cursos terminam com um planejamento que visa a solução dos problemas nacionais.") Manchete, 8 August 1964, p. 43. See, also, Schneider, p. 248.

¹⁰¹ Rizzo de Oliveira, p. 32.
¹⁰² Juarez Távora, for example, argued against state-owned shipping (and in favor of foreign-controlled private shipping) based on the alleged inefficiency of the former. Stepan, Military, p. 183.

Despite its overt support of the interests of large international firms, however, it is important to stress that it was not merely the agent of those interests,¹¹¹ although it consistently proscribed, primarily through its doctrine of national security, any political views that systematically jeopardized them.¹¹²

It is generally agreed among North American and European analysts that the content of the ESG teachings evinced a hackneyed and uncreative repetition of mostly outdated social science perspectives.¹¹³ Although many of the theoreticians of the ESG, including Golbery do Couto e Silva, also tended to emphasize complex rationalizations for the Doctrine of National Security, it was clear that it took its primary inspiration from a rather banal and uncritical anti-communism that had become increasingly typical of the Cold War.¹¹⁴ The logical, although carefully qualified,

¹¹¹ Flynn observes that the ESG "fitted into the pattern of military civilian involvement in national politics, the roots of which went back well into the nineteenth century, and it represented only a further development in an already established tradition of 'intellectual' officers, involved both in theoretical critique of and active participation in national politics, of which it was difficult to find the like either in Latin America or in more 'developed' societies. Many elements in ESG thinking could be traced to the blend of military and civilian criticism which made up tenentismo in the 1920s and early 1930s, and, as with tenentismo, there was room for disagreement and dialogue within the broad range of reflection and debate to be found in the ESG." Flynn, Brazil, p. 321. Emphasis in the original.

¹¹² Rizzo de Oliveira notes that the ESG employed the Doctrine of National Security in the 1950s to criticize state institutions while ideologically cutting off the acceptability of socialist solutions, the ever-present alternative. Rizzo de Oliveira, pp. 25-26.

¹¹³ Flynn, Brazil, p. 320. Schneider, p. 248.

¹¹⁴ Stepan, Military, p. 179. Schneider, p. 249.

conclusion that was implied by this Cold-War mentality was the overriding need to preserve and protect Western interests in Brazil,¹¹⁵ with the state acting as "advisor" or "orientor" of the process.¹¹⁶ Another influence on the formation of the political position of the school apparently resulted from the objections of a Brazilian legislator to discussing confidential national policy in the presence of United States military personnel in 1958: an anti-legislature bias, virtually unmentioned in the secondary literature, seems to have affected the school. Not a single federal legislator was asked to speak at the school between 1958 and 1971.¹¹⁷ This may have exercised some influence upon the subsequent anti-legislative political patterns adopted by post-1964 military regimes.

The Doctrine of National Security (DSN), the key component of the ideology of the ESG, represented an ambiguous combination of "democratic", developmentalist

¹¹⁵ Flynn cautions that the school also demonstrated "the inheritance of the tenentes, with their stress on economic nationalism and a stouter defense of the national patrimony. There is, certainly, a central conviction that Brazil's development is tied to that of the 'Western' world, so closely linked to the United States, but within this broad commitment is wide room for disagreement as to what this implies in practice, how tight the links should be, and how and by whom they should be forged." Flynn, Brazil, pp. 321-322.

¹¹⁶ Rizzo de Oliveira, p. 26.

¹¹⁷ This is very briefly alluded to in an article in O Estado de São Paulo, which describes the 1958 incident, in which the then-Deputy Aurélio Viana walked out of a scheduled ESG lecture because of his disagreement with the presence of American military personnel during a discussion of national frontier policy. The next legislator invited to address the estagiários was the President of the Chamber of Deputies, Pereira Lopes, on September 13, 1971. O Estado de São Paulo, 31 July 1971, p. 4.

(with important qualifications) and anti-communist sentiments.¹¹¹ All of these tended to emphasize the priority of political stability, or, in the euphemistic terminology of the school, "evolution with continuity."¹¹² The ideological character of this "evolution", moreover, was directly specified, particularly with respect to such issues as the preferred position of labor in society. Affirming the ultimate importance of the "collective interest", spokesmen of the ESG such as Juarez Távora suggested that the social stratification that determined labor relations in Brazil represented a natural phenomenon,¹¹³ and thereby concluded that welfare priorities should be sacrificed in favor of "national objectives" as dictated by the Doctrine of National Security.¹¹⁴ General Golbery do Couto e Silva, in his formative work A Geopolítica do Brasil, goes so far as to quote Herman Goering's famous slogan, "more cannons, less butter", in concluding that it was impossible to avoid "the necessity of sacrificing welfare in favor of security, as long as it is seen really to be threatened."¹¹⁵

¹¹¹ Schneider, p. 66. Juan Linz considers the "negative character" and "ambivalent commitment to democracy" of the DSN in questioning its "ultimate capacity to serve as the foundation for 'legitimate' and stable authoritarian political institutions like those that have emerged in Spain under Franco." Linz, "The Future of an Authoritarian Situation of the Institutionalization of an Authoritarian Regime: The Case of Brazil," Authoritarian Brazil, p. 235.

¹¹² This expression appears repeatedly in the reprint of an ESG conference on national security: Col. Celso Bodstein, Col. Germano Seidl Vidal and Professor Luiz Carlos Bastos Hosken, Segurança Nacional (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 9.

¹¹³ Rizzo de Oliveira, p. 40.

¹¹⁴ Rizzo de Oliveira, p. 42.

¹¹⁵ Golbery concludes that "the peoples that refuse to admit

Rizzo de Oliveira points out this defined predisposition of the DSN to contain the spread of both welfare benefits and political participation, largely in the interests of popular demobilization and social control.²²³

A central characteristic of the ideology espoused by the ESG was the flexibility, and hence vagueness (at least when viewed from a long-term perspective) of its primary concept, national security.²²⁴ The first part of the term, the concept of nation, evinced the influence of Germanic and Franco-Italian conceptualizations²²⁵ in emphasizing commonality and preservation of shared values, notions that were useful in supporting a doctrine of internal security. Although some verbal effort was expended in distinguishing the concept of security from that of defense,²²⁶

²²²(cont'd) this learn, in the dust of defeat, [this] well deserved lesson." ("...não há como fugir à necessidade de sacrificar o Bem-Estar em proveito da Segurança, desde que esta se veja realmente ameaçada. Os povos que se negaram a admiti-lo aprenderam, no pó da derrota, a lição merecida.") General Golbery do Couto e Silva, A Geopolítica do Brasil (Rio de Janeiro, Brazil: José Olympio, 1967), pp. 13-14.

²²³ Rizzo de Oliveira, p. 42.

²²⁴ Periodic redefinition of the term, a task taken very seriously by the ESG, was at least partly responsible for this.

²²⁵ This point is stressed in a recent work, Antonio Carlos Fon, Tortura; A História de Repressão Política no Brasil (São Paulo, Brazil: Global Editora, 1979), pp. 27-28.

²²⁶ "Defense is 'the action of defending', while security is 'the sensation of tranquility resulting from the conviction that there is no danger to fear'." ("Defesa é 'a ação de defender', ao passo que segurança é 'a sensação de tranquilidade resultante da convicção de que não há perigo a temer'.") Bodstein, et al., p. 4. "The notion of security is more inclusive (than that of defense). It includes the global defense of institutions, incorporating through this psycho-social aspects, the preservation of development and of internal political stability." ("A noção de Segurança é mais abrangente (que a de defesa). Compreende, por assim dizer, a defesa global das instituições, incorporando, por

the formal definition of national security implied the ongoing need to defend the (ostensibly crucial) interests represented by the annually redefined "national objectives":

National Security is the relative degree of guarantee, through political, economic, military and psychosocial (including technico-scientific) actions, that a state is able to provide, in a determined time period, to the nation over which it exercises jurisdiction, for the attainment and safeguarding of its national objectives, despite the existent antagonisms.²²⁷

Despite its periodic redefinition by the ESG, including a major revision in 1967, "national security" remained, as Rear-Admiral Brasil had described it in 1960, "a very complex abstraction and, therefore, almost not in conformity with a simple, conventional dictionary definition."²²⁸ A

²²⁸(cont'd)isso, os aspectos psicossociais, a preservação do desenvolvimento e da estabilidade política interna.") Bodstein, et al., p. 5. Emphasis added.

²²⁷ "Segurança Nacional é o grau relativo de garantir que, através de ações políticas, econômicas, militares e psico-sociais (inclusive atividades técnico-científicas), um Estado pode proporcionar, numa época determinada, à nação que jurisdiciona, para a consecução e salvaguarda de seus objetivos nacionais, a despeito dos antagonismos existentes." Luiz Octavio Brasil [Rear-Admiral and Director of the Superior War Course, ESG], A Segurança Nacional--Conceitos e Elementos Fundamentais (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1960), p. 3. Emphasis in the original.

²²⁸ He concludes that "it cannot be described, save subjectively, except in terms that its permanent existence signifies for a nation. It is something that is sensed intuitively, without the necessity of a logical rationale about its nature." ("A expressão Segurança Nacional é uma abstração muito complexa e, portanto, quase não comporta uma simplis definição convencional de dicionário. Não pode ser descrita, salvo subjetivamente, senão em termos do que a sua existência permanente significa para uma nação. É algo que se percebe, intuitivamente, sem a necessidade de um raciocínio lógico sobre a sua natureza.") Luiz Octavio Brasil, p. 2.

recent analysis of the concept by Edmundo Campos Coelho underscores eight primary themes predominant in "national security": first, individuals should only be valued in the context of their collective achievements; second, a system in which the collective good is placed above the interests of individuals and groups is morally superior; third, loyalty to the state is paramount since the state mobilizes collective action; fourth, centralization of power is a key to preventing individualism and clientelism from achieving predominance; fifth, a viable society requires that areas of general consensus far outweigh areas of contention, and that the latter therefore be controlled; sixth, a central function of the governing elite is to educate individuals, especially in the sentiment of the collective interest; seventh, just economic development is a fundamental objective, especially in view of the fact that dissension is associated with socio-economic cleavages; and eighth, the entire nation is responsible for the task of promoting economic development, and this demands sacrifice and discipline on the part of individuals and groups.¹¹ Thus discipline and development were the contrasting themes of national security, although their interrelationship was not regarded as primarily antagonistic, as a brief survey of the former concept reveals.

The form of discipline envisaged by the framers of the DSN, effectively translated as a focus upon internal

¹¹ Coelho, pp. 173-175.

security, reflected a traditional concern of the Brazilian military establishment, dating from before the 1920s, and thus could not be said to have been strictly patterned after the United States military concept of the early 1960s.³⁰ Anti-communism and the fear of Cuban-inspired political agitation within Brazil were, however, crucial aspects of the Brazilian conceptualization of national security, as statements by Tavares and others associated with the ESG indicate,³¹ and this corresponded closely with United States policy, and therefore complemented the already open support of the ESG officers for the United States position in the Cold War. It amounted, in Flynn's analysis, to the acceptance that "national power" would have to be centralized and concentrated in the battle against "foreign-inspired subversion."³² The generalized insistence among those associated with the school upon the need for centralized political power and close civil-military cooperation in anti-subversive activities³³ underscored the innovativeness (at least within the Brazilian ambient) of the ESG: the armed forces were seen as a necessary, if not predominant, part of the new centralized state in virtually

³⁰ Flynn, Brazil, p. 321.

³¹ Tavares stresses the impropriety of Cuba's diplomatic links with pre-1964 Brazil, concluding that "The implantation of communism in Cuba constituted a trampoline for the activation of subversion in our country." ("A implantação do Comunismo em Cuba constituiu um trampolim para a ativação da subversão em nosso país.") Tavares, Segurança Nacional, p. 299.

³² Flynn, Brazil, p. 320.

³³ Tavares, Segurança Nacional, p. 72.

all of its political and socio-economic aspects."¹⁴ This calls attention to the importance of the ESG's conceptualization of national power.

The literature of the ESG specified that 'national power' was to be understood as "the integration of the means of achieving the national objectives, while national security provides for the attainment and safeguarding of these objectives."¹⁵ An earlier and more formal ESG definition of national power characterized it as

the integrated expression of all means (economic, political, psycho-social and military) that a nation has, effectively, at the moment considered, to promote, in the internal ambit and the international field, the attainment and preservation of its national objectives, despite existent antagonisms."¹⁶

It was, in Flynn's estimate, an echo of the views of the tenentes, a "need to find a Brazilian solution to Brazil's problems and face squarely the specific difficulties of underdevelopment, even if the concept of underdevelopment is

¹⁴ Rizzo de Oliveira, p. 27. He adds that the ideological ramifications of total world war provided the primary basis of the concept of national security. p. 28.

¹⁵ "O poder nacional é a integração dos meios para a conquista dos objetivos nacionais enquanto a segurança nacional provê a garantia para a consecução e salvaguarda desses objetivos." Augusto Estellita Lins, "Análise da Segurança Nacional," Revista Brasileira de Estudos Políticos, No. 18 (January 1965), p. 7.

¹⁶ "O Poder Nacional, na definição aceita pela ESG, é: 'a expressão integrada dos meios de toda a ordem (econômicos, políticos, psico-sociais e militares) de que uma Nação dispõe, efetivamente, no momento considerado, para promover, no âmbito interno e no campo internacional, a consecução e preservação de seus Objetivos Nacionais, a despeito dos antagonismos existentes.'" Luiz Octavio Brasil, p. 12.

not introduced as such."³⁷

The critical interrelation of the concepts of security and development³⁸ was fundamental to the Doctrine of National Security as developed by the ESG. The origins of this interrelation are implied in the writings of Golbery do Couto e Silva, who notes that a basic level of economic and social welfare is required for a nation to wage war, a lesson that Germany (in 1918) and Japan (in 1945) graphically demonstrated.³⁹ The interrelation, moreover, is by no means limited to an international definition of

³⁷ Flynn, Brazil, p. 322. Emphasis in the original. In the words of Golbery, "the instrument of strategic action, in this era of total wars, can only be that which results from the total integration of all national powers, of all the physical and human resources that each nation has, of all of its spiritual and moral capacity, of the totality of economic, political, psycho-social and military means that can be united for the struggle--of its National Power, in sum." ("O instrumento de ação estratégica, nesta era de guerras totais, só pode ser o que resulta da integração de todas as forças nacionais, de todos os recursos físicos e humanos de que dispõe cada nação, de toda a sua capacidade espiritual e material, da totalidade de meios econômicos, políticos, psicossociais e militares que possa reunir para a luta--de seu Poder Nacional, em suma.") Golbery do Couto e Silva, Geopolítica, p. 13. Emphasis in the original.

³⁸ A conference on national strategy, held at the ESG on April 20, 1972, concluded that "security and development are found to be so interrelated and interdependent that we can affirm, without any shadow of doubt, that without security there is no development and without development there is no security." ("Segurança e Desenvolvimento acham-se tão interligados e interdependentes que podemos afirmar, sem qualquer sombra de dúvida, que sem segurança não há desenvolvimento e sem desenvolvimento não há segurança.") Gen. João de Alvarenga Soutto Mayor, Col. Affonso Celso Bodstein, Capt. Walter Faria Maciel, Estratégia Nacional (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1972), p. 7. Stepan also makes this point. Stepan, "The New Professionalism of Internal Warfare and Military Role Expansion, Authoritarian Brazil, p. 58. Furthermore, this is yet another reference to "civic action".

³⁹ Golbery do Couto e Silva, Geopolítica, p. 14.

national security. One ESG analyst underscores the importance of rapid social transformations, pointing out that they require the reevaluation of national objectives that are themselves the product of the "irreversible process of development."⁴⁰ Controlling and stimulating patterns of economic development, and encouraging the growth of the "system" through economic expansion into the frontier, were thus considered to be important elements of national security, and hence of countering the threat of communism.⁴¹

The ESG, in something of a "non-definition",⁴² defined development as "a global phenomenon, including all of the aspects of the national life relative to the economy, finances, politics, education, public health, the institutions of national defense, science, technology, in short, all of the cultural prisms of life in society."⁴³ As the economic and political crises of the early 1960s

⁴⁰ "O processo irreversível do desenvolvimento cria em todos os países uma situação de crise estimulada pelas rápidas transformações sociais." Lins, "Análise," p. 11.

⁴¹ Rizzo de Oliveira, p. 42.

⁴² Professor E. Bradford Burns, in commenting on this chapter, emphasized the meaninglessness of this definition, and its apparent attempt to disguise a distinctive and unequal pattern of growth under the title of national development.

⁴³ "O desenvolvimento é, assim, um fenômeno global, abrangendo todos os aspectos da vida nacional, relativos à economia, às finanças, à política, à educação, à saúde pública, às instituições de defesa nacional, à ciência, à tecnologia, enfim, à todos os prismas culturais da vida em sociedade." Tarcício Meirelles Padilha, Omar Gonçalves da Motta, Luiz Zottman, Estratégia Nacional de Desenvolvimento (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1972), p. 2. From a conference on the national strategy of development, ESG, April 24, 1972.

deepened, it was logical for those associated with the ESG to assume that the process of national development, as they had defined it, had been "subverted". Their response was to establish a "total development strategy,"¹⁴⁴ so that "development began to have identical treatment with that of security."¹⁴⁵ Two primary themes of the strategy were the suppression of social mobilization and increasing social controls, both of which had been characteristic of the Vargas dictatorship.

The ideologues of the ESG felt that the elaboration of a policy of national development consonant with anti-communism and internal "stability" required two things: maximizing economic outputs and suppressing disunity.¹⁴⁶ Furthermore, according to Coelho, this emphasis upon national development fulfilled an important institutional function in allowing the military to incorporate "traditional" and "modern" self-images: "honor, loyalty and public service--and the traditional 'heroic' self-image--were made compatible with values generally associated with science and technology--and with the new 'entrepreneurial' self-image."¹⁴⁷ Planning became the crucial, if somewhat ill-defined, development panacea proposed by ESG theoreticians such as Golbery do Couto e

¹⁴⁴ Stepan, "The New Professionalism," pp. 56-57.

¹⁴⁵ "Desenvolvimento passou a ter tratamento idêntico ao da Segurança." Arruda, "A Doutrina," p. 136.

¹⁴⁶ Stepan, "The New Professionalism," p. 55.

¹⁴⁷ "Valores como honra, lealdade e serviço público--e a auto-imagem 'heróica', tradicional--compatibilizam-se com os valores geralmente associados à ciência e a tecnologia--e com a nova auto-imagem 'empresarial'." Coelho, p. 165.

Silva,¹⁴⁴ although it was understood, according to Flynn, as being fundamentally linked to the "capitalist development strategy" within Brazil.¹⁴⁵ The problems of Brazilian capitalism by 1964 implied the importance of another tenet of the ideology of the ESG: the need for the centralization of executive power. The essence of this tenet harkened back once again to the questions associated with security and the need to safeguard the executive from the forces of "subversion",¹⁴⁶ although a more generally acceptable rationale was also espoused.¹⁴⁷

It has been convincingly argued that the presence of a cohesive military ethos embodied in the teachings of the ESG provided an important stimulus to military intervention during the national political crisis of 1964.¹⁴⁸ Of crucial importance was its stress upon the centralization and "rationalization" of the national political process.

Furthermore, according to Coelho, the school's Doctrine of

¹⁴⁴ "...the planning of national security is an imperative of the hour in which we live...for us in the underdeveloped countries...planning assumes aspects of another order which puts everything else in relief." Golbery do Couto e Silva, Planejamento Estratégico (Rio de Janeiro, Brazil: Biblioteca do Exército Editora, 1955), p. 28. As cited and translated by Stepan, The Military, p. 179.

¹⁴⁵ Flynn, Brazil, p. 324.

¹⁴⁶ Stepan, Military, p. 182.

¹⁴⁷ Schneider points to this emphasis upon the welfare of the collectivity as representative of the liberal or even reformist aspects of the ESG, particularly in its emphasis upon social integration, social justice and Catholic social doctrine. Schneider, p. 247.

¹⁴⁸ Stepan contends that "it was largely because of the ESG that, as the general sense of crisis in Brazil deepened, significant numbers of officers began to feel that they had the most appropriate and realistic strategy to develop the country, and the most qualified technocrats to implement this strategy." Stepan, Military, p. 174.

National Security effectively countered what had become a "crisis of identity" within the military itself.³³ The most important aspect of the ideological constructs developed by the ESG, however, was that they established a framework and parameters whereby the Brazilian military establishment was able, in a practical sense, to function as the director of the national political process.³⁴ The following section will focus upon this dimension of the school.

The Political Impact of the ESG. An assessment of the effect of the political influence of the ESG upon the Brazilian system points to the importance of at least three factors: first, the centrality of a few prestigious military figures in the establishment of the school and the elaboration of its ideological framework; second, the rapid spread to a significant sector of the civilian and military elites of the framework of ideas associated with the ESG; and third, the significant and ongoing presence of a faction (loosely known as the Linha Dura, or "Hard Line") within the

³³ Coelho maintains that the doctrine lessens the Armed Forces's "identity crisis" by creating for it a new mediating role, one that bridges the spheres of "national security" and the diverse spheres of national activity, broadening the scope of legitimate military participation in society. Coelho, p. 166.

³⁴ Rizzo de Oliveira notes in this regard, in terms reminiscent of the major arguments of 'Bonapartism', that the ESG "promotes a relative integration of the major interests of the diverse sectors of the dominant classes while, directly joined with the Armed Forces, it serves as a link between the two." ("...acrescente-se que a ESG promove uma relativa integração dos interesses maiores dos diversos setores das classes dominantes na medida em que, diretamente articulada com as Forças Armadas, servia de elo entre estas e aquelas.") Rizzo de Oliveira, pp. 26-27.

military which opposed the ideas and prestige of the school while nevertheless being tolerated (because of its strident anti-communism) by ESG-associated authorities during most of the period after 1964. Although the existence of this last factor was frequently denied by leading spokesmen of the school,⁵⁵ the ultimate political course charted by the Médici regime can be said to have been influenced by it. It underscores the flexibility (and capacity for authoritarianism) of the ideology of the ESG.

A number of important Brazilian political figures had become associated with the ESG by 1964, and five of them are especially noteworthy: the generals Cordeiro de Farias, Juarez Távora, Lyra Tavares, Golbery do Couto e Silva and Castelo Branco. Cordeiro de Farias, the founder of the school, well-known tenente and infantry commander of the Brazilian Expeditionary Force in Italy, was noted for his political ambitions⁵⁶ and his term as the elected governor of the Northeastern state of Pernambuco during the 1950s.⁵⁷

Juarez Távora, who followed Cordeiro de Farias as commandant

⁵⁵ Tavares, in a magazine interview in 1967, affirmed that he thought that the "hard line" existed "only in the news sections of the papers." ("--Existe realmente a linha dura?"--"Acho que ela só existe no noticiário dos jornais.") General Tavares, "Entrevista à Revista 'Manchete'" [No. 788, 27 May 1967], O Exército Brasileiro Visto pelo Seu Ministro (Recife, Brazil: Imprensa Universitária, Universidade Federal de Pernambuco, 1968), p. 99.

⁵⁶ Schneider, pp. 65-66.

⁵⁷ Joseph Page characterizes him, perhaps somewhat harshly in the context of the times, in his role of governor as "an authoritarian conservative who lent credibility to the 'gorilla' epithet traditionally applied to Brazilian officers dabbling in politics." Page, The Revolution That Never Was; Northeast Brazil, 1955-1964 (New York: Grossman Publishers, 1972), p. 37.

of the ESG, and who likewise was a former tenente who harbored political ambitions, was responsible for greatly increasing the participation of civilian elites in the school's program.⁵⁵ Furthermore, the school's Doctrine of National Security is thought by at least one observer to have mirrored Távora's own political thought.⁵⁶ Lyra Tavares became one of the most lucid and prolific exponents of the Doctrine,⁵⁷ and later played a crucial role in the selection of Médici as president.⁵⁸ Golbery do Couto e Silva, considered to be the most incisive theoretician of the ESG by most analysts⁵⁹ developed the school's focus upon internal security and revolutionary warfare in the mid-1950s, several years before the United States military developed its own training program in "counterinsurgency".⁶⁰ His subsequent political

appointments (including that of first chief of the Serviço

⁵⁵ Távora is quoted as having "felt that the aim of the school was not only to train military men but also all those who would influence the government." Quoted by Stepan from a personal interview with the general, October 8, 1968, Rio de Janeiro. Stepan, Military, p. 176.

⁵⁶ Schneider, pp. 247-248.

⁵⁷ Schneider, p. 246.

⁵⁸ See: Flynn, pp. 438-440.

⁵⁹ Rizzo de Oliveira notes that the Doctrine of National Security receives the most far-reaching and broadly theoretical analysis in Golbery's work, in no way restricted to military thinking. Rizzo de Oliveira, p. 27.

⁶⁰ Stepan, Military, p. 130. In an interview with Stepan (Rio de Janeiro, 29 August 1968), Golbery noted that in contrast with the then current preoccupation of the United States with nuclear warfare, the ESG "was concerned with local warfare and revolutionary warfare before the United States [was], because nuclear warfare for us was technically impossible and politically less probable. Our actual problems in Brazil made fear of revolutionary warfare much more relevant than it was for the United States." Stepan, Military, p. 130.

Nacional de Informações) before his ouster in 1981 as Chief of the Presidential Civilian Household emphasize his far-reaching political influence within the post-1964 military administrations. General Humberto de Alencar Castelo Branco, the first military president after the golpe of 1964 and a prominent member of the staff of the ESG during the 1950s, will be discussed in his role as president in the following section.

The rapid adoption after 1964 of the ESG's political and economic programs by a significant segment of the civilian and military elites in Brazil^{***} was facilitated by several factors. The military's emphasis upon professional training, and the compatibility of the ideology of the ESG with certain views associated originally with tenentismo, were two such factors which have already been mentioned.

Moreover, the school's economic platform encouraged Brazil's maintenance of close international ties (especially with the United States) and therefore tended to attract those sectors of the civilian elite which were dependent upon such ties.

The presentation of this particular aspect was strengthened during the early 1960s through the work of the Instituto de Pesquisas e Estudos Sociais (Institute of Research and Social Studies, IPES) as it functioned under the

^{***} Stepan notes that "many of the doctrines of internal warfare, formulated originally at the ESG and later institutionalized in the ESG-influenced government of Castello Branco, permeated almost all major military groups in Brazil and were accepted as a basic new fact of political and military life." Stepan, "The New Professionalism," p. 58.

directorship of General Golbery do Couto e Silva." The IPES was an explicitly anti-communist and pro-business research association that functioned as a think tank and pressure group, and that later supplied personnel and policies to the military government of Castelo Branco, including the "reform programs" in housing, workers' job stabilization, agrarian land use and banking." Another group, the Alumni Association of the ESG, or ADESG, similarly worked actively to spread the political views of the school." Moreover, the annual twenty-day visit to the United States by the estagiários is cited by Schneider as an influential element in reinforcing "the function of the ESG as a vehicle for the cooptation of groups from all social

" Stepan notes that "many of the key civilians at IPES had attended the ESG before IPES was founded, and later some of the key founding staff members of the ESG, such as General Golbery do Couto e Silva, and General Heitor Almeida Herrera, joined IPES." Stepan, Military, p. 186n.

" The IPES is described in a detailed, although openly partisan, analysis by one of its members of the time, who frankly concludes that it sought "to secure financial aid from business to promote the common fight against Communist infiltration in other fields of endeavor and to find democratic solutions of the country's problems." Paulo Ayres Filho, "The Brazilian Revolution," Latin America: Politics, Economics, and Hemispheric Security, ed. Norman A. Baily (New York: Frederick A. Praeger, 1965), p. 249.

" Stepan, Military, p. 186n. Ayres Filho nevertheless maintained that "none of us ever thought of sponsoring military plots through IPES." He then lists five basic goals of the institution, which stress anti-communism, the support of "constitutional democracy" and the maintenance of the constitutional and Christian traditions of Brazil (Ayres Filho, p. 250), coincidentally the same arguments employed by the military conspirators in 1964.

" Schnieder notes the pervasive communications network of the ADESG, which keeps the alumni involved with military thinking through conferences and confidential reports. It also offers extension courses throughout the country, over 200 of which were offered between 1967 and 1969 alone. Schneider, pp. 250-251.

sectors of the elite into the ideological and programatic outlook of the military technocrats."¹⁶⁶ Finally, the carefully fostered image of the ESG within Brazil as "democratic, apolitical, wholly unconnected with groups or parties," and as merely a "laboratory of ideas," and "not a forge of laws,"¹⁶⁷ doubtlessly facilitated the acceptance by civilian elites, especially those wary of the school's authoritarian inclinations, of its otherwise more attractive economic policies.

One of the most obscure currents of post-1964 Brazilian military thought, perhaps because of its existence as a kind of bas-relief to the ESG, is the linha dura. Peter Flynn suggests that the most fruitful technique in analyzing this tendency is to contrast the views of the linha dura officers with those of the ESG ideologues on the themes of security and development. While the linha dura was even more explicitly anti-communist and hence favorable to intensive techniques of "internal warfare" and "counterinsurgency", Flynn notes that they generally opposed the "internationalization" of national development, arguing that "security and nationalist development were closely tied, in that a more genuinely nationalist, and even reformist, programme could be possible, provided there was no backpedalling on security."¹⁶⁸ In fact, the linha dura was characterized by three rather pronounced traits: it tended

¹⁶⁶ Schneider, p. 250.

¹⁶⁷ General Augusto Fragoso, quoted in O Estado de São Paulo, 17 March 1971, p. 12.

¹⁶⁸ Flynn, Brazil, pp. 376-377.

to attract younger officers (often captains or majors) who were strongly committed to a nationalist development pattern in Brazil⁷² while maintaining a strong preference for authoritarian rule. This third dimension harbored the most potential for influencing the course of post-1964 governments in Brazil, and hence requires further elaboration.

The authoritarianism basic to the linha dura, while evident in 1964, was not at that time the openly divisive issue that it was to become by the "October Crisis" of 1965.⁷³ But it was noteworthy in conjunction with the calls for basic economic and social reforms, including greater government aid for the development of the Northeast,⁷⁴ that came from many of the "hard line" officers. Defense Minister Costa e Silva, who was identified with the linha dura prior to his assumption of the presidency in 1967,⁷⁵

⁷² Including strongly increased controls of multinational corporations operating in Brazil and the encouragement of increased state participation in national economic development.

⁷³ Flynn notes, however, that even at this time the linha dura was not just an anti-Vargas or anti-Castelo group. Flynn, Brazil, p. 338.

⁷⁴ Flynn, Brazil, p. 338.

⁷⁵ Flynn notes that "although Costa e Silva did not represent this group, and did not, when president, put their policies into action, he was closer to them than was Castello Branco, and able to act as an intermediary when the crisis broke in October 1965." Flynn, Brazil, p. 338. Flynn may be relying too much on the clarity of hindsight in these comments. My own research of newspapers and magazines of this early part of the dictatorship indicates that Costa e Silva was widely considered to be the leading spokesman of the linha dura, and was that tendency's candidate for the presidency, much to the consternation of the linha dura following his "election" and subsequent "humanization" of the dictatorship.

expressed the authoritarian pretensions and frustrations of the faction when he argued that the only objective of the golpe had been "to defend the country against communism and to serve as an obstacle, through the recognized importance of Brazil, to the attempt at the domination of Latin America by communism."⁷⁶ General Olympio Mourão Filho, who as a junior officer had precipitated the Vargas golpe of 1937 with his forged "Cohen Plan" for communist subversion of Brazil, and who initiated the intervention of 1964 by moving his troops against Rio prior to the receipt of any orders from the organized conspirators, was more blatant in his expression of the anti-communism associated with the linha dura: "Communist sympathizers do not exist. There are communists, crypto-communists and useful innocents. Sympathizer is a nuance invented by the communists themselves to mislead public opinion."⁷⁷ Aside from this extreme anti-communism and its implications for subsequent authoritarian rule, however, it remained difficult to identify the linha dura in 1964.⁷⁸

⁷⁶ "A revolução teve apenas um objetivo: defender o País contra a infiltração comunista e servir de um obstáculo, pela reconhecida importância do Brasil, à tentativa de dominação da América Latina pelo comunismo." Costa e Silva, quoted in O Estado de São Paulo, 6 April 1964, p. 6.

⁷⁷ "Não existe simpatizante do comunismo. Existem comunistas, cripto-comunistas e inocentes úteis. Simpatizantes é uma nuance inventada pelos próprios comunistas para iludir a opinião pública." Quoted in Correio Braziliense, 3 April 1964, p. 8.

⁷⁸ In the following years it would be relatively easy, however, to note the steadfast resistance of the "hard line" officers to any encroachment upon the firm military control of the Brazilian political process. Robert Daland, Exploring Brazilian Bureaucracy: Performance and Pathology (Washington, D.C.: University Press of America, 1981), p.

The newspaper O Estado de São Paulo noted the example of the "hard-line" commander of the IV Army in the Northeastern city of Recife, who had compelled a local merchant to lower the excessive prices that he had charged for television sets.¹⁷⁷ This appears to have been fairly representative of the group's inarticulate commitment to end corruption without regard (or, apparently, concern) for its more insidious and pervasive forms.

The personalities and institutions associated with the linha dura are similarly less easily defined than those of the ESG. The magazine O Cruzeiro reported in 1964 that

the "linha dura" was born in Marshal Odílio Dénys, passed through Admiral Sílvio Heck, was inspired by Brigadier General Grunn Moss and reached generals Mourão Filho and Justino Bastos Alves, before influencing vast areas of the armed forces, now engaged, within the federal and even state administrations, in researching and determining the responsibility of those accused of communist subversion and, especially, political corruption.¹⁷⁸

Carlos Lacerda, the civilian governor of the state of Guanabara during the early 1960s, is frequently associated with the linha dura because of his vocal anti-communism and his wide political following among junior officers of that

¹⁷⁷ (cont'd) 412.

¹⁷⁸ O Estado de São Paulo, 16 September 1964, p. 4.

¹⁷⁹ "...a 'linha dura' nasce no Marechal Odílio Dénys, passa pelo Almirante Sílvio Heck, inspira-se no Brigadeiro Grunn Moss e alcança os Generais Mourão Filho e Justino Alves Bastos, antes de influenciar vastas áreas das Forças Armadas, agora empenhadas, dentro da administração federal e mesmo estaduais, em pesquisar e fixar as responsabilidades dos acusados de subversão comunista e, sobretudo, de corrupção política." O Cruzeiro, 12 September 1964, p. 116.

authoritarian nationalist faction in 1964.¹¹¹ A military training school that was frequently regarded as the primary exponent of the "hard line" faction was the Escola de Aperfeiçoamento de Oficiais (Officers' Finishing School, or EsAO), a junior officers' training institution in Rio de Janeiro.¹¹²

The significance of the linha dura by 1964 can be estimated by the numerous overt attempts by leading military and civilian figures to garner its support, despite the immediate purge of many of its leading proponents from positions of prominence within the military and government. President Castelo Branco, in a speech delivered shortly after his inauguration (and, ironically, after his initial purge of the "hard line"), suggested in his first formal reference to that faction that the success of the golpe owed largely to it, and called the linha dura "the most authentic current of opinion of the armed movement that deposed the government of Sr. João Goulart."¹¹³ During the course of the next several years many political figures ingratiated themselves publicly to the linha dura,¹¹⁴ with politicians in São Paulo being especially noteworthy in this regard.¹¹⁵ It will be argued in Chapter 5 that the political leverage subsequently wielded by the linha dura, particularly after

¹¹¹ Flynn, Brazil, p. 344.

¹¹² Flynn, Brazil, p. 338.

¹¹³ "...a corrente de opinião mais autêntica do movimento armado que depôs do governo da República o sr. João Goulart." O Estado de São Paulo, 23 August 1964, p. 5.

¹¹⁴ E.g., the governor of the state of Amazonas, as noted in O Estado de São Paulo, 2 September 1964, p. 34.

¹¹⁵ Flynn, Brazil, pp. 341-342.

1968, had the effect of drawing the Médici government closer to its camp, and hence of augmenting that administration's authoritarian and nationalist tendencies while sharpening its commitment to national development.

The political impact of the ESG in 1964 (and after) was largely determined by the stature of its military proponents, the extent to which its ideology was adopted by civilian and military elites and the presence of a controlled, but nevertheless significant, political opposition in the linha dura. The existence in 1964 of the ESG and of its Doctrine of National Security encouraged a major departure from the traditional pattern of civil-military relations in Brazil.*** However, as Stepan observes, "very few people, not even the president, realized the political implications of attempting to transfer these general ideas into concrete policy."*** Despite the entrenchment of the ESG officers in the positions of national power in 1964, the school's ideological

 *** Flynn observes that by 1964 "there were few other societies anywhere in the world where the intertwining of military and civilian careers, debate, and politics was so marked, and where the military were so prepared, albeit with civilian help, to take over the running of a modern state and reshape it in accordance with an already highly elaborated theory of national development. Nor, because of the strong links between the ESG and the United States military establishment and government officials, was there anywhere else a group who could command such swift, whole hearted support from the United States, as well as from other political, commercial, and financial interests, who, after having been deeply alarmed by events under Goulart, now saw the coup as introducing a new era of stability and prosperity within the framework of Western capitalist development." Flynn, Brazil, p. 319.

*** Stepan, Military, p. 217.

implications for policy remained relatively unknown, untested "inventions" which would, in their emphasis upon "internal warfare" and "national security", provide much of the basis for the overtly authoritarian period that would follow.

E. Castelo Branco in Power

The Political Foundations of Proto-Authoritarianism. The first two military presidencies following the intervention of 1964 have been described and analyzed frequently in the literature of Latin American politics, usually in comparison to the pre-1964 political ambient, and almost always critically with reference to the question of authoritarianism. Despite the Brazilian economic "miracle" between 1969 and 1973, the Médici presidency has been less frequently examined per se, perhaps due in part to the steadily diminishing interest in military authoritarianism in Brazil--at least as a cause célèbre--in the eyes of many observers. If it is the case, as many Brazilian analysts convincingly affirm, that 1964 should be recognized as representing a major transformation of the Brazilian political, economic and social situation, however, a more inclusive comparison of post-1964 regimes would appear to be of some predictive and evaluative importance.

In the following sections and chapters, the first four military presidencies after 1964 will be characterized comparatively vis-à-vis their authoritarian and developmental dimensions. The Castelo Branco regime can, in this light, be described as a proto-authoritarian military presidency, the Costa e Silva administration as a dysfunctional authoritarian regime, and the Médici presidency as an overtly authoritarian military government. The Geisel administration appears to have represented a return to proto-authoritarianism in the Castelo Branco mold, and the Figueiredo presidency manifests some of the characteristics of dysfunctional authoritarianism, although the record is not yet clear. The proto-authoritarian presidencies actively established and maintained authoritarian institutions and practices while attempting, mostly in principle, to limit the the arbitrary and dictatorial behavior of government. Dysfunctional authoritarianism generally involves an attempt to relax those institutions while (paradoxically) increasing the spirit of, or enthusiasm for, authoritarian political solutions. Overt authoritarianism in the Brazilian context, as the name denotes, represents the dual presence of the institutions and practices of, and the expressed approval and enthusiasm for, dictatorial government in the authoritarian mold. These admittedly cursory definitions are perhaps best elucidated within the analysis of the post-1964 Brazilian military presidencies.

The Castelo Branco presidency is characterized as a proto-authoritarian regime primarily because of its self-imposed, non-institutional limitations on authoritarian behavior (such as restricting the use of torture as a means of state terror and interrogation).¹¹¹ Although three of the government's effective political goals, the destruction of the leftist opposition, the enhancement of legislative "efficiency" and the establishment of executive supremacy,¹¹² provided the essential preconditions for what Glaucio Ary Dillon Soares calls "executive absolutism" in Brazil,¹¹³ Castelo Branco initially campaigned for the cooperation (if not support) of the "democratic left", employing what appeared at the time to be strongly conciliatory terms.¹¹⁴ His government was willing openly to admit to the injustice of early authoritarian measures, and his ambassador in Washington, Juracy Magalhães, himself a former tenente, promised publicly that the most egregious

¹¹¹ Castelo Branco has been varyingly described as an authoritarian and a democrat. The most useful analysis leans toward the authoritarian end of the continuum, while recognizing that, on some levels at least, he was committed to restoring a qualified form of democracy to Brazil, and he probably hoped eventually to relinquish military control of government. For an interpretation which stresses this latter analysis, see: Gordon Campbell, Brazil Struggles, p. 52.

¹¹² Soares, "Military Authoritarianism," p. 114.

¹¹³ Soares, p. 104.

¹¹⁴ O Cruzeiro, 27 June 1964, p. 138. Also, "Press Release", No. 23, Brazilian Embassy, Washington, D.C., 10 June 1964. The "moderation" undertaken by Castelo Branco probably contributed to Cardoso and Faletto's view that "the [Brazilian] state does not adopt, as an ideology, the authoritarianism which it practices." Dependency and Development in Latin America, trans. Marjorie Urquidí (Berkeley: Univ. of California Press, 1979), p. 207.

manifestations of the new authoritarianism would soon be corrected."²² Nevertheless, the influence of the *linha dura* also appears to have been strong at this point, as evidenced by the cassação of former president Juscelino Kubitschek,²³ a move that even Castelo Branco is thought to have opposed.²⁴ Hence, although Castelo Branco was able initially to remove both the more eccentric (and prominent) *linha dura* representatives (such as General Mourão Filho) and some of the traditional military "statesmen" (such as Gaspar Dutra) from political contention,²⁵ he relied upon "hard-liners" such as Francisco Campos, the architect of Vargas's authoritarian "Estado Novo", to draft his first "Institutional Act" overriding the constitution,²⁶ defending it as an "essentially revolutionary work to return the nation to juridical order, reestablish public order and ethics in the administration of the country."²⁷

²² Magalhães concluded an apology for his government's recent violation of human rights with the assurance that this "possible commission" of injustice would "be corrected in the style of the best Brazilian tradition, as happened after the revolution of 1930." ("Alguma injustiça, porventura praticada, será corrigida na forma da melhor tradição brasileira, como aconteceu depois da revolução de 1930.") "Declaração do Senhor Embaixador Juracy Magalhães, adendum to Boletim Informativo, No. 147, Brazilian Embassy, Washington, D.C. (31 July 1964), p. 2.

²³ Skidmore, Politics, p. 310. Cassação, it will be recalled, was the deprivation of all political rights for a period of ten years.

²⁴ Flynn, Brazil, pp. 328-329.

²⁵ Flynn, Brazil, p. 316.

²⁶ Skidmore, Politics, p. 308.

²⁷ "O Ato Institucional é obra essencialmente revolucionária para repor a nação na ordem jurídica, restabelecer a ordem pública e a ética na administração do País." Quoted in Folha de São Paulo, 26 August 1964, p. 3.

The First Institutional Act advised the Brazilian Congress in blunt terms of its loss of political power, and of the new political predominance of the military, although it also implied that political party competition would continue to be tolerated within certain limits. The election (and consequent crisis within the military) in 1965 resulted in the immediate abolition of all political parties and the establishment of a controlled and artificial two-party system. Two more Institutional Acts had been decreed by the end of the Castelo Branco administration, although the regime had limited its authoritarian activities and, in fact, top-ranking officers continued to assume that the military would soon be able to extricate itself from power.

One indication of the Castelo Branco regimes's strong commitment to the views of the ESG was the close correspondence between a variety of policies (e.g., rapprochement with the United States, establishment of the National Information Service, etc.) and the openly expressed

 "It remains, therefore, very clear that the revolution does not seek to legitimize itself through the Congress. It is [Congress] that receives this Institutional Act, resulting from the exercise of the Constituent Power, inherent in all revolutions, its legitimization." (Fica, assim, bem claro que a revolução não procura legitimar-se através do Congresso. Este é que recebe deste Ato Institucional resultante do exercício do Poder Constituinte, inerente a todas as revoluções, a sua legitimação.) "Ato Institucional No. 1 de 9 de Abril de 1964," Atos Institucionais; Atos Complementares; Leis Complementares, ed. Adriano Campanhole and Hilton Lôbo Campanhole (São Paulo, Brazil: Editora Atlas, 1971), p. 10.

Schmitter, "The 'Portugalization'", pp. 209-210.

Stepan, Military, p. 219.

policy preferences of the school. There was, in fact, open admission of the school's influence on the new government,¹⁰¹ and this is thought to have instilled in the regime a sense of moderation, although Flynn cautions that the ESG officers reflected a more heterogeneous range of opinion than is generally assumed, while nevertheless closing ranks squarely behind their presidential candidate.¹⁰² Stepan also underscores the importance of the school to the Castelo Branco government, pointing to the regime's core group of general officers with highly similar backgrounds, including the president himself, not to mention the prominence of civilian Roberto Campos, a former ESG lecturer in economics and now the chief architect of the regime's economic policy.¹⁰³

The relation has frequently been noted between the favorable views of the school vis-à-vis the United States, and the Castelo Branco regime's rapid restoration of friendly relations with that country. Although a number of close personal relations between ESG alumni and staff and United States military personnel existed,¹⁰⁴

¹⁰¹ Castelo Branco declared in a speech on May 15, 1964 that "the influence of the ESG in the movement has been great, not as a motivation of the troops but as a formulator of opinion among officers and civilians who took its courses and acquired there a broad view of Brazilian problems." ("...ter sido grande a influencia da Escola Superior de Guerra no movimento, não como motor de tropas mas como formadora de opinião entre oficiais e civis que fizeram seus cursos e ali tiveram uma visão ampla dos problemas brasileiros.") Quoted in Correio da Manhã (Rio de Janeiro), 16 May 1964, last page, first section.

¹⁰² Flynn, Brazil, p. 316.

¹⁰³ Stepan, Military, pp. 184-185, p. 239.

¹⁰⁴ The cordial ties of friendship between Col. Vernon

the strongest evidence for such a sharing of general views was the immediate and unqualified approval of the new regime, apparently for its general ideological orientation, that Washington willingly bestowed.''' Albert Fishlow notes that during the next several years pressure from the United States Agency for International Development and international finance institutions directly resulted in the modification of the economic policies of the Castelo Branco regime, e.g., those regarding price levels,''' further substantiation of the priority that was given to international (and especially United States) relations. The USAID mission in Brazil soon became the third largest in the world.'''

The political impact of the Castelo Branco dictatorship was particularly evident in the extent of the transformation of Brazilian public policy. Three of the most significant policy areas affected were wages, finance and the direction of state agencies.''' The last of these was codified in what Daland calls "the major formal act of administrative reform during the post-1964 regime,"''' Decree-Law 200 of 1965,

'''(cont'd)Walters, United States military attaché in Rio and former liaison officer with the Brazilian troops in World War II, and Castelo Branco (as well as with other members of the FEB) is a case in point:

''' President Johnson's telegram, the text of which is contained in the following source, offered President Mazzilli "warmest good wishes" and was received before Goulart had even fled the country. New York Times, 3 April 1964, p. 1.

''' Fishlow, "Reflections," p. 75.

''' Stepan, Military, p. 126.

''' Abranches, p. 123. The wages policy is discussed in the next section.

''' Daland, Exploring, p. 227.

which brought the Planning Ministry (under Roberto Campos) to the apex of the bureaucratic hierarchy and thereby advanced the twin military goals of planning and centralization.''' This effective replacement of political priorities with "technocratic" ones reflected, according to Flynn, views such as those of Roberto Campos, whose

emphasis on failure to control the political system, the degeneration of democracy into demagoguery, the consequent need for political re-education, guided by the military and, above all, the technocrats, so as to ensure the social discipline needed for the urgent business of growth, is technocratic thinking in its purest form. It is boldly and incorrigibly elitist, frank and unafraid, a succinct expression of a comprehensive ideology, or philosophy, of "development" and its requirements, and of how, in particular, political or social behavior which threatens this development must be controlled or curbed, however reluctantly, for the sake of the wider, rational development plan.'''

The key and universal political priority of both the military and the civilian technocrats, however, was stability.'' The numerous cassações of prominent politicians, some of whom had supported the intervention,

 '' Flynn, Brazil, p. 355. Subsequent military regimes would experience problems resulting from the rivalry between the Planning and Finance ministries, according to Daland, Exploring, p. 228. Abranches notes that the Planning Ministry would lose its hegemonic position to the Finance Ministry during the Médici regime, but would regain much of its former status as the Planning Secretariat after 1974. Abranches, p. 68.

'' Flynn, Brazil, pp. 331-332. Flynn regards Campos's views as an excellent representation of the moderate wing of ESG thought, although his emphasis on "maintaining popular communication" and converting planning into consensus building were considerably more "political", and hence less typically technocratic, than the norm. P. 332.

'' Flynn, Brazil, p. 332.

and the eventual alienation of even such "conservative" forces as the newspaper O Estado de São Paulo,¹¹³ underscored the government's unwillingness to concede even a modicum of influence to any of the traditional political factions, including those which had most strongly supported the golpe. In keeping with its proto-authoritarian character, however, the regime did not engage in a thoroughgoing purge of its occasionally critical brethren on the right, preferring in most cases rather to manipulate the most vocal and charismatic of them out of visible political positions.¹¹⁴

Castelo Branco was a native of the Brazilian Northeast.¹¹⁵ This factor does not appear appreciably to have influenced his regime's political and socio-economic impact on the region (as subsequent chapters will demonstrate), however, Albert O. Hirschman's thesis for predicting large government expenditures in the Northeast notwithstanding.¹¹⁶ However, in his first press conference

¹¹³ See, for example, the editorial of July 1964 directly criticizing the school for its inadequate training program. O Estado de São Paulo, 31 July 1964, p. 3.

¹¹⁴ Thus Castelo Branco is referred to by one observer as "the most 'civilian' of the Brazilian generals." Campbell, Brazil Struggles, pp. 51-52.

¹¹⁵ John W.F. Dulles, Castello Branco: The Making of a Brazilian President (College Station, Texas: Texas A & M Univ. Press, 1978), pp. 3-11.

¹¹⁶ The thesis, simply stated, is that the occurrence of a bad drought year during the incumbency of a Northeasterner in a key federal decision-making office (preferably that of the presidency) is the important precondition for significant government activity in the region. Hirschman, Journeys toward Progress; Studies of Economic Policy-Making in Latin America (New York: W.W. Norton and Company, 1973, 1963), p. 18.

as president in May 1964, Castelo Branco discussed the pressing need for development in the region and praised the Northeast Development Superintendency, SUDENE.¹⁷ Although he continued to insist upon strict national programs to control inflation and reform bureaucracy, he argued publicly that the extent of the problems of underdevelopment in the Northeast region merited at least partial exceptions to the severe budget reductions planned for other regions and sectors.¹⁸ At a meeting with SUDENE officials in late June of 1964, he stated unequivocally that the development of the Northeast was a federal priority, that agricultural reforms would soon be introduced, and alluded to the irrigation and electrification of the drought zone in the region.¹⁹ The government soon discovered that the oligarchic political machine of the region constituted a major base of its national support, however. The agricultural reform law that was enacted in November of that year, which would have undermined that base, thus lacked measures for enforcement, and ultimately had little effect on the region.²⁰ The following chapter will include a summary of the regime's development policies for the Northeast, many of which were characterized by similar shortfalls in commitment and effect. This was not unrelated to the economic and political crisis confronted by the Castelo Branco

¹⁷ Correio da Manhã (Rio de Janeiro), 16 May 1964, last page, first section.

¹⁸ Castelo Branco's speech is reprinted in Diário de Pernambuco (Recife), 7 June 1964, p. 1.

¹⁹ O Cruzeiro, 27 June 1964, p. 140.

²⁰ Campbell, Brazil Struggles, p. 71.

administration,"²¹ and the sweeping economic and political policies that were adopted in response. The character of the political dependence of Brazilian military regimes on the traditional oligarchic political machinery in the region was by no means a static one, however.

The Economic Dimensions of Proto-Authoritarianism. The economic program of the new proto-authoritarian regime differed from that of its predecessors primarily because of its enhanced political capacity for enforcing policies. The basic continuity of economic philosophy that it shared with the previous civilian administrations²² has been typical, according to Cardoso, of many of the subsequent military dictatorships in South America.²³

²¹ It bears repeating that this crisis was intensified by the pre-golpe conspiratorial activities, including economic sabotage.

²² Tyler notes that "while restructuring of political institutions following the 1964 military takeover was fundamental, the changes in economic policy were less dramatic. What changed was not so much the type of economic policies being advocated by policymakers and economists, but the ability to implement such policies. The main thrusts of these economic policy changes were (1) macroeconomic stabilization, in part consisting of the development of better macroeconomic policy instruments, (2) the better use of economic markets for the more efficient allocation of economic resources, and (3) similarly, the partial reorientation of economic policies so as to provide greater incentives to exports." Tyler, Brazilian, p. 4.

²³ Cardoso concludes that "when the two critical economic variables--inflation and capital formation--are controlled, it is difficult to argue that these bureaucratic-authoritarian regimes have adopted a significantly different set of wage or income distribution policies from those launched in Latin American societies by democratic regimes." Cardoso, "On the Characterization," p. 50. This observation does not necessarily weaken the case for a longitudinal analysis of post-1964 military authoritarianism, and may, in fact, indirectly support the

The government's success in implementing a macro-stabilization policy, in contrast with previous failures,²² suggests the utility of exploring its development policies in other areas, however. The largely civilian impetus for these macro-economic reforms, moreover, contrasted sharply with the military pressures for changes in the political system, including the dramatic moves toward executive centralization and executive hegemony that were formalized in the 1967 constitution.²³ The civilian policies depended directly upon the military policies, however. The immediate purpose to which this increased executive control was to be directed was the control of inflation through stabilization, a process that was engineered in its economic aspects by civilian economists Roberto Campos and Octavio Bulhões.²⁴ The focus of the military establishment on controlling the political system while relinquishing the overall direction of the macro-economic policy (which largely affected the interests

²²(cont'd) contention (implicit in the primary hypothesis) that authoritarianism is, if anything, counterproductive to the comprehensive process of national development.

²⁴ Fishlow describes Finance Minister Eugênio Gudin's similar (and unsuccessful) attempt to implement macro-economic stabilization in Brazil in the mid-1950s, as well as equally unsuccessful attempts in the late 1950s and early 1960s. Fishlow, "Reflections," pp. 70-71.

²³ Which, according to Soares, simply codified the de facto condition: "the legislature lost the right to make laws that regulated financial matters, created offices, duties, or jobs, raised salaries, in any way increased public expenditures, changed the composition of the armed forces, or made any changes in the administration of the federal district or of the territories." Soares, "Military Authoritarianism," p. 115.

²⁴ Fishlow, "Reflections," p. 71.

of the Center-South regions) to the direction of the civilian "technocrats" is extremely significant, however, and will figure prominently in the the following chapters. Among other things, it underscores the need to look beyond such macro-economic development priorities in assessing the interrelation of military authoritarianism and development, and to focus upon areas more reflective of direct military concern, e.g., the development of Brazilian regions which are regarded as underdeveloped within the national context.

The post-1964 stabilization policy, which was (again, indirectly) both the product and instrument of heightened military authoritarianism and the absence of political compromise associated with electoral politics, was carried out at the expense of other development priorities, even by the accounts of sympathetic observers.²⁷ Stabilization, formalized in the Economic Action Program, or PAEG, included a number of "orthodox" economic policies, the most prominent of which were strict controls on wage and salary increases.²⁸

²⁷ Mário Henrique Simonsen, Minister of Finance during the Geisel Administrations (in the 1970s), argued in a 1971 lecture at the ESG that the post-1964 government was attempting simultaneously to control inflation and encourage development. The short-run (but not long-run) conflict between these two objectives required a period of transition in which the battle against inflation predominated. Hence, he argued, growth rates suffered, with only 2.9% in 1964, 2.7% in 1965, 5.1% in 1966 and 4.8% in 1967. Simonsen, Aspectos de Estrutura Brasileira; Estrutura Econômica, Conferência na ESG, 2 July 1971 (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 10.

²⁸ The average wage of a worker in São Paulo who received all legal raises fell 31.5 percent between 1964 and 1969. The actual average (representing all workers--including those who were unemployed during the period and those who

price controls, the sweeping reform of tax assessment and collection (with respect to both individuals and corporations), severe curtailments in the limited social welfare programs and major budgetary cuts in numerous other programs.''' The stabilization program was directly dependent upon the climate fostered by authoritarianism: traditional Brazilian electoral politics had become a hindrance to the rapid "wage compression" that was at the core of stabilization policies.'''

Despite the frequent references to the economic "orthodoxy" of the post-1964 stabilization program, however, Fishlow argues that it was based upon inadequate economic analysis and was inconsistently implemented. He concludes that its favorable economic after-effects stemmed in large measure from the remnants of the traditional political

'' (cont'd) did not receive raises), however, was 46 percent. Michael Wallerstein, "The Collapse of Democracy in Brazil: Its Economic Determinants," LARR, 15, No. 3 (1980), p. 14. ''' Campbell, pp. 63-65. Fishlow describes the wage policy in which peak-to-peak adjustments for inflation (designed to recover peak real income at the time of the last adjustment) were replaced with adjustments based on average real wages for the previous two years, and an intentionally underestimated future inflation rate. This resulted in the considerable (as much as 20 percent) loss in real wages over a relatively short time frame for many workers, and was effected just after the generous upward adjustment of military (120 percent) and civil employees' (100 percent) salaries in 1964. Fishlow, "Reflections," pp. 85-86. Controls on prices were considerably less strictly enforced than those on wages, resulting in what Campbell refers to as "an appreciable loss in the purchasing power of the wage-earners." Campbell, p. 65. ''' Fishlow, "Reflections," p. 96. Hewlett notes, moreover, in terms reminiscent of the arguments of Cardoso, that stabilization "was an essential prerequisite for a new cycle of capitalist growth within the Brazilian domestic economy." Hewlett, p. 45. The massive reform of the tax program was perhaps the clearest example of this.

process which encouraged a major change in economic strategy in 1967. He adds, moreover, that "the cost of the stabilization program was borne by those least able to afford it. To call such a program fully successful is a semantic confusion at the least."¹¹ In fact, the pronounced detrimental effects that were experienced by certain sectors of the economy, particularly after 1966,¹² should be viewed in light of the relatively diminishing returns that the program yielded after 1966. Fishlow argues that the government intransigence in the face of such counterproductivity implies the predominance of an alternative motive for the policy: the thorough implementation in Brazil of a "free market" system.¹³ Campos's commitment to an "aggressive exports policy",¹⁴ moreover, may also have run counter to the short-term goals of stabilization. In any event, the development pattern

¹¹ Fishlow, "Reflections," p. 70. Hewlett notes that Brazilian business, particularly small, Brazilian-owned companies, likewise suffered, usually to the benefit of multinational corporations. Hewlett, p. 74. By 1966 inflation had been cut back to half the 1963 rate, while growth in the real product had tripled (Fishlow, p. 71), although it should be emphasized that the 1963 figures were exceptionally distorted, representing an economy in crisis.

¹² The reduction in real wages, the majority of which had represented subsistence earnings before 1964, had reached 25 percent by 1967. Hewlett, p. 73.

¹³ Fishlow contends that "...during the Castello Branco period, the principal aim was not stabilization; it was making market capitalism work." Fishlow, "Reflections," p. 80.

¹⁴ Campos said in a speech in late 1964 that "efforts at economic development cannot...be dissociated from an aggressive exports policy especially for industrialized products." ("O esforço de desenvolvimento econômico não pode...ser dissociado de uma política agressiva de exportações sobretudo de produtos industriais.") Quoted in O Estado de São Paulo, 20 September 1964.

that emerged from the inconsistent stabilization policies tended increasingly to sacrifice distribution for growth,¹³⁵ which proved itself, ironically, to be an illusory goal during the Castelo Branco period.

The economic dimensions of proto-authoritarianism in the Castelo Branco regime were generally overshadowed by the political implications of the pervasive transformations of public policy. The short-term sacrifice of economic development in the interests of "stabilizing" the economy, while it may well have contributed to the impressive growth experienced during the subsequent "economic miracle",¹³⁶ brought with it the more encompassing effect of establishing a pattern of development which has been associated with the increasingly regressive income distribution in Brazil.¹³⁷ This was to be the primary legacy of the Castelo Branco regime to the economic development of Brazil.

Military Opposition to the ESG. The pervasive influence of the ideology and political figures associated with the Escola Superior de Guerra on the first Brazilian military government after the golpe of 1964 is widely documented. In

¹³⁵ Flynn, Brazil, p. 324. Fishlow notes that "the ratio of profits to average rates [of increases in wages] and salaries in the urban sector rose noticeably between 1960 and 1968; thereafter, while improving, it did not regain its 1960 value." Fishlow, "Reflections," p. 93.

¹³⁶ There is, however, little evidence that directly substantiates this. Werner Baer does note that the Castelo Branco period helped to prevent the distortions in the subsequent "boom" such as had occurred in a similar economic upswing in the 1950s. Baer, Brazilian Economy, p. 108.

¹³⁷ Baer, Brazilian Economy, p. 104.

TABLE 3.5

Changes in Brazilian Income Distribution

	1960	1970
Lowest 40%	11.2	9.0
Next 40%	34.3	27.8
Next 15%	27.0	27.0
Top 5%	27.4	36.3

Source: Baer, Brazilian Economy, p. 101

one of his last formal presidential addresses, Castelo Branco attributed the form and content of the laws, institutions and institutions that had been reformed and drafted by his regime to the ideology of the school.''' Moreover, as already noted, the "core group" of generals at the apex of power shared an unusually cohesive set of military experiences, including close association with the school.''' The open enthusiasm of the school's staff regarding foreign economic involvement in the economy related, in turn, to its commitment to the perceived values of, and the maintenance of friendly ties with, the United States. This was problematic for the regime, however, in that it implied the acceptance of a political culture that supported the view that the political process should be maintained in civilian hands (or returned to them as soon as "stability" was ensured), a position that, coupled with the issues of foreign involvement, guaranteed the emergence of opposition from within the officer corps.'''

''' Stepan, Military, pp. 246-247.

''' Stepan, Military, p. 238.

''' Flynn observes that "among the issues which had divided the armed forces throughout the post-war period the two most

That opposition, as indicated in the last section, consisted mostly of what were called the linha dura, or "hard line", officers.

The linha dura represented a considerably less stable and less articulate association than did the group linked with the ESG, and according to Stepan it was subject to significant changes over time in composition and political analysis, based primarily upon the changing political conditions.''' The tendency, representative of a large group of officers not associated with the ESG or the FEB,''' was originally thought to be personified in the figure of General Artur da Costa e Silva, and was characterized by its sensitivity to the views of junior officers and, perhaps more important, its reaction to the "liberal" policies of the Castelo Branco government.''' Resentment of the Castelo Branco regime also derived, however, from the failure of certain key officers of the linha dura to be appointed to prominent government positions.'''

''(cont'd) important, and now the most relevant by 1967, were, in the economic sphere, the degree and manner of foreign participation in the economy and, in national politics, the legitimate role of the armed forces, both to intervene at a time of crisis and to retain power for as long as they judged necessary." Flynn, Brazil, p. 372 A similar observation is made by Schneider, p. 164.

'' Stepan, Military, p. 250. Stepan prefers the label "authoritarian nationalists" to "hard line".

'' The only school considered representative of the views of the linha dura was the Escola de Aperfeiçoamento de Oficiais (ESAO), or Officers' Finishing School, in Rio de Janeiro. Stepan, Military, p. 250.

'' Stepan, Military, p. 250. Flynn, Brazil, p. 371. Flynn cites the resentment engendered in the early period of the Castelo Branco government by the concession of iron ore contracts to private United States capital, for example.

'' This is especially true of General Olympio Mourão Filho,

The presence of the linha dura opposition could no longer be concealed when, during the "Crisis of 1965", the electoral victories of candidates associated with populist politicians such as Juscelino Kubitschek (coupled with the electoral defeat of civilian politicians associated with the linha dura)'' resulted in the "golpe branco", or "white coup", the open resistance to the liberalization of the military dictatorship by a broad spectrum of junior, and some senior officers. The crisis was mediated by General Costa e Silva, and resulted in the promulgation of the Second Institutional Act, which severely curtailed political activity and augmented executive control.''' The crisis revealed the importance of several senior officers, such as General Afonso de Albuquerque Lima, who would play a leading role in the following government. The primary effect of the crisis was the redirection of Castelo Branco's "liberal period" of government,''' although his reluctance to make

'' (cont'd) who publicly attacked the ESG and its influence on the government, and General Justino Alves Bastos, the self-acclaimed "hardest" of the hard line, who controlled the Northeast between 1964 and 1966 by virtue of his position as commander of the Fourth Army, but who failed to win appointment to major government positions.

'' Particularly those associated with the former governor of Guanabara, Carlos Lacerda.

'' Schneider, pp. 169-172. The act suspended the existing political parties (providing in their place two official ones), and granted the president the power to suspend Congress, to issue new "complementary acts" and to declare new cassações; it increased the number of Supreme Court justices and provided for the indirect election of the president by Congress. Schneider, p. 172. Flynn contends that the act was not an unambiguous victory for the linha dura, and in fact even corresponded in some respects (such as the creation of two artificial parties) with the thinking of the ESG. Flynn, Brazil, p. 340.

'' Flynn, Brazil, p. 339.

use of the new instruments of authoritarianism at his disposal modified their immediate effects,⁴⁴ and hence maintained the proto-authoritarian character of his presidency. A secondary effect, although one that would prove to be equally significant in the long run, was the further entrenchment of the presidential candidacy of General Costa e Silva.

Costa e Silva's pivotal role as mediator with the *linha dura* in 1965 had been facilitated by his initial opposition to Castelo Branco's appointment as president, and his own image as one of the "non-intellectual, non-ESG, hard-line officers, who shared few of the orientations of the [incumbent] core group...."⁴⁵ In the first months after the *golpe*, he had assured Congress that the military would "keep their weapons in their hands to ensure that the aims of the revolution prevail."⁴⁶ By the 1965 crisis, it was widely assumed that he could have successfully led his own *golpe* against the ESG faction. Stepan notes that the peaceful resolution of the crisis, which virtually guaranteed Costa e Silva's presidential succession, was probably a crucial factor in preventing such a *golpe*.⁴⁷

The proto-authoritarianism of the Castelo Branco regime was a crucial first step in the subsequent emergence of overt authoritarianism in Brazil. The virtual elimination of an elite political class through cassações and forced

⁴⁴ Flynn, Brazil, p. 340.

⁴⁵ Stepan, Military, p. 254.

⁴⁶ Quoted in The Economist, 30 May 1964, p. 936.

⁴⁷ Stepan, Military, pp. 256-257.

retirement,⁵² and the establishment of the institutions, if not the spirit, of authoritarian government prepared the system for the fundamental change that would come. In a serious qualification to this steady slide into overt authoritarianism, however, the appointment by Castelo Branco of a full complement of senior officers⁵³ ensured that the ESG would continue to influence the politics and ideology of the dictatorship in Brazil. Another important political legacy of the Castelo Branco administration was the significant shift in dominant class composition in which, according to Abranches, "the social expression of modern industrial capitalism would occupy the center of the class alliance, while the military would maintain their hegemonic position in the organization of political direction."⁵⁴

Flynn observes that by the end of the Castelo Branco administration a centralized authoritarian state had emerged, one that was "largely controlled by the armed forces leaders and técnicos, linked to a bureaucracy firmly

⁵² Soares notes that by January 1978, 4,877 Brazilians had "lost their jobs, had been forced to retire, or had lost their mandates. In addition, 263 students lost their right to study for three years...." Soares, "Military", pp. 114-115.

⁵³ Flynn notes that the large contingent of senior officer appointments (including seven full generals) that Castelo Branco was able to make after October 1966 followed changes in the retirement regulations that he had introduced. Flynn concludes that "this adroit move...as well as emphasizing the extent of the divisions within the officer corps, protected and strengthened his own following and helped to shape military politics for some years to come." Flynn, Brazil, p. 381.

⁵⁴ Abranches, p. 115. Abranches adds that "conservative groups that were instrumental in triggering the military takeover were gradually displaced to the periphery of the power center." Abranches, p. 116.

committed to supporting the new state machine, the workings of which were increasingly free from public scrutiny or critique, and from popular pressures expressed through Congress, organized labour, the media, or even the ballot box."⁵⁵ The transformation of the state structure, the vital prerequisite for a more thoroughgoing authoritarianism, was to be hindered to some extent by the process of presidential succession, however. The selection of Costa e Silva as president immediately disturbed the aura (however undeserved) of rational and calm authoritarian development that had been a primary goal of the Castelo Branco presidency."⁵⁶

F. The Costa e Silva Presidency

The Politics of Dysfunctional Authoritarianism. The Costa e Silva regime, which by the end of its two-year tenure (in 1969) was characterized as "an authoritarian regime without authority,"⁵⁷ aspired from the first to the goal of "humanizing" the "revolution" of 1964,⁵⁸ in striking contrast to Costa e Silva's previously authoritarian image. The new president did not, in fact, represent the linha dura, but rather, according to Stepan, performed the crucial

⁵⁵ Flynn, Brazil, p. 357.

⁵⁶ Flynn, Brazil, p. 356.

⁵⁷ Schneider, p. 281.

⁵⁸ Schneider, p. 203.

function of mediating between its most polarized positions and that of the "liberal internationalism" espoused by the Castelo Branco regime.''' It is likely that the advent of Costa e Silva's unexpectedly moderate approach within the context of his hard line coalition'' contributed significantly to the subsequent shift of the regime to a more explicitly authoritarian position after 1968.

The extent of the movement within the military hierarchy away from the ideology and policies of the Castelo Branco government, insofar as it relates to the question of periodization of the post-1964 military dictatorship, requires emphasis: Stepan observes that the key members of the Costa e Silva government, such as General Jaime Portella (chief of the president's military household and

'' Stepan adds that Costa e Silva's "rise to power involved a break with the first government, and the tone of his government ('humanism' as opposed to 'austerity', 'nationalism' as opposed to 'internationalism') emphasized precisely those points deemphasized by the Castello Branco government. The tensions between the two governments reflected tensions and disagreements in the officer corps at large." Stepan, Military, p. 252.

'' Flynn describes the coalition as reflecting authoritarianism and nationalism, but also as evincing a reformist element: "evidence of the reformist demands was still relatively slight, but it was there, reflecting the dislike of political corruption, manipulation, and control through wealth derived from large landholdings or from big business, similar to that seen in the tenentes' formulations." Flynn, Brazil, p. 377. Emphasis in the original. Rizzo de Oliveira observes, however, that during the Costa e Silva presidency, "it is interesting to note that the state, at the same time that it proposed the defense of the economic interests of the 'less favored' classes, increasingly repressed the expression of political movements linked to them." ("...é interessante notar que o Estado, ao mesmo tempo que se propõe a defesa dos interesses econômicos das classes 'menos favorecidas', reprime paulatinamente a expressão dos movimentos políticos vinculados a elas.") Rizzo de Oliveira, p. 83.

Secretary-General of the National Security Council), General Emilio Garrastazú Médici (director of the National Information Service), General Sizeno Sarmento (commander of the First Army in Rio de Janeiro), and General Afonso Albuquerque Lima (Minister of the Interior) "owed their positions within the second government to the fact that they symbolically and actually represented the opposite of the ideas and career patterns of the original core group of officers in the 1964-1967 government."¹¹ He notes that the officers excluded from the Castelo Branco government had, in fact, "voted a new look into office in the second government of the revolution...."¹² The major technocratic transformation that was introduced through the replacement of Roberto Campos with Antônio Delfim Neto, who was to become the principal economic architect of the Médici presidency, was likewise representative of a significant and long-range realignment. This modification of the previous orientations was not unrelated to the depressed economic conditions that had resulted at least in part from the program of stabilization. At the end of the Castelo Branco period, according to Fishlow, declines in industrial outputs and increasingly heavy government borrowing overshadowed the rapidly decreasing inflation rate which, moreover, was expected by many observers to be on the point of rising once again.¹³ The formal abandonment of Castelo Branco's Ten

¹¹ Stepan, Military, pp. 249-250.

¹² Stepan, Military, p. 249.

¹³ Fishlow, "Reflections," p. 72.

Year Economic and Social Development Plan, drawn up at great cost and effort by the outgoing regime," " signalled an end to the economic orthodoxy that had been directed by Roberto Campos. This change met with strong resistance from powerful foreign finance institutions." " On a symbolic level, the failure of the government to provide a single official to greet Castelo Branco on his return from his post-presidential trip to Europe encapsulated the profundity of the transformation." " "

Two of the most prominent changes introduced by the Costa e Silva presidency were the rapid departure from the "economic orthodoxy" of the Castelo Branco regime and an increased attention to nationalism as a positive policy criterion. The new government reacted to the economic recession that had deepened by 1967 by formulating a substantial shift in policy, including increasing the government deficit, expanding credit to private corporations, augmenting the money supply and tying minimum wage increases more closely to increases in cost-of-living rates. Immediate economic benefits accrued." " "

" " Flynn, Brazil, pp. 355-357. Flynn notes that the plan was designed with the help of foreign economic consultants, including a team from the United States.

" " Including the delay of loans and the requirement of extensive negotiations by AIB to assure officials that ramifications of the stabilization program would be retained. Fishlow, "Some Reflections," pp. 83-84.

" " Rizzo de Oliveira, p. 85. He adds, however, that followers of Castelo Branco, in keeping with a pattern that would continue in the 1970s, remained in subordinate--though frequently important--posts in the government. Pp. 85-86.

" " According to Fishlow, following these policy changes "the economy experienced sustained recovery accompanied by modestly reduced rates of inflation." Fishlow,

Increasing nationalism, particularly in the economic sphere,''' was related to generally deteriorating relations with the United States, which was reflected in Brazil's withdrawal of support from the Inter-American Peacekeeping Force and the Nuclear Test-Ban Treaty.''' Thus in comparing the two regimes, Flynn does note a great degree of continuity, although he is also impressed with the existence of the "surprising degree of discontinuity, uncertainty, and tension."'''

Brazilian analysts, as noted in the first chapter, tend to emphasize the continuity between the various post-1964 military regimes. It is in this context that Octavio Ianni argues that

the Costa e Silva government sometimes repeated expressions related to the ideas of "self-sustained" development, of "valorization of the Brazilian man" and of "humanization of the revolution". With this it sought to distinguish itself from the previous government. In practice, however, this government corresponded with the continuity of directives formulated by the same political and economic forces that had come to control power in 1964.'''

'''(cont'd)"Reflections," pp. 72-73. Stepan notes that the breadth of the policy changes prompted Roberto Campos to criticize the Costa e Silva government regularly in newspaper editorials. Stepan, Military, p. 235.

'''' One area in which the policies of the two governments contrasted was that of the acceptability of foreign capital in the Brazilian development process. According to Stepan, the Costa e Silva government preferred increased exports and domestic financing of development projects to the massive infusions of foreign capital that had been solicited by the Castelo Branco government. Stepan, Military, p. 236.

'''' Stepan, Military, p. 236.

'''' Flynn, Brazil, p. 379.

'''' "...o Governo Costa e Silva repetiu algumas vezes expressões relacionadas com as idéias de desenvolvimento 'auto-sustentável', de 'valorização do homem brasileiro' e de 'humanização da revolução'. Com isso procurava

There was in fact a considerable degree of continuity across the first three post-1964 military regimes, although it is necessary to specify the analytical level to which this judgement is directed. In this context, Fishlow does not necessarily contradict Ianni when he observes that the Costa e Silva government had "embarked on an almost full reversal of earlier [economic] policies."⁷¹ Flynn explains, in direct reference to Fishlow's contention, the analytical level on which significant inter-regime continuity could still be said to exist while accepting the validity of Fishlow's analysis: such shifts in economic policies (for example) represented mere changes in "tactics within a wider strategy that remained markedly consistent."⁷²

It may be useful to reaffirm at this juncture that the central foci of this thesis, the variable (and varying) policies of authoritarianism and development in Brazil, basically represent the readily changable tactics of government, and not the more pervasive and long-term

⁷¹ (cont'd) distinguir-se do governo anterior. Na prática, entretanto, esse governo correspondeu à continuidade das diretrizes formuladas pelas mesmas forças políticas e econômicas que haviam passado a controlar o poder em 1964." Ianni, Estado e Planejamento Econômico do Brasil (1930-1970), 3a. Edição (Rio de Janeiro, Brazil: Editora Civilização Brasileira, 1979), p. 240.

⁷² Fishlow, "Reflections," p. 72.

⁷³ Flynn, Brazil, pp. 384-385. He notes at another juncture that "with foreign capital, albeit mainly loan capital, financing so much of Brazil's development, there was a consistent need for every government, whether or not it contained a high proportion of nationalist critics of earlier policy, to avoid alarming or offending creditors abroad." p. 396.

character of the system. As Flynn notes, "there is an essential continuity throughout the Estado Nôvo to 1945, the period of 'bourgeois democracy' to 1964, and the military-led authoritarianism of subsequent years."¹⁴ It is argued herein that development--in this tactical sense (that is, in this work, as evinced in variable federal expenditures in the Northeast and the climate of change that they have engendered)--is negatively correlated with relative levels of authoritarianism, which likewise can be compared across post-1964 regimes.

The characterization of the Costa e Silva regime as one of dysfunctional authoritarianism underscores the variability of presidential performance in post-1964 Brazil. Transformations in the ideological framework of Brazilian military authoritarianism, particularly insofar as they correspond with presidential regimes,¹⁵ is further substantiation of the potential of change across presidential regimes after 1964. Major changes occurred after 1967, including the strengthening of the National Security Council,¹⁶

¹⁴ Hence he concludes that "the twenty years of formally democratic, multiparty politics were, in one sense, only a variation of the norm of authoritarian control which predated and followed it...." Flynn, Brazil, p. 60.

¹⁵ Schneider notes the shift in the ESG ideology, in the second half of 1968, toward a more nationalist (although still technocratic) position. "The idée fixe of the inevitability of a Third World War was substantially softened if not abandoned. In its place there began to emerge a concept of Brazil's shared interests with other developing nations, particularly in the area of trade and atomic energy." Schneider, pp. 256-257.

¹⁶ Which included a reorganization of the agency, placing most government planning under its aegis. Rizzo de

and the significant deterioration of Church-state relations, as more of the clergy adopted a critical view of the continuation of authoritarianism.''' Explosive tensions remained within the officer corps, and the "internationalist" versus "nationalist" antagonisms remained unresolved.''' The Costa e Silva regime was pushed ineluctably toward crisis, the inevitable result of the ambiguity of dysfunctional authoritarianism.'''

Crisis in 1968: The Denouement of Dysfunctional

Authoritarianism. The catalyst of the crisis of 1968 was the dramatic growth of student resistance to the regime based on the unfulfilled demands for basic social reforms, and Flynn observes (contrary to the arguments of the linha dura at the time) that it is doubtful that there was a concerted and cohesive program of student opposition.''' The increasing opposition to the regime culminated on December 12, 1968, when Congress refused to rescind the immunity of a member of the Chamber of Deputies, Márcio Moreira Alves, who had become a harsh and vocal critic of the military

'' (cont'd) Oliveira, pp. 92-93.

'' Stepan, Military, pp. 258-259. Flynn, Brazil, p. 406.

'' Flynn, Brazil, p. 384.

'' E. Bradford Burns characterizes the regime as the failure of presidential leadership, with a loss of support for Costa e Silva from virtually the entire political spectrum. Burns, History, p. 377.

'' Flynn, Brazil, p. 403. He adds that the student unrest had become the most prominent national political issue by 1968, and that the militant students were thought by the government to be part of an extensive subversive network. Brazil, p. 402.

dictatorship.''' On Friday, December 13, 1968, The military establishment compelled Costa e Silva to decree Institutional Act Number 5, which centralized the executive'''' and formalized what was in effect a new and pervasive military golpe. In the following months a dozen new institutional acts were decreed by the military authorities, underscoring what Flynn calls "the inadequacy, or essential irrelevance, of the civilian base of the regime...."'''' This is another aspect of the central consideration mentioned above: the priority of military objectives, particularly during the authoritarian Médici regime that was to follow, tended to complicate (if not render "irrelevant") those sectors of policy making that were dominated by civilian technocrats and that directed themselves toward elite civilian interests. In decreeing Institutional Act No. 5, Costa e Silva was admitting, according to Stepan, that "even a highly sanitized and

'''' A journalist, Alves's exposés of the mistreatment and torture of political prisoners were thought by many officers to have constituted an insult to the military, if not a flagrant violation of national security.

'''' The act gave the president the powers to: close Congress, legislate in its recess, intervene in state and municipal affairs, suspend the political rights of citizens for ten year periods (federal legislators thus removed would not be replaced), cancel writs of habeas corpus, declare a state of siege (and determine its length), confiscate all property of those deemed by him to have enriched themselves in the public service, issue subsequent "complementary acts" and exclude individuals from the judicial process.

Campanhole and Campanhole, Atos Institucionais, pp. 27-31.

'''' Flynn observes that it was consistently demonstrated that the regime had no popular basis, and it was this fact that ultimately motivated the authoritarian measures of 1968 and 1969. Flynn, Brazil, p. 424.

controlled Congress was not able to give the military the support it needed in order to govern, because the political base had deserted the revolution."***

A political characterization of the augmented, or overt, authoritarianism that emerged in Brazil after the crisis of December 1968, and which was to become the hallmark of the Médici government, should include the mention of at least two factors: the hegemonic position of the chief executive, and the further centralization of the hierarchy of federal authority. The importance of the former factor can be substantiated with reference to a longitudinal survey of the bills approved by Congress. According to Soares, before 1964 most bills in this category originated with members of the legislature, while after the 1964 intervention the bills originating in the executive constituted the majority of those approved by the Congress. Nevertheless, "the great watershed was the AI-5, whose effects were fully felt in 1971,"*** as Table 3.6 illustrates. Moves toward the centralization of federal power, regarding which Rizzo de Oliveira defines the decisive point as coming just after the introduction of

*** Stepan, Military, p. 261.

*** Soares notes that by 1971 about 50% of the bills voted on by the Brazilian Congress had been introduced after the promulgation of the Institutional Act Number 5 (AI-5), and "a definite redistribution of functions was established: three-fourths to four-fifths of the bills were of executive origin...." Soares, "Military Authoritarianism," pp. 116-117. Rizzo de Oliveira calls AI-5 an "obligatory reference" ("uma referência obrigatória") in the political analysis of post-1964 Brazil. Rizzo de Oliveira, p. 100.

TABLE 3.6

Percent of Bills Approved by Congress,
by Origin, Selected Years

Year	Legislative	Executive	Total
1960	66	34	100
1963	58	42	100
1967	40	60	100
1968	52	48	100
1970	42	58	100
1971	27	73	100
1972	28	72	100
1973	28	72	100
1974	20	80	100

Source: Soares, "Military Authoritarianism, p. 114

AI-5," followed from, and attempted to deal with, the growing disunity within the officer corps by 1968."

A characterization of the effects of the AI-5 on Brazilian society, one which will be further elaborated in the discussion of the Médici presidency in Chapter 5, generally includes its causal relation with the proliferation of state-sponsored terror, particularly the arbitrary and random use of torture as an interrogation (and disciplinary) technique, and the subsequent--and shortlived--outburst of urban guerrilla violence." The

" He notes that the most significant feature of the "legislation" was that it did not have an expiration date. Rizzo de Oliveira, p. 99.

" Flynn, Brazil, pp. 424-425.

" A number of political analysts have agreed with the observation, plainly stated in Flynn's work, that torture antedated, and, by implication, contributed to the brief period of urban guerrilla violence in Brazil in the late-1960s and early-1970s. Flynn, Brazil, p. 437. Alves notes in this regard that "students groups would have probably run out of energy and followers had it not been for a police provocation." Alves, p. 125. See, also, Schneider, p. 293.

spread of state-sponsored terrorism'' commonly associated with military authoritarianism in Latin America was initially delayed in post-1964 Brazil because of the express disapproval of (and effective inquiry by) Castelo Branco after its first tentative appearance immediately following the intervention.''' During the early period of the Costa e Silva presidency this policy was retained, and it was not abandoned until the adoption of AI-5 and the complementary National Security Law of March 1969.''' A Chinese-Brazilian journalist's account of this period of heightened repression, epitomized in the pervasive program of arrest, torture and disappearance known as "Operação Bandeirantes", suggests that its ideological basis was established in the ESG's Doctrine of National Security,''' although after 1969 it became so widespread as to be used even in the investigation of minor offenses of military and police officers themselves, some of whom ironically were former

'' The use of the term "terrorism" derives in part from the number of conversations that the author has had with young Brazilians, representative of both the relatively small group that experienced arbitrary arrest and torture, and the vastly larger group that did not. Members of both groups tend to stress the random pattern of police activity, however, the purpose of which appears (in most cases) to have been the terrorization of the generation most likely to resist increasing authoritarianism.

'' Alves, pp. 87-88.

'' Flynn, Brazil, p.424.

'' "A base jurídico-filosófica para justificar qualquer ato, tornando lícito o que é intrinsecamente ilícito, foi desenvolvida durante três anos de prolongados debates na Escola Superior de Guerra (ESG) e encontrava-se já cristalizada em meados de 1968, um ano antes da criação, em São Paulo, da 'Operação Bandeirantes'." Fon, Tortura, p. 27.

torturers.''' The profound changes in this aspect of authoritarianism in the Brazilian system is apparent in a brief reference to a citation from John Johnson's pre-1964 work: "by Latin American standards, [the Brazilian armed forces] have been remarkable for their reluctance to use terror and bloodshed in pursuit of their objectives."'' By 1969 that reluctance had apparently been overcome.

The last months of Costa e Silva's term have been described as an "indirect-continuous" regime,''' although they were characterized by the rapid adoption of an overtly authoritarian system. While the "hard line" faction cannot be described as having gained a hegemonic political status, perhaps due in part to the divisions within its own ranks, the effects of its increased demands for increased authoritarianism became manifestly evident,''' particularly

'' Fon, p. 49.

'' Johnson, Military, p. 9.

'' According to Finer, this expression "characterizes the Brazilian regime from December 1968 to November 1969, during which period the military--far from respecting the Congress it had half handpicked, or the new constitution it had drafted--reacted in the person of its handpicked president (Costa e Silva) to dissolve Congress and restrict civil liberties; and then, in late 1969, when the President suffered a stroke, set aside the constitutional provisions for replacing him, promulgated a new procedure by decree, nominated its own candidates, and having reconvened Congress, got it to invest them as President and Vice-President...." S.E. Finer, "The Man on Horseback--1974," Armed Forces and Society, 1, No. 1 (November 1974), p. 9.

'' Skidmore observed in 1973 that "because the hard-liners have never emerged into the public arena to defend their ideas, their power can only be assessed by looking at the policies they have forced upon successive governments. And the tightening authoritarian rule is eloquent testimony to that power." Skidmore, "Politics and Economic Policy Making," p. 17.

during the Médici presidency. Costa e Silva's stroke, and the succession crisis that followed it, only intensified the pressures for increased authoritarianism. The choice in 1969 of General Emílio Garrastazú Médici as Brazil's third military president after the 1964 intervention represented the formalization of the move toward overt authoritarianism that had been in process since the early 1960s.

G. Conclusion

The advent of direct military intervention in the government of Brazil has introduced questions that suggest the value of longitudinal and comparative analysis. First, do variations between military authoritarian regimes provide for the comparison of key aspects of military authoritarianism? In short, is it possible to compare discrete periods of military rule after 1964? Second, if such comparative periods can be said to exist, can they be said to reflect the influence of a cohesive ideological basis? Third, what is the pattern by which overt military authoritarianism emerged in Brazil?

The primary purpose of this chapter has been to outline some of the prominent political ramifications of the advent of military authoritarianism in twentieth-century Brazil, with particular reference to several major and interrelated themes. One of these is the emergence by 1964 of a relatively articulate and cohesive military ideology, as modified and taught by the Escola Superior de Guerra in Rio

de Janeiro. Another crucial theme of the early period of military intervention is the rapid coalescing of an opposition, the *linha dura*, to the predominant school of thought, and its influence in the transformations of public policy evident in the second and third military regimes. This point, in turn, underscores the validity of analyzing the different presidential periods after 1964, with special attention to the variability of authoritarianism as a tactic of military government. The importance of national and regional development to the military interventors constitutes another central theme of this chapter, and implicitly interrelates with the character of Brazilian military authoritarianism on a variety of levels," as the following chapters will argue.

The spread of the ideology associated with the ESG did not cease with the end of Castelo Branco's proto-authoritarian presidency. The promotion of a significant complement of sympathetic senior officers at the end of the presidential term, and the continued spread of the Doctrine of National Security throughout the officer corps,"

" E.g., Hewlett notes that "inflation was the major economic catalyst of the 1964 military coup, and in the recent period, stabilization policies have been directly responsible for increased inequality and heightened repression." Hewlett, p. 12.

" Schneider notes that "during the Castelo Branco administration, there still existed a substantial number of officers never systematically exposed to the Sorbonnist doctrine as elaborated at the ESG. With the passage of time, however, this 'gap' is being reduced. In addition to the fact that many of the colonels of 1964-1967 have since reached sufficient rank and seniority to attend the War

guaranteed that military authoritarianism in Brazil would maintain an ideological character in the decades to come. The dysfunctional authoritarian presidency of Costa e Silva did not seriously challenge the basis of this ideology, in part because of its own lack of ideological definition, although there was a significant alteration in this pattern based on the mounting pressures exerted by the *linha dura*, and this intensified its emphases on authoritarianism and development. This is particularly evident after 1969, when the Médici government established the policy basis of overt authoritarianism in Brazil.

The following chapter will explore the issue of Northeast Brazilian development with a view to situating it both in the national political arena and, of more significance for this work, to emphasizing its importance in the context of the predominant Brazilian military ideology of the 1960s and the 1970s.

"(cont'd) College, the National Security doctrine is also being taught at lower levels in the Armed Forces hierarchy." Schneider, p. 251.

IV. DEVELOPMENT IN THE NORTHEAST

A. The Background to the Problem

Introduction. The chronic and pervasive poverty of Northeast Brazil can be regarded in some respects as a condition akin to Kuhn's "crisis-provoking problem,"¹ a persistent and apparently insoluble situation that has resisted repeated and varied development techniques based upon the evolving scientific paradigms.² As Kuhn stresses throughout his work, such problems often point more to the conceptual limitations of those who are attempting to solve them than to the intrinsically immutable or intractable character of the problem itself. The basic resistance of the problem to change should not be underestimated, however, particularly in the case of Northeast Brazilian underdevelopment.

The Northeast region is an area of severe underdevelopment, with persistent and widespread malnutrition and illiteracy, and is commonly compared with

¹ Thomas Kuhn, The Structure of Scientific Revolutions, Second Edition (Chicago: Univ. of Chicago Press, 1970, 1962), pp. 92, 154.

² This point is repeatedly stressed in Albert O. Hirschman's well-known work, Journeys Toward Progress; Studies of Economic Policy-Making in Latin America (New York: W. W. Norton and Company, 1973, 1963). He concludes that "we have here a situation that is particularly favorable to the unfolding of a learning process: the policy-makers are presented time and again with essentially the same difficulty and they accumulate a large stock of experiences in grappling with it, and in seeking to avoid or cushion its impact." P. 14.

the most underdeveloped regions of Asia and Africa.¹⁰⁰¹ An official with the Northeast Development Bank (Banco do Nordeste do Brasil, BNB) notes that with its population of over 35 million, which would make it the third largest country in Latin America after Brazil and Mexico, it "is considered one of the most extensive underdeveloped areas in the world."¹⁰⁰² The average per capita income of the region in 1967, just before the beginning of the presidential period of central concern to this study, was one-half that of the country, one-fifth that of the city of Rio de Janeiro and one-fourth that of the state of São Paulo.¹⁰⁰³ These figures have remained relatively stable over the intervening 15 years. A recent news magazine report on poverty in the Northeast placed the per capita annual income for the region at US\$501, half the Brazilian per capita income.¹⁰⁰⁴

¹⁰⁰¹ Riordan Roett, The Politics of Foreign Aid in the Brazilian Northeast (Nashville: Vanderbilt Univ. Press, 1972), p. 11.

¹⁰⁰² "Tomado separadamente, o Nordeste é maior, em população, do que qualquer país da América Latina, com exceção do México. Pelo baixo padrão de vida de seus habitantes, é considerado uma das mais extensas áreas subdesenvolvidas do mundo." Camillo Calazans de Magalhães, Desenvolvimento do Nordeste e a Ação do BNB (Fortaleza, Brazil: BNB, 1979), p. 7.

¹⁰⁰³ Donald E. Syvrud, Foundations of Brazilian Economic Growth (Stanford, California: Hoover Institution Press, 1974), pp. 54-55.

¹⁰⁰⁴ "The whole Northeast receives 12.68% of the national apportionment of the sales tax [ICM]. São Paulo, alone, receives 43.54% [of the national share with less than three-fourths of the population of the Northeast]. The whole Northeast participates with less than 6% of the Brazilian industrial product. Rio Grande do Sul with more than 8% [and with less than a quarter of the population of the Northeast]." ("A renda per capita do nordestino é de 501 dólares, metade da renda per capita do brasileiro. Todo o Nordeste recebe 12,68% da partilha nacional do ICM. São Paulo, sozinho, recebe 43,54%. Todo o Nordeste participa

Northeast regional poverty, both absolute and relative to the rest of the country, remains a striking feature of the Brazilian setting in the early 1980s. Endemic hunger, cited in one influential if somewhat polemic work as the primary source of suffering and death in the region,¹⁰⁰³ has been substantially documented in the last two decades by United Nations studies and other independent reports, and the region evinces a variety of structural and resource-related deficiencies which contribute to its inadequate distribution of primary foodstuffs.

Causal explanations of regional underdevelopment are numerous and varied. "Traditionalism", which is sometimes used to describe the dominant social and political patterns of Brazil's underdeveloped regions,¹⁰⁰⁴ is commonly cited as a root cause of regional underdevelopment, although other interpretations have predominated in the past. The most common of these defined the region as largely encompassed by the drought zone, and hence periodically the victim of

¹⁰⁰³ (cont'd) com menos de 6% do produto industrial brasileiro. O Rio Grande do Sul, com mais de 8%." Veja, No. 654 (18 March 1981), p. 54.

¹⁰⁰⁵ Josué de Castro, Death in the Northeast (New York: Random House, 1966), p. 26.

¹⁰⁰⁶ Gláucio Ary Dillon Soares, "Brasil: A Política do Desenvolvimento Desigual," Revista Brasileira de Estudos Políticos, No. 22 (January 1967), p. 51. Soares defines traditionalism as "a broad value orientation, with great emphasis on its particularistic dimensions, ascriptive and sacred, in counterposition to universalistic, acquired and secular [values]." James Busey, in describing the "neo-feudalism" that traditionally predominated in the Brazilian countryside, defines it as a "paternalistic, elitist quasi-democracy." Busey, "The Old and the New in the Politics of Modern Brazil," The Shaping of Modern Brazil, ed. Eric Baklanoff (Baton Rouge: Louisiana State Univ. Press, 1969), p. 68.

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Page three hundred fifty-three is a map of Northeast Brazil.

The source for this map is:

Albert O. Hirschman, Journey Toward Progress; Studies of Economic Policy-Making in Latin America (New York: W.W.Norton, 1973), p. 12.

calamitous natural disaster.¹⁰⁰⁷ This directs attention to the geographical definition of the region,¹⁰⁰⁸ according to which a relatively high percent of the territory does, in fact, fall within the "drought polygon", a huge area which includes (but is larger than) the Northeastern sertão.¹⁰⁰⁹ Another explanation, derived in part from the previous two, stresses the problems of unequal land tenure patterns and the subsequent influence that this has had on socio-economic development patterns in the region. One such analyst notes, moreover, that such problems are preeminently national, rather than regional, in character.¹⁰¹⁰ —

Several cohesive studies reinforce this argument by relating the persistent underdevelopment of the Brazilian Northeast to distortions in the process of national economic development. The best known economist writing in this field, Celso Furtado, contends that the national industrialization process, initiated on a grand scale in the

¹⁰⁰⁷ A regional stereotype based on the spectre of drought has tended to shape the sporadic and episodic character of government funding, at least prior to 1963. Hirschman, Journeys, p. 16.

¹⁰⁰⁸ "Since 1968 the IBGE (Brazilian Institute of Geography and Statistics) has created a new geographical division of the country and considers the Northeast to include the states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, Bahia, and the territory of Fernando de Noronha." Manuel Correia de Andrade, The Land and the People of Northeast Brazil, trans. Dennis V. Johnson (Albuquerque: Univ. of New Mexico Press, 1980), p. 7.

¹⁰⁰⁹ Some of the Northeastern states fall almost entirely within the polygon (Ceará, 94.8%; Paraíba, 97.6%; Rio Grande do Norte, 92 percent; Pernambuco, 88.7%), while others are considerably less affected (Alagoas, 43.7%; Sergipe, 47.1%; Bahia, 56.6%). Andrade, pp. 21-22.

¹⁰¹⁰ Shepard Foreman, The Brazilian Peasantry (New York: Columbia Univ. Press, 1975), p. 8.

1930s, was the "by-product of policies aimed at other objectives....," such as the support of coffee exports, and that this led indirectly to the evolution of separate regional economies, largely lacking in cohesive and planned inter-regional linkages.¹⁰¹¹ The subsequent isolation of the Northeastern economy, moreover, and the "premature rigidity" evinced by its agricultural sector,¹⁰¹² increased the tendency to transfer food production from the humid to the semi-arid parts of the Northeast, and hence to render both peasant and urban populations "increasingly dependent on surplus food grown in areas subject to the phenomena of droughts...."¹⁰¹³ This is not unrelated to Furtado's claim, put forcefully in another work,¹⁰¹⁴ that the Brazilian model of development, and the technological changes that it has fostered, have "served much more the modernizing of consumption habits than transforming the productive processes."¹⁰¹⁵ Yet another factor, according to Furtado is the long-term economic decline of the region, which is ultimately based upon "the inability of the system to overcome the forms of production and utilization of

¹⁰¹¹ Furtado, Diagnosis of the Brazilian Crisis, trans. Suzette Machado (Berkeley: Univ. of California Press, 1965), p. xvii.

¹⁰¹² Furtado, Diagnosis, p. 142.

¹⁰¹³ Furtado, Diagnosis, p. 160.

¹⁰¹⁴ "A história do subdesenvolvimento consiste, fundamentalmente, no desdobramento desse modelo de economia em que o progresso tecnológico serviu muito mais para modernizar os hábitos de consumo do que para transformar os processos produtivos." Furtado, Análise do 'Modelo' Brasileiro (Rio de Janeiro, Brazil: Editora Civilização Brasileira, 1972), p. 11. Emphasis in the original.

resources which were established in the colonial period."¹⁰¹⁵

Another thesis, which also seeks to explain persistent Northeast regional underdevelopment in the context of a cohesive theoretical structure, and which likewise stresses that the regional problem is basically national in origin,¹⁰¹⁶ is that of Yves Chaloult, whose analysis of "internal colonialism" is summarized in Chapter One. The argument that the predominant economic interests of the Center-South regions have actively contributed to the underdevelopment of the Northeast is theoretically based upon Brazil's external economic dependency and its "internal dynamic," a "relative internal autonomy," which includes a tendency to perpetuate "disequilibria."¹⁰¹⁷ According to Chaloult, the states of São Paulo (in the Center-South) and Bahia (in the Northeast) have been the beneficiaries of the dependency and underdevelopment of the Northeast.¹⁰¹⁸

Francisco de Oliveira, who likewise stresses the national dimensions of Northeast regional

¹⁰¹⁵ Furtado, The Economic Growth of Brazil, trans. Ricardo W. de Aguiar and Eric C. Drysdale (Berkeley: Univ. of California Press, 1963), p. 268.

¹⁰¹⁶ "A problemática regional é por natureza nacional...." Yves Chaloult, Estado, Acumulação e Colonialismo Interno (Petrópolis, Brazil: Vozes, 1978), p. 16. Emphasis in the original.

¹⁰¹⁷ "O Brasil é um país capitalista dependente. Apesar de sua dependência externa ter afetado profundamente sua formação e evolução, o Brasil possui sua própria dinâmica interna, bem como uma relativa autonomia interna. Com efeito, a sociedade tem seus desequilíbrios, conflitos sociais e contradições próprias." Chaloult, p. 15.

¹⁰¹⁸ Chaloult, p. 141.

underdevelopment,¹⁰¹ contends that the economic destruction of the region's indigenous bourgeoisie, the result of competition with monopolistic interests representative of both Southern Brazilian and international capital, inhibited the industrialization of the Northeast.¹⁰² These foreign and South-Central interests, moreover, accomplished their economic victory through alliance with the regional cotton/cattle interests, largely associated with the major landholdings in the sertão (and hence with the state of Ceará), as opposed to the sugar-based bourgeoisie of the Northeast, traditionally associated with the state of Pernambuco. Oliveira adds that while the cotton/cattle oligarchy had appeared to have won the struggle for economic hegemony by 1964, it was quickly deprived of its political status by the new military administration, reduced to a subservient role as "functionaries of the government party."¹⁰³ Oliveira argues that the expansion of monopolistic capitalism in Brazil by 1964 seriously qualified the validity of regional differentiations in that country. The breakdown of federalism, the expansion (with government support through tax exemptions) of monopoly capital into peripheral regions, and the consequent dissolution of regional economic and political autonomy had,

¹⁰¹ He argues that, in the sense of its widespread poverty, "all Brazil is an immense Northeast...." ("...todo o Brasil é um imenso Nordeste....") Francisco de Oliveira, Elegia para uma Re(li)gião; Sudene, Nordeste. Planejamento e Conflitos de Classes (Rio de Janeiro, Brazil: Paz e Terra, 1977), p. 14.

¹⁰² Oliveira, p. 132.

¹⁰³ Oliveira, p. 132.

in this view, conformed with the steady growth in the power of multinational and state monopolies in Brazil.¹⁰²²

Oliveira concludes that the "two Brazils" thesis of Jacques Lambert, in which rural poverty and urban modernization are contrasted, can be reduced to nothing more than "the differentiated force of capitalist expansion."¹⁰²³

Development in the Brazilian Northeast has frequently been regarded in the context of both distinct periods and crucial intervening factors. In general, the identification of developmental periods often conforms with the broad economic and political patterns of Brazil itself, and hence tends to compare and contrast the development of the Northeast with national development.¹⁰²⁴ Hirschman's 1963 analysis, moreover, characterizes the Northeast development process as having varied according to two other primary (and sporadic) factors: first, the occurrence of a drought, which was shown to stimulate government assistance to the region; and second, the presence of a Northeasterner in a key government office, the presidency being the preferred (although admittedly limited) example.¹⁰²⁵

¹⁰²² Oliveira, p. 133.

¹⁰²³ Oliveira, p. 89.

¹⁰²⁴ Thus many period schemes include three basic periods: the "primary exporting era" from the sixteenth century to the 1930s, the import-substitution period from the 1930s to the 1964 military intervention, and the stabilization and export period since then. A summary of this frequent interpretation appears in: Sylvia Ann Hewlett, The Cruel Dilemmas of Development: Twentieth-Century Brazil (New York: Basic Books, Inc., 1980), p. 31.

¹⁰²⁵ Hirschman, Journeys, p. 18. Furthermore, in a 1973 preface to the work, Hirschman suggests that his work may have anticipated one important aspect of dependency theory--the distortion of the internal policy-making process

In qualifying the larger period schemes, these conclusions are generally supportive of a more detailed and analytical periodization of development in the Northeast; Hirschman's work illustrates the value of analyzing the influence of federal government policy on Northeast regional development. It therefore remains a crucial influence on this work, as well as on many others.

Regional Definition and the Development Process. The question of Northeast regional development has long been clouded by the indeterminate, or logically erratic, nature of the regional boundaries.¹⁰²⁵ Disagreement as to the proper criteria for the "regionalization" of Brazil is at the root of the problem, as a comprehensive survey of Brazilian regional history, written in 1941, demonstrated.¹⁰²⁷ Its author, geographer Fábio M. S. Guimarães, in noting the variations of definitions of the Northeast,¹⁰²⁸

¹⁰²⁵ (cont'd) evident in countries which "continue to rely in policy-making on economic and social ideas imported from abroad." Hirschman, Journeys, pp. v-vi.

¹⁰²⁶ Andrade, p. 6.

¹⁰²⁷ Fábio M. S. Guimarães, "Divisão Regional do Brasil," Revista Brasileira de Geografia, III, No. 2 (April-June 1941), pp. 348-373.

¹⁰²⁸ Guimarães lists nine different regional definitions of the Northeast proposed between 1889 and 1938 and based on economic, political and geographic considerations. Among these, the scheme proposed by André Rebouças in 1889 divided the area currently regarded as the Northeast into four separate regions based on state boundaries. Guimarães, p. 343. Perhaps the most innovative plan was that of Geraldo Pauwels, proposed in 1926, which completely disregarded state and earlier regional boundaries in proposing strictly geographic regions, of which the Northeast was thought to include two: the caatinga, or sertão, and the litoral.

argued that "natural regions", those that most closely conformed with the "geographical realities," offered the most promising criteria for the determination of regional boundaries.¹⁰²¹ His emphasis on human geography, the differentiated cultural, economic and social ties throughout the country, prompted his own scheme, which defined the Northeast as including the states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas, a close facsimile of the contemporary definition.¹⁰²²

Modern conceptualizations of the Northeast, (virtually all of which date from the latter part of the nineteenth century,¹⁰²³ while frequently attentive to such historical influences as the coastal sugar culture, appear largely to be the products of the image of drought, the notorious natural disaster that periodically afflicts much of the general area. A 1937 Brazilian Ministry of Foreign Affairs publication, for example, describes the Northeast (using Guimarães's definition) exclusively as a drought zone, and expends the limited space devoted to this region on a description of the department of government established to combat the effects of this phenomenon.¹⁰²⁴ Oliveira contends that underlying these considerations are the economic and class interests that have been primarily responsible for the

¹⁰²¹ (cont'd) regions, the latter of which extended down into the more southerly states. Guimarães, pp. 352-354.

¹⁰²² Guimarães, p. 318.

¹⁰²³ Guimarães, p. 368.

¹⁰²⁴ Oliveira, p. 32.

¹⁰²⁵ Brazilian Ministry of Foreign Affairs, Brazil: Statistics, Resources, Possibilities (Rio de Janeiro, Brazil: Ministry of Foreign Affairs, 1937), p. 29.

prevailing definitions of the Northeast. Particularly important in this respect are the interests of dominant local classes, which have been responsible in his view for the "closing" (fechamento), or economic isolation, of the region. Oliveira argues that the exigencies of maintaining a regional system of class relations required insulation from competing enterprises; the breakdown of that system, he adds, led directly to the dissolution of the region as a separate and recognizable economic entity.¹⁰³³

A great degree of emphasis has been placed in the past on drought as a centrally important characteristic of the Northeast, with the region's striking underdevelopment consequently being regarded as a secondary effect of this phenomenon, evidence to the contrary notwithstanding.¹⁰³⁴ Periodic drought is undeniably a crucial aspect of the regional climate which, viewed in its entirety, is considered to be the central feature of the Northeast qua region.¹⁰³⁵ The impact of droughts on the people of the sertão, moreover, should not be minimized, with small farmers--often squatters--and agricultural laborers being the primary victims of the phenomenon. The periodic influx of these drought victims to the already overcrowded.

¹⁰³³ Oliveira, pp. 31-32.

¹⁰³⁴ Josué de Castro argues, for example, that "the vested interests did their best to make periodic droughts the scapegoat of the Northeast, but in reality not all the Northeast is dry, and drought is by no means the basic cause of all calamity, even in the deep sertão...underdevelopment and starvation in the Northeast [are] mainly due to social and economic inequities, not to scanty rainfall." Castro, p. 134.

¹⁰³⁵ Andrade, p. 9.

Northeastern cities, and the precipitous drops in the production of regionally-consumed foodstuffs, of which subsistence farmers are the primary producers, are secondary, if not equally serious, problems.¹⁰³⁶

Northeastern industry can also be affected. During this most recent drought, the production of hydroelectricity for the region dropped sharply, and engineers contemplated the possibility that one major dam, which transmits to the Northeastern industrial complexes in Bahia and Pernambuco, might have to cease electricity generation entirely.¹⁰³⁷

Werner Baer observes, in fact, that "in times of drought, there is a considerable private capital migration to the richer areas."¹⁰³⁸ It is nevertheless important to note that over 40 percent of the region's agricultural production takes place in humid and coastal zones not affected by droughts, and much of this production consists of export crops. This is thought to explain in part the apparently innocuous impact of droughts on such standard economic indicators as the regional gross domestic product.¹⁰³⁹

However, even strict adherents to the use of the regional GDP as a primary development indicator tend to agree with

¹⁰³⁶ Report on the 1979-81 drought, Veja, 18 March 1981, pp. 50-52.

¹⁰³⁷ Veja, 18 March 1981, p. 52.

¹⁰³⁸ Baer, "Regional Inequality and Economic Growth in Brazil," Economic Development and Cultural Change, 12, No. 3 (1964), p. 280.

¹⁰³⁹ Veja, 18 March 1981, p. 47. Merrick and Graham stress the importance of the vulnerability of this part of the agricultural sector to fluctuating world prices, however. Thomas W. Merrick and Douglas H. Graham, Population and Economic Development in Brazil; 1800 to the Present (Baltimore: Johns Hopkins Univ. Press, 1979), p. 143.

the assessment of the current Governor of Pernambuco that the drought can be pernicious in that it "enhances nationally the myth that the Northeast is [economically] unviable."¹⁰⁴⁰ Hence the question continues to be asked as to whether drought should be regarded as a primary identifying feature of the Northeast, or as merely an important influence upon an area already distinguished primarily by its underdevelopment, which is, itself, the product of an archaic and inefficient social and political system.¹⁰⁴¹

The awareness on the part of the federal government since the 1950s of underdevelopment, rather than drought, as the primary identifying characteristic of the Northeast, the central tenet of its unified and "regionalized" commonality,¹⁰⁴² runs directly counter to the "hydraulic approach" to federal policymaking for the Northeast as practiced between the late-nineteenth century and the 1950s.

¹⁰⁴⁰ "Esse quadro de seca nos é desfavorável...porque alimenta nacionalmente o mito de que o nordeste é inviável." As cited in *Veja*, 18 March 1981, p. 54.

¹⁰⁴¹ As Josué de Castro put it in a 1956 speech before the Brazilian Chamber of Deputies: "I do not deny the existence of drought. I deny that it is the cause of the phenomenon of hunger in the Northeast. The drought is a secondary, a subsidiary cause, which merely aggravates an existing state of affairs determined by other causes, that are social, rather than natural..." Castro, p. 135.

¹⁰⁴² Government publications since then stress the importance of their "new vision" of regional problems. Magalhães points, in one such publication, for example, to the government's central concern with reducing regional economic disparities. ("...a ação do Governo Federal é orientada dentro de critérios predominantemente econômicos, buscando-se a solução do problema das disparidades entre o Nordeste e o Centro-Sul através de uma política de promoção do desenvolvimento nordestino.") Magalhães, p. 13.

National dismay with the widespread suffering caused by a late nineteenth century drought¹⁰⁴³ resulted in the establishment of a federal agency to promote irrigation and other water-related works which, in altered form, still exists, continuing to compete for scarce federal resources. According to Chaloult, the maintenance of this kind of development activity stemmed from an unwillingness by federal authorities to interfere in the regional economic system, which was--despite its profound underdevelopment--regarded as "functional" for the purposes of the wider system.¹⁰⁴⁴ It coincided, moreover, with the state support of monoculture in the region during much of that period (particularly after 1930), while retarding what would probably have been a more fruitful policy of agricultural and industrial diversification.¹⁰⁴⁵

Regional demarcations in Brazil, as in most large federal states, tend to be somewhat arbitrary in the sense that the relatively large units evince a broad spectrum of conditions and characteristics.¹⁰⁴⁶ The experience in Brazil, however, has been that federal "regional policy" has euphemistically referred to Brazil's underdeveloped regions.

¹⁰⁴³ Foreman, p. 251n.

¹⁰⁴⁴ "De fato, o Estado não queria abordar verdadeiramente os problemas econômicos do Nordeste porque a região era muito 'funcional' para o sistema, em termos econômicos." Chaloult, p. 33.

¹⁰⁴⁵ "...de 1930 a 1960, o Estado decidiu apoiar uma monocultura no Nordeste, ao invés de promover uma agricultura diversificada e a industrialização da região, como fez no Sudeste." Chaloult, p. 32.

¹⁰⁴⁶ Chaloult refers to most regional delimitations as "artificial" because of the diversity that they contain. Chaloult, p. 15.

Policies directed to the benefit of the more developed regions are considered to be "national" rather than "regional" in scope, as a major government-sponsored report on Northeast regional development noted in 1979.¹⁰⁴⁷ This appears to stem, in large measure, from the direct state involvement in, and even dependence upon, the economic development of the hegemonic Center-South regions, and has thus allowed for a modicum of freedom from state regulation of economic activity in the Northeast. Oliveira argues that this freedom has been evident in the past in the open economic confrontation in the region between regional, national and international interests, whereas such competition would tend to be regulated by the state in the more developed regions. In the Northeast, on the other hand, the state has adopted the role of "mediator" between these varying interests.¹⁰⁴⁸ This situation is changing over time, however.

State involvement in the development of the Northeast has, at least since 1964, represented yet another manifestation of the increasing centralization and regulation of the national economy typical of military authoritarianism in Brazil. This casts the continuing underdevelopment of the Northeast in a paradoxical light. Theoretically, centralization and regulation would attenuate

¹⁰⁴⁷ Osmundo E. Rebouças, et al., "Desenvolvimento do Nordeste: Diagnóstico e Sugestões de Políticas," [Relatório Sítese] Revista Econômica do Nordeste, 10, No. 2 (April/June 1979), p. 200.

¹⁰⁴⁸ Oliveira, p. 94.

those aspects of underdevelopment deriving from the competition and economic isolation mentioned above. It has been hypothesized, however, that increasing authoritarianism is correlated with decreasing effective government expenditures for Northeast Brazilian regional development. Oliveira offers important qualifications to standard interpretations of regional underdevelopment that tend to clarify the background of this hypothesis.

A Closer Look at the Oliveira Thesis. One thesis proposed by Francisco de Oliveira, a former substitute superintendent¹⁰⁴ of the Northeast Development Superintendency (Superintendência do Desenvolvimento do Nordeste, or SUDENE), regards the widely-noted breakdown of regional economic autonomy as the consequence of the Brazilian national pattern of industrial development,¹⁰⁵ a product itself of the twentieth century.¹⁰⁶

¹⁰⁴ Substitute superintendents served as the acting director of the SUDENE, often for long periods of time, while the superintendent, Celso Furtado, performed other official functions for the government.

¹⁰⁵ There is a growing recognition of this among even the most conventional economic analysts. Nilson Holanda, economist and experienced director of several Northeast development agencies, points to the concentrated and rapidly growing São Paulo industrial center as the basis of the growing disparity. Holanda, O Desenvolvimento do Nordeste e a Ação da SUDENE e BNB (Brasília: BNB, 1978), p. 11. Pedro Pinchas Geiger, in a lecture before the ESG in 1971, argued that market forces created the growing regional disparities. Geiger, Desenvolvimento Regional e Planejamento Estadual (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 1.

¹⁰⁶ William G. Tyler notes, moreover, that "it has not been until the twentieth century that [Brazilian] regional income disparities have become accentuated and politically objectionable." Tyler, The Brazilian Industrial Economy

As Oliveira describes it, regional industrialization has been destroyed in the interests of national industrial concentration¹⁰⁵² in a process that requires significant political collusion with the state, which Oliveira interprets as having been "captured" by the coalition of forces representing the new industrial interests.¹⁰⁵³ The state function in the Northeast hence has primarily become one of demobilization, particularly regarding regional class conflicts, as well as one of "de-capitalization" of the region through such mechanisms as tariff policy,¹⁰⁵⁴ which has prevented Northeastern industry from obtaining less-expensive capital goods from abroad. The economic basis of the region has consequently reverted increasingly to the export agricultural sector, generally involving products which tend to be highly susceptible to the vagaries of the international market.

The original basis of industry in the Northeast was the sugar culture. Sugar production, in turn, was a remnant in many respects of the colonial production patterns which are regarded by Oliveira (and others) as forms of primitive accumulation. Moreover, sugar was a crop particularly amenable to a system of slave plantation.¹⁰⁵⁵ Northeastern

¹⁰⁵¹ (cont'd) (Lexington, Mass.: Lexington Books, 1981), p. 27.

¹⁰⁵² This process includes the breakdown of regional trade barriers, the expansion of a national transport system, the export of capital from "stagnant" regions to the viable Center-South, etc. Oliveira, pp. 75-76.

¹⁰⁵³ Oliveira, p. 76.

¹⁰⁵⁴ Oliveira, p. 94.

¹⁰⁵⁵ Oliveira, p. 59.

cotton culture, on the other hand, was notably less conducive in Brazil to the techniques of slave production (primarily because of its planting and harvesting sequence), unlike its counterpart in the United States.¹⁰⁵⁶ Cattle production in the Northeast, although directly dependent upon the sugar industry, was steadily displaced by the growing sugar plantations of the colonial and imperial periods.¹⁰⁵⁷ After the 1750s, according to Andrade, a long-term "duel" developed between the cotton interests (allied, according to Oliveira, with the cattle producers) and those of sugar, with a few poor squatters continuing to attain a modicum of social mobility from the former crops.¹⁰⁵⁸ Oliveira's thesis that the first modern Northeastern textile and sugar factories of the late nineteenth and early twentieth centuries¹⁰⁵⁹ were the products of sugar capital, and that this "sugar-textile Northeast" has been undercut in the twentieth century by English and American capital acting in support of the latifundium "cotton-cattle Northeast",¹⁰⁶⁰ underscores what he regards as the traditional rivalry between these two groups.

¹⁰⁵⁶ Andrade, p. 122. The relatively short planting and harvesting periods made it comparatively less suitable for the year-round maintenance of slaves than was the sugar culture.

¹⁰⁵⁷ Andrade, p. 73.

¹⁰⁵⁸ Andrade, pp. 74-75.

¹⁰⁵⁹ It is interesting to note in this regard that "in the nineteenth century the Northeast was to the forefront of industrial development in Brazil." John P. Dickenson, Brazil (Kent, England: Dawson and Sons, Limited, 1978), p. 186.

¹⁰⁶⁰ Oliveira, p. 36.

Oliveira argues that the increasing predominance of the cotton-cattle interests, backed by southern Brazilian and foreign economic interests, forced the sugar-textile Northeast to begin recreating the conditions of primitive accumulation typical of its early colonial form, and this, in turn, accelerated the "decapitalization" of the region.¹⁰⁶¹ Hence, despite the advent of the "golden age" of textiles in Brazil from 1900 to the mid-1920s,¹⁰⁶² the sugar-textile elite of the Northeast began to be replaced politically and economically by the owners of latifundia of the sertão, the "coroneis", who were cotton and cattle producers, and who focused attention on an image of the region as one of drought and natural disaster.¹⁰⁶³ This new elite was, according to Oliveira, directly influenced by international capital and, after 1964, deprived of the last vestiges of regional elite autonomy.¹⁰⁶⁴ By the 1950s both the sugar-textile bourgeoisie and the cotton-cattle latifundiários suffered from what Oliveira calls the "impasse" between state and nation resulting from "the

¹⁰⁶¹ Oliveira, p. 36.

¹⁰⁶² Peter Evans, Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 132. Levine notes that by 1915 the Northeast regional textile industry produced mostly "rudimentary" products, "mostly sugar bagging, gray cloth, burlap, and coarse cotton shirtings unadorned by print." Robert M. Levine, Pernambuco in the Brazilian Federation, 1889-1937 (Stanford, California: Stanford Univ. Press, 1978) pp. 31-32.

¹⁰⁶³ Oliveira, p. 35. Often, incidently, to their direct benefit, as the discussion of the "drought industry" (corruption vis-à-vis drought-relief aid) will point out later in this chapter.

¹⁰⁶⁴ Oliveira, p. 132.

excessive weight of foreign interests" and the consequent increasing ungovernability of the country.¹⁰⁴⁵ Oliveira's thesis rests heavily upon the perceived breakdown of federalism in Brazil, as evidenced by the increase since the 1930s in fiscal centralization, centralized planning and the regional structuring (and subsequent weakening) of most development programs not intended to benefit the interests of the Center-South.

A complementary interpretation of the increasing disparity between Northeastern and national development levels stresses the crucial importance to the Northeastern economy of its rural sector. As Stanley Stein noted in a comprehensive analysis of textile manufacturing in Brazil, "the problem of cotton textile entrepreneurs was indissolubly linked with the national economy; a sound cotton manufacture could not exist alongside a sick rural economy."¹⁰⁴⁶ In a similar fashion, the decline of the Northeastern rural economy, which ultimately undercut regional industrialization, can be attributed to two primary factors: first, the growing hegemony of the agricultural enterprise associated with the "drought polygon," mentioned by Oliveira, and second, the long-term decline of the Northeastern sugar industry. This latter factor remains a crucial theme of the history of development in the Northeast, as the following sections will attempt to

¹⁰⁴⁵ Oliveira, p. 133.

¹⁰⁴⁶ Stanley Stein, The Brazilian Cotton Manufacture: Textile Enterprise in an Underdeveloped Area, 1850-1950 (Cambridge, Mass.: Harvard Univ. Press, 1957), p. 188.

illustrate.

B. A Summary of Regional Development to 1930

Sugar and the Development of the Colonial Northeast. Sugar production was the central factor in the economic development of the colonial Northeast, its sole purpose being the provision of the European market.¹⁰⁶⁷ Furtado maintains that "the economic occupation of land in the Americas was an aftermath of commercial expansion in Europe."¹⁰⁶⁸ Sugar, produced by the Portuguese before 1500 on several Atlantic islands, quickly became a vital aspect of its trade.¹⁰⁶⁹ Furtado contends, moreover, that

the shaping of the population of the Northeast, and of its precarious subsistence economy--a basic factor in the Brazilian economic problem in later periods--are...linked with the slow decline of the great sugar industry, an industry which at its best was perhaps the most profitable colonizing and agricultural business of all time.¹⁰⁷⁰

¹⁰⁶⁷ "If we look for the vital element in Brazil's formation, the element that lies at the very roots of its subsequent growth, we will find it in the fact that the colony was established to provide sugar, tobacco, and certain other commodities; later gold and diamonds; and later still coffee for the European market. This was the objective in the establishment of the Brazilian economy, an externally oriented objective, turned away from the country itself and taking account of nothing more than the commercial interests involved." Caio Prado, Júnior, The Colonial Background of Modern Brazil, trans. Suzette Macedo (Berkeley: Univ. of California Press, 1967), p. 21.

¹⁰⁶⁸ Furtado, Economic Growth, p. 1.

¹⁰⁶⁹ Furtado, The Economic Growth, p. 6.

¹⁰⁷⁰ Furtado, The Economic Growth, p. 71.

The gradual economic isolation of the Northeastern sugar industry is thus the basic theme of this historical summary of Northeastern development.

Sugar cultivation in the colonial Northeast resulted in the establishment of a wealthy landed elite, although several factors prevented the distribution of this new wealth throughout the colony. First, there were exceedingly few intra-colonial economic linkages prior to the 1750s,¹⁰⁷¹ the bulk of colonial commerce being between the sugar elite and the metropole. Second, the slave-based production mode meant that a significant part of the population, those not directly involved in the production and marketing of sugar--and, of course, the slaves--were simply not integrated into the sugar economy.¹⁰⁷² Third, according to Oliveira, the slavery system resulted in the destruction of communal tribal economies,¹⁰⁷³ and facilitated their

¹⁰⁷¹ Baer notes that the sole linkage was with the interior, where the surplus agricultural production from subsistence farming helped to feed the coastal sugar zone. Werner Baer, The Brazilian Economy: Its Growth and Development (Columbus, Ohio: Grid Publishing, 1979), p. 15.

¹⁰⁷² Chaloult, p. 22. Those integrated into the sugar-based economy, according to Baer, also included traders, financiers, shippers and slave traders. Baer, Brazilian, p. 15. Andrade includes the technicians of the sugar mills, many of whom were Sephardic Jews fleeing the Inquisition, in this category, and concludes that along with the small farmers, these people would serve as the basis of an incipient rural middle class. Andrade, pp. 47-48.

¹⁰⁷³ Indian slaves, though regarded as inferior cane workers, were used in large numbers in the early colonial period. Andrade, pp. 46-47. Hemming notes that "the cruelest destruction of the Indians of Pernambuco took place in the slavery of sugar mills rather than on the battlefield." John Hemming, Red Gold; The Conquest of the Brazilian Indians (Cambridge, Mass.: Harvard Univ. Press, 1978), p. 76.

replacement with a process of primitive accumulation which is compared with the Marxian category called the "Asiatic mode of production".¹⁰⁷⁴ These three factors had a prolonged and debilitating effect upon the subsequent pattern of regional development, with sugar-based slavery the most commonly cited "root cause" of regional, and even national, underdevelopment.¹⁰⁷⁵ The fundamental dependency of regional agricultural production on an international market,¹⁰⁷⁶ a pattern that did not change substantially until Northeastern sugar lost its international market in the twentieth century, is at least of equal importance, however.¹⁰⁷⁷

The fluctuation in the fortunes of the sugar industry during colonial and imperial periods had a complex, although somewhat limited, influence upon the development of the Northeast. The limitation resulted from the economic encapsulation of the sugar economy.¹⁰⁷⁸ Thus while the Dutch invasion and occupation of the Northeast sugar region from the 1630s to the 1650s resulted in the export of sugar

¹⁰⁷⁴ Oliveira, p. 60.

¹⁰⁷⁵ Marvin Harris argues, for example, that "for fifty million Brazilians the effects of the slave plantation lingers on. Throughout the Northeast, the main sugar region of colonial times, illiteracy remains over 60 percent; per capita income, under \$300; infant mortality, about 200 per thousand." Harris, "Portugal's Contribution to the Underdevelopment of Africa and Brazil," Protest and Resistance in Angola and Brazil, ed. Ronald Chilcote (Berkeley: Univ. of California Press, 1972), p. 217.

¹⁰⁷⁶ Chaloult concludes that the colonial landed elite had minimal political and economic power, and were both heavily taxed by Portugal and completely dependent upon that country for marketing their primary product. Chaloult, p. 23.

¹⁰⁷⁷ A recent publication of the Ministry of the Interior underscores this factor. Interior, 5, No. 29 (November/December 1979), p. 23.

¹⁰⁷⁸ Baer, The Brazilian Economy, p. 16.

technology to the Caribbean and the subsequent depression of the industry in the Northeast,¹⁰⁷ the general cause of the gradual (and relative) regional decline between the 1670s and the 1820s is usually cited as the inability of the region to replace archaic production and resource exploitation technology,¹⁰⁸ a shortcoming that was affected only indirectly by the instability of sugar prices.

The discovery of gold in Minas Gerais in the late-1600s is generally thought to have undermined the sugar economy in the Northeast, and to have shifted the economic "center" of the colony from that region to the Center-South.¹⁰⁹ The exportation of slaves from the sugar zone to the gold mines,¹¹⁰ and the new waves of immigration to Minas Gerais, which provoked regulation by the crown,¹¹¹ contributed to a "price revolution" in labor which seriously threatened the labor supply of the inefficiently organized sugar

¹⁰⁷ Kit Sims Taylor, Sugar and the Underdevelopment of Northeast Brazil, 1500-1970 (Gainesville, Florida: The Univ. Presses of Florida, 1978), pp. 24-25.

¹⁰⁸ Chaloult, p. 23. Furtado, The Economic Growth, p. 268. Furtado adds that "single crop farming is compatible with high per capita income levels only when the population is relatively sparse. When the population is heavily concentrated--as it is in the humid belt in the Northeast--single crop farming makes it impossible to achieve higher forms of organizing production."

¹⁰⁹ One major exception to this interpretation is offered by J.H. Galloway, who argues that declining world prices for sugar, and not the gold rush in Minas Gerais, precipitated the sugar depression between 1700 and 1750. Galloway, "Northeast Brazil 1700-50: The Agricultural Crisis Re-examined," Journal of Historical Geography, 1, No. 1 (1975), pp. 21-38.

¹¹⁰ Baer notes that planters also left for the mines. Baer, The Brazilian Economy, p. 17.

¹¹¹ Robert Daland, Exploring Brazilian Bureaucracy: Performance and Pathology (Washington, D.C.: Univ. Press of America, 1981), p. 25.

plantations.¹⁰⁰⁴ The simultaneous world depression in sugar prices clearly exacerbated the economic recession in the Northeast, however.¹⁰⁰⁵ The emergence of cotton as a lucrative export crop in the latter part of the eighteenth century, according to Prado, stimulated the agricultural production of the Northeast and led to an economic recovery of sorts,¹⁰⁰⁶ although, again, within the skewed distributional pattern typical of this dependent agricultural export economy, with Britain increasingly playing the part of the metropole.¹⁰⁰⁷ By the end of the colonial period, between the arrival of the Portuguese royal court in 1808 and the Proclamation of Independence in 1822,¹⁰⁰⁸ the Northeastern agricultural elite had attained at least a semblance of the economic prosperity typical of the early colonial period.

¹⁰⁰⁴ Alistair Hennessy, The Frontier in Latin American History (London: Edward Arnold, 1978), pp. 78-79. Chaloult argues that the gold rush exploited an army of underemployed sugar plantation workers, and led directly to the rapid urbanization of the Center-South. Chaloult, p. 23.

¹⁰⁰⁵ Eisenberg stresses the fluctuation of these patterns, however, such that "despite declining sugar export volumes during the eighteenth century, the value earned in the activity almost continually exceeded the value earned in gold and diamond mining during the Golden Age up to 1760." Peter L. Eisenberg, The Sugar Industry in Pernambuco; Modernization without Change, 1840-1910 (Berkeley: Univ. of California Press, 1974), p. 4.

¹⁰⁰⁶ Caio Prado Júnior, Colonial, p. 150. Furtado notes the importance of the collapse of the French sugar colony in Haiti in this erstwhile recovery. Furtado, Economic Growth, p. 99.

¹⁰⁰⁷ "Broadly viewed, the Portuguese-Brazilian economy of the eighteenth century resembles an affiliation--and a basic one at that--with the most rapidly growing economic system of the time: the British." Furtado, Economic Growth, p. 37.

¹⁰⁰⁸ Which was negotiated with Britain. Furtado, Economic Growth, p. 40.

Furtado suggests that the gradual decline of the Northeastern economy after the 1650s offers some useful insights into the twentieth-century pattern of Brazilian and Northeastern regional development. First, he notes that the production techniques in the Northeast remained static (rather than developing technologically), and hence "development" in the region occurred by simple expansion of the system (increases in land cultivated and manpower employed) rather than by structural renovation of the system.¹⁰⁰ This implied, in turn, that the minimal monetary transactions typical of archaic production¹⁰⁰ would continue to shield the economy from the short-term effects of reduced world sugar prices.¹⁰¹ According to Furtado, these would remain "basic factors in the formation of what was to become the Brazilian economy of the twentieth century."¹⁰² He concludes that the "atrophy" of the Northeastern economy after the 1650s, especially in the

¹⁰⁰ This pattern prevailed in the twentieth century, with "expanded land use rather than increased productivity almost entirely responsible for the 4.5 percent average annual increase in crop production in the Northeast between 1948 and 1969." Roger Fox, Brazil's Minimum Price Policy and the Agricultural Sector of Northeast Brazil (Washington, D.C.: International Food Policy Research Institute, 1979), p. 17.

¹⁰⁰ I.e., "the small amount paid out in the form of payrolls and payments for services from other productive units." Furtado, Economic Growth, p. 66.

¹⁰¹ Taylor notes that "the sugar industry's ability to retrench and still remain profitable in periods of low prices or blocked markets was a major factor in its survival, but it was not the only factor. The sugar industry depressed living standards for the slaves--a majority of the population--and circumscribed any economic opportunity for most of the free population." Taylor, p. 42.

¹⁰² Furtado, Economic Growth, p. 66.

exchange of surplus labor between the sugar culture on the coast and the cattle-breeding regions on the sertão, was the formative influence upon the regional development pattern of the nineteenth century, "characteristics of which still prevail today."¹⁰³³ The dependence of the modern sugar mills in the region upon subsidization by the Imperial and Republican governments was one such pattern.¹⁰³⁴

The Empire and the "Old Republic". The development of the Northeast was significant during the Brazilian Empire, although the sugar gentry lost some of their political autonomy with the growth of national authority during that period.¹⁰³⁵ Considerable technical innovation had finally been introduced in the sugar industry,¹⁰³⁶ and the competition from cotton for regional export earnings was increasingly apparent.¹⁰³⁷ Andrade notes that by the second half of the nineteenth century, cotton culture functioned without the use of slave labor, and this was especially

¹⁰³³ Furtado, Economic Growth, p. 69. He adds that during the process of regional decay, the region was "converted from a high-productivity economic system into an economy in which the major part of the population produced only what was necessary for its bare existence." Furtado, Economic Growth, p. 70.

¹⁰³⁴ Eisenberg, pp. 85-118. By 1910, two-third of the modern mills in Pernambuco received such subsidies. P. 221.

¹⁰³⁵ Chaloult, p. 24. Chaloult points to the large number of separatist revolts in the region between 1817 and 1848, supported by the lower and upper middle classes, as substantiation of this point. Chaloult, p. 25.

¹⁰³⁶ Including agricultural techniques (e.g., the introduction of the plow), and refining and transportation technology. Also, the introduction of a new variety of sugarcane, Cayenne, greatly increased productivity. Andrade, p. 69.

¹⁰³⁷ Andrade, p. 72.

significant in the sense that slave and wage labor had become increasingly competitive in the region.¹⁰⁰⁰ The decline and abolition of slavery was, in fact, an important dimension of Northeast regional development during the Empire.

Slavery in Brazil had been in decline decades before its abolition in 1888, although its impact upon the economic system remained significant well after that date. By 1800 slaves constituted half of the Brazilian population,¹⁰⁰¹ and represented literally a captive society, maintained in a state of servitude through a system of harsh and "military-like" discipline.¹⁰⁰² Merrick and Graham argue that its predominance as a labor form in the production of export crops derived primarily from its adaptability to changing conditions,¹⁰⁰³ although Stein contends (again, in reference to the Southeast region) that acquisition of a royal land grant sometimes depended upon the possession of slaves as a kind of proof of the ability to work the

¹⁰⁰⁰ Andrade, p. 74; p. 76.

¹⁰⁰¹ Merrick and Graham, pp. 318-319. The authors note, moreover, that contrary to the patterns in the United States, Brazilian immigration tended to be largely a regional (Southeast) phenomenon, while slavery was national in scope.

¹⁰⁰² Stanley Stein, Vassouras; A Brazilian Coffee County, 1850-1900 (Cambridge, Mass.: Harvard Univ. Press, 1957), pp. 132-147. Stein refers to slavery associated with coffee production in the Center-South, although the high mortality rates among slaves in the Northeast during the nineteenth century, attributed to harsh working conditions (Merrick and Graham, p. 61), suggests the persistence in that region of a pattern of slavery that was typical of an earlier period, when a steady supply of slaves made it practical to disregard their maintenance.

¹⁰⁰³ Merrick and Graham, p. 318.

land,¹¹⁰² hence implying the existence of a bureaucratic, or systemic, predisposition toward slavery. At any rate, as the export market declined in the eighteenth century, slavery became more urban,¹¹⁰³ and by the mid-nineteenth century had entered into decline, with the Northeast having both a smaller total slave population and a smaller percentage of the national total, as Table 4.1 indicates. With the decline of the slave population in the Northeast, a free labor force, most of whom were squatters, developed by the 1880s,¹¹⁰⁴ and Furtado argues that growing population pressures in the Northeast prevented most of the freed slaves from leaving their plantations after abolition. He concludes that a great number of them therefore remained and were compelled by circumstance to work for low wages.¹¹⁰⁵ The pattern of exceptionally low agricultural wages typical of the region was thus established.¹¹⁰⁶

The catastrophic drought of 1877-79 was a central influence upon the government support of Northeast regional development programs in the following years. This drought followed a prolonged period of prosperity and population expansion in the province of Ceará which was based on the cotton boom of the previous decade, a result itself of the

¹¹⁰² Stein, Vassouras, p. 55.

¹¹⁰³ Merrick and Graham note the "relatively large urban component" of Brazilian slavery in the nineteenth century. Merrick and Graham, p. 319.

¹¹⁰⁴ Merrick and Graham, p. 71.

¹¹⁰⁵ Furtado, Economic Growth, pp. 151-152.

¹¹⁰⁶ The emergence of the pattern of low agricultural wages is thought to explain the Northeastern planters' waning resistance to abolition after 1880. Merrick and Graham, p. 88.

TABLE 4.1

Percentage Distribution of the Slave Population
By Regions and Provinces in Brazil, 1823-87

Region	Percent				
	1823	1864	1872	1883	1887
North	4	2	2	2	1
Northeast	53	49	32	28	28
Pernambuco	13	15	6	6	6
Bahia	20	17	11	11	11
Maranhão	8	4	5	4	5
Others	12	13	10	7	6
Southeast	38	44	59	63	67
Espírito Santo	5	1	2	2	2
Minas Gerais	18	15	25	24	26
Rio de Janeiro*	13	17	19	21	22
Rio de Janeiro(city)	--	6	3	3	1
São Paulo	2	5	10	13	15
South	2	4	6	6	2
Rio Grande do Sul		2	4	5	1
Others		2	2	1	1
West	3	1	1	1	1
Brazil (%)	100	100	100	100	100
Brazil (Total in 000s)	1,163	1,715	1,511	1,241	723
Rate of Growth	(0.9)	(-1.1)	(-2.1)	(-16.5)	

*Includes both the city and province of Rio de Janeiro

Source: Merrick and Graham, p. 66.

world-wide cotton shortage following the Civil War in the United States.¹¹⁰⁷ The staggering loss of life from the drought--conservatively estimated at 200,000 people dead.

¹¹⁰⁷ Furtado notes that this boom created a structural imbalance in the subsistence economy, and hence contributed to the pernicious effects of the drought. Furtado, Economic Growth, pp. 145-146. Ceará, it should be recalled, is almost entirely in the drought-susceptible sertão.

from starvation¹¹⁰⁰--was accompanied by the officially sponsored migration of thousands of Nordestinos to the Amazon region,¹¹⁰¹ according to one observer the basis of the subsequent rubber boom in the North.¹¹⁰² The form in which direct Imperial aid to the region was allocated during and after the drought of 1877-79 was to become the norm of Brazilian federal government aid to the region; a relatively slow and initially apathetic response from local, provincial and federal officials,¹¹⁰³ followed by a national outcry as the scope of the disaster became known, and finally the belated government intervention, in the form of an investigative commission. The recommendations of the commission were likewise typical of subsequent responses: it called for an extensive program of public works, the building of large dams and improved transportation facilities.¹¹⁰⁴ The direct public assistance to the region--improvised job creation in the building of minor

¹¹⁰⁰ This is Furtado's figure. Hirschman sets the number at over 500,000. Hirschman, Journeys, p. 22.

¹¹⁰¹ Furtado, Economic Growth, p. 146. Hirschman, Journeys, p. 28.

¹¹⁰² Hennessy, p. 111. Furtado contends, in this regard, that the extremely concentrated profits from the rubber boom, and the economic disadvantage of the Nordestinos who contributed to it, meant that "the great population shift of Nordestinos toward the Amazon was nothing more than an enormous waste of human beings at a period when the fundamental problem of the Brazilian economy was how to increase the supply of manpower." Furtado, The Economic Growth, p. 148.

¹¹⁰³ Hirschman, Journeys, p. 22.

¹¹⁰⁴ One large dam, the Quixadá, was actually started at the time, although according to Hirschman by its completion in 1906 "its very name had become a byword of government inefficiency and waste." Hirschman, Journeys, p. 23.

dams and public works--was woefully inadequate while raising the spectre of corruption''' that was thereafter identified as the "indústria da seca", or "drought industry".'''

Banditry, a regional phenomenon that is thought to have reinforced the archaic land-tenure and political patterns of the region after the 1920s, also increased dramatically after the drought of 1877-79. ''' Finally, as with many of the subsequent droughts, this catastrophe accompanied a regional decline in the region's competitiveness on world markets (in sugar and cotton), which intensified the drought's pernicious effects on the agricultural work force. ''' The political decline of the Northeast, moreover, was hastened by the growth of European immigration to the Center-South at a time when the fortunes of most Nordestinos had fallen to a new low. '''

''' Hirschman, Journeys, p. 22; p. 24.

''' Daland, Exploring, p. 239.

''' Hennessy, p. 118. Ronald Chilcote, "Protest and Resistance in Brazil and Africa: A Synthesis and a Classification," Protest and Resistance in Angola and Brazil; Comparative Studies, ed. Chilcote (Berkeley: Univ. of California Press, 1972), p. 300.

''' "The erosion of Brazil's competitive position in the world market for sugar (and also cotton), combined with exclusionary tariff systems, generated a secular decline in regional income in the Northeast from the 1870s up to World War I. This, in turn, translated itself into lower levels of real wages for plantation workers, since the continuing growth of the nonslave population eliminated any bargaining strength that scarce labor might have created to improve the lot of plantation labor. The adjustment to the decline in the fortunes of the export economy fell much more heavily on the rural proletariat than on the producers." Merrick and Graham, p. 82.

''' Roughly four million European and Japanese immigrants settled in the Center-South between 1880 and 1930 (Merrick and Graham, p. 318), bringing about a "major watershed" in Brazilian demographic history. Merrick and Graham, p. 321.

Severe fluctuations in the international price of sugar between 1890 and 1905 virtually eliminated the Northeast from effective competition in the international market, according to Chaloult, and transformed the region into a producer of staples for the Center-South.¹¹¹ Oliveira notes that the sugar-textile economy of the region increasingly stimulated subsistence agriculture on the part of its unemployed and underemployed work force, which gradually resettled once again in the drought-vulnerable interior.¹¹² Meanwhile, the regional textile industry¹¹³ became increasingly dependent upon foreign capital, which according to Oliveira had the effect of "underdeveloping" it by such policies as the production of coarse cloth from high-grade cotton.¹¹⁴ The urban labor market became an even less feasible alternative for a rural work force that was as vulnerable as ever to the effects of drought.

Northeast regional development planning, which effectively dates from the turn of the century, ironically achieved its formal institutionalization at about the same time that the region's two primary agricultural export commodities had been eliminated from the world market.¹¹⁵

¹¹¹ Chaloult, p. 28. Oliveira, p. 62.

¹¹² Oliveira, p. 64.

¹¹³ Furtado notes that by 1910 the number of textile workers in the Northeast was comparable to that of São Paulo. Furtado, Economic Growth, p. 264.

¹¹⁴ Oliveira, p. 63.

¹¹⁵ Nathaniel Leff argues that it was this nineteenth-century decline in sugar and cotton exports, coupled with the success of coffee exports, which established the Northeast/Center-South development disparities by the beginning of the twentieth century. Nathaniel Leff, "Economic Development and Regional

After a series of unsuccessful temporary commissions to explore government inefficiency in coping with the problem of recurrent droughts, the Inspetoria Federal de Obras contra a Sêca (Federal Inspectorate of Anti-Drought Works, or IFOCS) was formed in 1909, with headquarters in the national capital and direct subordination to the Minister of Public Works.¹¹²³ The formation of the agency was based in part on the successful irrigation program in the Southwestern United States of the new Bureau of Reclamation,¹¹²⁴ although the outright corruption that had become a primary characteristic of Brazilian federal relief expenditures by the turn of the century was probably also a major consideration in the agency's creation.¹¹²⁵ The first director of the IFOCS, Arrojado Lisboa, an engineer, divided the agency's limited resources between the construction of several large dams and a series of comprehensive scientific studies of the region;¹¹²⁶ the latter would play an important role in development efforts in the following decade.¹¹²⁷

The primary influence of the IFOCS was the stimulation of what subsequently would be referred to as the "hydraulic

¹¹²³ (cont'd) Inequality: Origins of the Brazilian Case," Quarterly Journal of Economics, 86, No. 2 (May 1972), p. 245.

¹¹²⁴ Hirschman, Journeys, p. 23.

¹¹²⁵ As well as the generalized feelings of concern and guilt aroused by Euclides da Cunha's classic Os Sertões. Hirschman, Journeys, p. 25.

¹¹²⁶ Hirschman, Journeys, pp. 24-25.

¹¹²⁷ Hirschman, Journeys, pp. 28-29.

¹¹²⁸ These studies are thought to have constituted the agency's most important work during its first decade. Hirschman, Journeys, pp. 29-30.

approach" to Northeast regional development; the damming of rivers and building of reservoirs,¹¹²⁸ which, in Furtado's estimate, ultimately constituted little more than direct subsidization of the huge Northeastern cattle estates.¹¹²⁹ The central role within the agency accorded to scientists and engineers, in part a reaction to the political corruption associated with previous efforts,¹¹³⁰ did not, however, lead to any immediate improvements in the federal drought relief program, as the drought of 1915 illustrated.¹¹³¹ Poverty and regional economic decline continued apparently unabated, and the IFOCS was compelled, by severe budgetary constraints, to drop its scientific studies of the region; in 1916 even the collection of river-flow data was suspended.¹¹³²

The first Nordesteño to become president of Brazil, Epitácio Pessoa, assumed office in 1919, and immediately focused government attention on the development of the Northeast. Chaloult contends that Pessoa "significantly integrated the Northeast into the national community," while

¹¹²⁸ Hirschman, Journeys, p. 27. Burns refers to this as the "hydrographic solution," arguing that by the 1960s this approach had proven itself ineffectual, as indicated by the unchanged persistence of regional poverty even during prolonged periods of high rainfall. E. Bradford Burns, A History of Brazil (New York: Columbia Univ. Press, 1970), p. 351.

¹¹²⁹ Furtado, Diagnosis, p. 157.

¹¹³⁰ Hirschman observes that this also reflected the elite status of engineers in Brazil which resulted from the influence of Comtean positivism, as well as the common-sense belief that technical efforts to retain as much water as scientifically possible in the region were necessary. Hirschman, Journeys, pp. 26-27.

¹¹³¹ Hirschman, Journeys, p. 29.

¹¹³² Hirschman, Journeys, p. 30.

conceding that the regional elite already had stronger interregional than regional ties.¹¹³³ Table 4.2 indicates the national political prominence of Northeastern legislators in the Federal Congress in Rio de Janeiro, particularly given the inordinate influence of the state of Minas Gerais during the period.¹¹³⁴ President Pessôa negotiated several large foreign loans in establishing a "Special Fund for Irrigation Works and Cultivable Lands of the Northeast,"¹¹³⁵ and made ample use of the studies that had been carried out ten years earlier by the IFOCS¹¹³⁶ in contracting three foreign engineering firms to begin work on a complex hydraulic development scheme for the region. By the end of his term in 1921-22, federal expenditures on public works in the region, at least half of which had gone for the purchase of heavy earth-moving equipment, had reached about fifteen percent of the federal government revenues, the equivalent of US\$150 million in 1963 value.¹¹³⁷ The practical results of this extraordinary federal commitment to regional development were relatively slight, primarily because of the alacrity with which

¹¹³³ "...o Presidente Pessôa integrou significativamente o Nordeste na comunidade nacional...." Chaloult, p. 29.

¹¹³⁴ If positions held by representatives of Minas (in Table 4.2) are disregarded, Nordestinos held 63% of the key chairmanships during the period.

¹¹³⁵ Hirschman, Journeys, pp. 31-32. Hirschman notes that besides the loans, the fund received a two percent federal revenue subsidy, similar contributions from the Northeastern states, and had rights to the proceeds from the projected public works projects.

¹¹³⁶ He also brought back Arrojado Lisboa to head the IFOCS once again.

¹¹³⁷ Hirschman, Journeys, pp. 30-31.

TABLE 4.2

The State Origins of Chairmen of Key Committees in
Federal Chamber of Deputies, 1891-1930

YEAR	Public Works	Finance	Credentials	Justice
1891	Rio Grande	São Paulo	Bahia*	Bahia*
1892	Minas	São Paulo	Bahia*	São Paulo
1893	Minas	São Paulo	Bahia*	Rio de Janeiro
1894	Pernambuco*	Ceará*	Bahia*	Rio de Janeiro
1895	Pernambuco*	Ceará*	Ceará*	Minas
1896	Pernambuco*	Ceará*	Maranhão*	Minas
1897	Pernambuco*	Minas	Bahia*	Minas
1898	Minas	Minas	Bahia*	Bahia*
1899	Pernambuco*	São Paulo	Minas	Bahia*
1900	Minas	São Paulo	Bahia*	Bahia*
1901	Minas	Bahia*	Minas	Bahia*
1902	Minas	Bahia*	Paraíba*	Bahia*
1903	Minas	São Paulo	Paraíba*	Bahia*
1904	Minas	São Paulo	Maranhão*	Bahia*
1905	Minas	São Paulo	Maranhão*	Bahia*
1906	Ceará*	Minas	Paraná	Minas
1907	Ceará*	Minas	Paraná	Minas
1908	Minas(?)**	Minas	Paraná	Ceará*
1909	Rio Grande	Minas	Pernambuco*	Ceará*
1910	Rio Grande	Minas	Maranhão*	Ceará*
1911	Minas	Minas	Maranhão*	Ceará*
1912	Minas	Minas	Minas	Maranhão*
1913	Minas	Minas	Minas	Maranhão*
1914	Minas	Rio Grande	Minas	Maranhão*
1915	Minas	Minas	Minas	Maranhão*
1916	Minas	Minas	Minas	Maranhão*
1917	Minas	Minas	Minas	Maranhão*
1918	Minas	São Paulo	Minas	Maranhão*
1919	Minas	São Paulo	Minas	Maranhão*
1920	Minas	Minas	Minas	Maranhão*
1921	Minas	Pernambuco*	Pernambuco*	Maranhão*
1922	Minas	Minas	Pernambuco*	Maranhão*
1923	Pará	Minas	Minas	Minas
1924	Pará	Minas	Minas	Minas
1925	Pará	Minas	Minas	Minas
1926	Pará	Minas	Minas	Minas
1927	Rio Grande	São Paulo	Minas	Minas
1928	Rio Grande	São Paulo	Minas	Minas
1929	Rio Grande	São Paulo	Minas	Minas
1930	Pernambuco*	São Paulo	São Paulo	Bahia*

*Northeastern States

**Origin of deputy uncertain.

Source: Levine, Pernambuco, p. 127.

Pessôa's successor, Artur Bernardes, cut virtually all of the programs before they reached fruition. Hirschman argues that the commitment evinced by Pessôa stemmed from his realization that only a Northeastern president would undertake such a project, and that "it would be a long time before a Northeasterner would return to Catete Palace."¹¹³³ The federal fiscal crisis, exacerbated by a dramatic plunge in coffee prices (see Table 2.6) led to the complete suspension of all public works in Brazil in 1925.¹¹³⁴ As Josué de Castro observed, "the expensive machinery bought from the United States by the previous administration was left to rust in the fields, alongside the sun-whitened skeletons of cattle dead from thirst."¹¹³⁵ Development in the region had once again slowed to a crawl by 1930, a year of critical importance for the Brazilian sistema.

C. The Advent of "Developmentalism"

The Getuliato: 1930-1945. The golpe which placed Getúlio Vargas in the presidency in 1930 reflected a fundamental economic transformation of the national system,¹¹³⁶

¹¹³³ Hirschman, Journeys, p. 32.

¹¹³⁴ Hirschman, Journeys, p. 34. Hirschman also attributes the collapse of Pessôa's program to regional hegemony (Bernardes was from São Paulo), the staggering inflation rate, the tenentes' revolts and--to a lesser extent--a cautionary report on the state of development efforts in the Northeast issued by the famous explorer Marshal Rondon. Pp. 33-35.

¹¹³⁵ Castro, Death, p. 161.

¹¹³⁶ Peter Flynn notes that "from at least 1930 onwards

and this deeply affected the subsequent course of Northeast regional development. Vargas moved substantially away from the ideology of economic liberalism--and the important doctrine of government restraint¹¹⁴² that was practiced by the Empire and the "Old Republic"--in expanding state control of the economy during his fifteen-year dictatorship,¹¹⁴³ although it is generally agreed that his administration had only a vague ideological framework.¹¹⁴⁴ The political coalition that he established with the nascent middle class, the industrial work force, the new industrialists and the landed oligarchy embraced a more nationalistic and domestically-oriented industrialization strategy,¹¹⁴⁵ according to Furtado the product of a depressed coffee market, which made the continued importation of manufactured goods economically

unfeasible.¹¹⁴⁶ The dramatic increase in state participation

¹¹⁴¹ (cont'd) there came into play social and economic forces moulding Brazilian politics over the next four decades." He points to the basic shift in the hegemony of the coffee bourgeoisie to that of the industrializing bourgeoisie. Peter Flynn, Brazil: A Political Analysis (Boulder, Colorado: Westview Press, 1979, 1978), p. 3.

¹¹⁴² "The Vargas years saw a repudiation in Brazil of the 'gendarme' theory, which held that the state should be a policeman, not a participant." Thomas Skidmore, Politics in Brazil, 1930-1964; An Experiment in Democracy (London: Oxford Univ. Press, 1967), p. 34.

¹¹⁴³ Generally through controls on manufacturing and exports and through direct state participation. Hewlett, pp. 37-38.

¹¹⁴⁴ Karl Loewenstein, Brazil under Vargas (New York: The Macmillan Company, 1944), p. 125. Jordan M. Young, The Brazilian Revolution of 1930 and the Aftermath (New Brunswick, New Jersey: Rutgers Univ. Press, 1967), p. 82. Young adds that "profound social and economic reforms were not foremost on the list of objectives of the leaders of the revolution."

¹¹⁴⁵ Hewlett, p. 62. Furtado, Análise, p. 22.

¹¹⁴⁶ Furtado, Análise, pp. 23-24.

in the economy that accompanied this process led, in turn, to the emergence of a central government directly involved in capital accumulation,¹¹⁴⁷ and hence to an emphasis on "planning" as the central instrument of economic policy.¹¹⁴⁸

The political prominence of Northeasterners in Vargas's golpe, and the simultaneous occurrence of a serious drought in the region,¹¹⁴⁹ contributed to a significant increase in the political influence of that region in 1930. A prominent Northeastern politician, João Pessoa, Vargas's vice-presidential running mate and a nephew of former President Pessôa, was assassinated prior to the election (and subsequent golpe) of 1930. This was highly instrumental in establishing widespread support for the golpe, and later influenced the appointment of José Américo de Almeida, a writer and political lieutenant of Pessôa, to the important position of Minister of Transport and Public Works,¹¹⁵⁰ a crucial concession to the Northeast during a

¹¹⁴⁷ Evans, Dependent, p. 85.

¹¹⁴⁸ Ianni writes that "it was in this period that planning came to be a part of the thinking and practice of those governing, as the 'most rational' technique of organizing information, analyzing problems, making decisions and controlling the execution of economic-financial policies." ("...foi nessa época que a planificação passou a fazer parte do pensamento e da prática dos governantes, como técnica 'mais racional' de organização das informações, análise de problemas, tomada de decisões e controle de execução de políticas econômico-financeiras.") Octavio Ianni, Estado e Planejamento do Brasil (1930-1970), third ed. (Rio de Janeiro, Brazil: Editora Civilização Brasileira, 1979), p. 43.

¹¹⁴⁹ John W.F. Dulles, Vargas of Brazil; A Political Biography (Austin: Univ. of Texas Press, 1967), p. 84.

¹¹⁵⁰ Hirschman, Journeys, p. 38. This ministry was influential in the administration of Northeast development programs.

period of prolonged economic stagnation. The relatively recent suspension of Epitácio Pessoa's Northeast development program had focused national attention on the relationship between the inconsistency of government expenditures and the continuing underdevelopment of the region, moreover.¹¹⁵¹ Although the development expenditures of the government rose after 1930 accordingly, the politics of the getulianto, particularly the policy of supporting the increased autonomy of Northeast regional elites,¹¹⁵² and the establishment of a national sugar institute, led to what Chaloult calls the "preservation of the pre-capitalist components of the Northeast agrarian sector...."¹¹⁵³ In essence the political power of the regional elites was augmented while the economy of the Northeast was increasingly subordinated to that of the South-Central regions,¹¹⁵⁴ a condition which caused a further deterioration in the tenuous economic condition of the Northeast's rural masses.¹¹⁵⁵

¹¹⁵¹ Hirschman, Journeys, p. 37. Hirschman notes that in his 1930 campaign platform, "Vargas advocated specifically a return to the ideas of Epitácio Pessoa and pledged renewal of large-scale public works in the Northeast which had been victimized by the 'Dantesque combination of adverse climate and our disgraceful improvidence.'" According to Hirschman, this concern with the Northeast reflected a new national "mood". Pp. 38-9.

¹¹⁵² Roett, Politics, p. 18.

¹¹⁵³ "...o papel do Estado depois de 1933 conduziu à preservação dos componentes pré-capitalistas do setor agrário do Nordeste...." Chaloult, p. 32.

¹¹⁵⁴ Chaloult stresses that during this period the Northeast regional trade with foreign nations was supplanted with inter-regional trade, directly increasing the region's dependence upon, and development lag relative to, the more developed regions. Chaloult, p. 31.

¹¹⁵⁵ Chaloult, p. 30.

The creation of the Sugar and Alcohol Institute (Instituto do Açúcar e do Alcool, or IAA) is an important example of this pervasive pattern. The IAA was created in 1931 in response to the national crisis in sugar production, and it immediately established a system of production quotas and guaranteed prices which nominally favored the planters of the Northeast.¹¹⁵⁶ Despite the control of the IAA by Northeastern sugar growers, the quota system appears to have stabilized existing--and archaic--production techniques in the region,¹¹⁵⁷ and might even be said to have relinquished the region's predominance in that crop by stimulating the modernization of the South-Central sugar industry, which led to its eventual superiority.¹¹⁵⁸ The Center-South region would be given major production quota increases in the 1950s, and by 1970-71, the Northeastern state of Pernambuco had been reduced in its sugar production to 18.4% of the national total, while the South-Central state of São Paulo now produced 47.5%.¹¹⁵⁹

¹¹⁵⁶ The Northeast was allocated 60% of the national production, with Pernambuco alone granted 40%. Chaloult, p. 31.

¹¹⁵⁷ Oliveira, p. 67. Oliveira stresses that the agency literally eliminated the incentive for modernizing the Northeastern sugar refineries. P. 69.

¹¹⁵⁸ Chaloult, pp. 31-32. Oliveira notes that "the irony of history here consists precisely in the fact that it was under the nominal direction of members of the Northeastern sugar bourgeoisie that the axis of sugar production passed from the Northeast to the industrial 'region' commanded by São Paulo." ("A ironia da História consiste aqui precisamente no fato de que foi sob a direção nominal de membros da burguesia açucareira do Nordeste que o eixo da produção do açúcar passou do Nordeste para a 'região' industrial comandada por São Paulo.") Oliveira, p. 67. Emphasis in the original.

¹¹⁵⁹ Chaloult, p. 32.

The IFOCS, to be renamed the National Department of Anti-Drought Works (Departamento Nacional de Obras contra as Secas, or DNOCS) in 1945, received a major increase in funding in the early 1930s despite the profound effects of economic depression on national revenues. The agency's function as a coordinator of public works projects, primarily dam and road construction, made it the logical recipient of drought relief funds in 1932, when it received about ten percent of the total federal revenues in response to the severe Northeastern drought of that year.¹¹⁶⁰ The agency made a modest contribution to "hydraulic" and engineering progress in the region in the 1930s, quadrupling the total reservoir capacity, improving reservoir construction techniques, sinking wells in the Drought Polygon, building over three thousand kilometers of highways and secondary roads (about half of which were built in 1932), and reducing the corruption associated with drought relief.¹¹⁶¹ Oliveira notes, however, that the bulk of its public works directly benefitted the latifundiários, while--except in the provision of water supplies for several smaller cities--the agency never sank a single public well.¹¹⁶² He observes, moreover, that the IFOCS/DNOCS has always been a national agency, empowered to counter the

¹¹⁶⁰ Hirschman, Journeys, p. 39. Hirschman notes that although its funding level dropped after the drought had passed, IFOCS continued to receive considerably more support than it had after President Bernardes cut Epitácio Pessoa's Northeast development program in 1923.

¹¹⁶¹ Hirschman, Journeys, pp. 39-40.

¹¹⁶² Oliveira, p. 54.

effects of drought wherever they may occur in Brazil, and "the fact that it has never carried out a single work outside of the Northeast is a result of its control by the regional oligarchy, and not an original intention or objective."¹¹⁶³ The scientific and technical personnel of the agency have a long record of opposition to its policies, including Guimarães Duque's well-known 1930s analysis of conditions on the sertão, Solo e Água no Polígono da Secas, in which the author recognized the socio-economic basis of poverty in that zone, despite the continuing resistance of the agency to this dimension of the "drought problem."¹¹⁶⁴

Oliveira contends that the location of the headquarters of the IFOCS/DNOCS in the state of Ceará, where latifundia and cotton-cattle (rather than sugar) interests predominate¹¹⁶⁵ was not accidental: the agency, as he sees it, represented (and continues to represent) these elite interests.¹¹⁶⁶ This representation, in his view, is both overt, in the sense of public expenditures generally supportive of specific economic interests, and covert, in

¹¹⁶³ "O fato de nunca ter realizado nenhuma obra fora do Nordeste, é um resultado de sua captura pela oligarquia regional, e não uma intenção ou objetivo inicial." Oliveira, p. 51. He adds that the agency has had a poor record in irrigation, after fifty years of operation having irrigated only 5,000 hectares. Pp. 53-54. Robock put this number at 6000 before 1958, or 18,000 including drying river (and reservoir) banks. Stefan Robock, Brazil's Developing Northeast; A Study of Regional Planning and Foreign Aid (Washington, D.C.: The Brookings Institution, 1963), p. 78.

¹¹⁶⁴ Oliveira, pp. 50-51.

¹¹⁶⁵ The sertão runs to the coast in Ceará, and except for a humid sugar zone well in the interior, the state is largely (92%) in the Drought Polygon.

¹¹⁶⁶ Oliveira, pp. 55-56.

the sense of contributing directly to high-level and widespread corruption. The presence of the former category was illustrated in the defining of the Drought Polygon coterminously with the cotton-cattle zone--at a time when these producers were expanding their area of production at the expense of the sugar zone.¹¹⁶⁷ Subsequent and massive road-building programs in the sertão directly served the marketing of cotton, the only major economic activity requiring such roads in this zone.¹¹⁶⁸ The construction of dams on large- and medium-sized properties, most of which were not publicly accessible, likewise illustrated these tendencies.¹¹⁶⁹ Corruption associated with the agency tended to emerge, again according to Oliveira, as a function of belated government relief efforts in drought crises. The employment of these funds was apparently carried out frequently in the name of "phantom" work fronts and public works projects.¹¹⁷⁰ Another critique of the agency, offered by Stefan Robock in his 1963 Brookings Institution report on the region, questions the validity of the hydraulic approach in dealing with the largely socio-economic problems of the region.¹¹⁷¹ Robock recognized the earlier currency of

¹¹⁶⁷ Oliveira, p. 53.

¹¹⁶⁸ Oliveira, p. 54.

¹¹⁶⁹ Oliveira, p. 54.

¹¹⁷⁰ Oliveira, p. 55. Robock notes the corruption scandals associated with the 1951 and 1958 droughts that were directly linked to the DNOCS, although he contends that "prior to that period DNOCS had led a generally honorable existence." Robock, Brazil's Developing, p. 79.

¹¹⁷¹ Robock, Brazil's Developing, pp. 79-80. Robock consulted extensively with development officials in the Northeast prior to writing this work, and acknowledges the help of Oliveira, among others, in the preface.

engineering approaches to the problem, particularly in the academic milieu of the 1880s, but concluded that only a frankly economic approach could hope to address the more basic problems of poverty and low economic productivity in the region.¹¹⁷²

1945, and the end of the Getuliano, brought important changes to the institutional structures associated with Northeast regional development. The presidency of General Gaspar Dutra, which replaced Vargas's regime in that year, made serious efforts--despite its fiscal conservatism--to increase effective federal expenditures for the development of the Northeast, the São Francisco River Valley (which cuts through the Northeastern sertão) and the Amazon.¹¹⁷³ The IFOCS was renamed (DNOCS) in 1945 in a reorganization that was geared to increase the agency's reservoir-building and well-drilling record.¹¹⁷⁴ Furthermore, after more than a decade of observing the progress of the Tennessee Valley Authority in the United States, two agencies, the São Francisco Valley Commission (CVSF) and the São Francisco Hydroelectric Company (CHESF) were formed in 1948 to stimulate development along that largely Northeastern river, and this despite the absence of any serious droughts during this period.¹¹⁷⁵

¹¹⁷² Robock, Brazil's Developing, p. 80.

¹¹⁷³ Flynn, Brazil, p. 141.

¹¹⁷⁴ "Seca. Luta Contra um Problema Secular," Interior, 2, No. 9 (March/April 1976), p. 24. The article mentions the establishment of the National Department of Roads and Highways (DNER) during this period as an additional contribution to the region's development.

¹¹⁷⁵ Robock, Brazil's Developing, pp. 80-81. Hirschman

According to Robock the CVSF followed a "great policy of small services", including the provision of roads, infirmaries, small hospitals and water and power facilities for small towns, but it was soon "captured" by elite political groups and subsequently lost much of its momentum.¹¹⁷⁶ The contrasting success of the CHESF, moreover, probably owes more to the practical limitations associated with the task of constructing and operating the huge Paulo Afonso hydroelectric dam--its principal mandate--than to an innate institutional superiority, although the CHESF did evince a much higher degree of technical expertise among its personnel.¹¹⁷⁷

The drought of 1951 triggered a major shift in the pattern of federal expenditures for Northeast regional development, with the creation of the Northeast Development Bank (Banco do Nordeste do Brasil, or BNB); a new tactic¹¹⁷⁸ designed to provide long-term credit for the development of

¹¹⁷⁵(cont'd)notes that "the originators of the São Francisco project were, if anything, more multi-purposeful than [those of] the TVA; since large stretches of the São Francisco Valley lacked roads, schools, health facilities, agricultural credit, industry and even people, they felt that their project should cover all of these facets." Hirschman, Journeys, p. 53.

¹¹⁷⁶ Robock, Brazil's Developing, p. 83. The agency's record had become so dismal that by 1956, when a huge new dam was proposed for the upper São Francisco River at Três Marias, the project was allocated to the Minas Gerais Electric Company (CEMIG). Hirschman, Journeys, p. 55.

¹¹⁷⁷ Hirschman, Journeys, pp. 56-58.

¹¹⁷⁸ Nilson Holanda, Brazilian economist and long-term president of the BNB, considers the "modern phase of intense promotion of regional development" to have begun with the operations of the BNB. As cited in: "BNB., Um Banco Pioneiro (e Fiel à Missão qual Foi Destinado)," Interior, 3, No. 21 (November/December 1977), p. 15.

agriculture, industry and commerce in the region.'''

Arguing that the federal anti-drought policy in the Northeast required substantial revision, President Vargas'''' expressed support for a broad-based socio-economic development program for the region,''' a reflection of the advent of "developmentalism" (the strategic and ideological use of national development as a vehicle of political strategy) to Brazilian politics.'''

The bank began functioning in 1954 with Fortaleza, the capital of Ceará, as its headquarters. Oliveira points to the significance of this siting as confirmation of the control already exercised over the new bank by the region's cotton-cattle oligarchy.''' The bank's original goals of long-term credit provision and the collection of regional economic data, pursued during its first "stable" direction between 1956 and 1960,''' tended to exclude sugar production, an omission that was apparently rectified only

'''' Robock, Brazil's Developing, p. 92. Chaloult notes that despite this original intention, the bank used a substantial part of its budget in general and short-term credit operations during the 1950s. Chaloult, p. 33.

'''' As mentioned in Chapter Two, Vargas was returned to the presidency by the 1950 elections.

'''' Robock, Brazil's Developing, pp. 92-93.

'''' "Developmentalism", or "desenvolvimentismo", is discussed in detail in Chapter Two.

'''' Oliveira describes the choice of Fortaleza, one of the least industrialized Northeastern capitals at the time, and one of only two to be located within the drought polygon, as a sign that it would soon be "captured" by this oligarchy, which he argues did, in fact, happen after the brief BNB presidency of Vargas advisor Rômulo de Almeida. Oliveira adds that the BNB can be considered the last state institution to be so "captured". Oliveira, p. 95.

'''' Under the direction of bank president Raul Barbosa, a former governor of the state of Ceará. Robock, Brazil's Developing, p. 95.

after the creation of the SUDENE."¹¹⁵

The 1950s heralded major changes in the national economic system, conditioning the process of development in the Brazilian Northeast. A major increase in the pattern of import-substitution industrialization in the Center-South, generally thought to have increased Brazil's economic and technological dependence upon industrialized countries,¹¹⁶ is often blamed for the growth of regional development disparities at that time, if only because of its contribution to the concentration of industry in the São Paulo area.¹¹⁷ The rapid spread of "developmentalism" as a guiding national outlook during the 1950s¹¹⁸ ironically tended to favor fast industrial growth in preference to long-term and nationalist development objectives,¹¹⁹ and

¹¹⁵ Oliveira, p. 95. During the course of research in the BNB library in Fortaleza in 1981, I noted that a substantial collection of information relating to the production of sugar is now maintained.

¹¹⁶ Darcy Ribeiro, "Universities and Social Development," Elites in Latin America, ed. Seymour Martin Lipset and Aldo Solari (New York: Oxford Univ. press, 1967), p. 347. Albert Fishlow notes the greater susceptibility of import-substitution economies to cyclical market influences, deficits in the balance of payments and, most importantly, to the dramatic fluctuations in production output. Fishlow, "Some Reflections on Post-1964 Brazilian Economic Policy," Authoritarian Brazil, ed. Alfred Stepan (New Haven: Yale Univ. Press, 1973), pp. 104-105.

¹¹⁷ Werner Baer, The Brazilian, pp. 195-196. Baer concludes that the Northeast was, in effect, subsidizing the industrialization of the Center-South during this formative period. This point is also made in a recent article in the Brazilian Ministry of the Interior periodical: "Exportar. Uma Vocação Nordestina Prevista por Caminha," Interior, 5, No. 29 (November/December 1979), p. 23.

¹¹⁸ Evans characterizes it as primarily statist, with the government's share of fixed capital investment in Brazil rising from 25% at the beginning of the 1950s to 48% by the end of that decade. Evans, Dependent, p. 93.

¹¹⁹ Hewlett, p. 65.

thus ultimately contributed to the growth of regional development disparities in Brazil. Finally, the major political pattern to emerge from this period, Brazilian populism, tended to reinforce archaic class and production relations¹¹²⁰ while--apparently somewhat ambivalently--identifying the welfare of the peasantry as a major concern, demanding for it fair wages and other rights.¹¹²¹ Oliveira contends that the Northeastern sugar-textile political system rejected populism, except for a brief period during the 1950s, largely because of this apparent (though, again, not necessarily real) predisposition toward the peasantry, tending, rather, to elect anti-populist coalitions.¹¹²²

D. Populism and the Origins of SUDENE

The Kubitschek Presidency and Change in the Northeast.

Desenvolvimentismo, recast in a less political and hence more acceptable¹¹²³ vein, became the hallmark of the Kubitschek presidency, and a "development euphoria" rapidly conditioned the national outlook.¹¹²⁴

¹¹²⁰ Aspásia Alcântara de Camargo, "Authoritarianism and Populism: Bipolarity in the Brazilian Political System," The Structure of Brazilian Development, ed. Neuma Aguiar (New Brunswick, New Jersey: Transaction Books, 1979), p. 107.

¹¹²¹ Camargo, p. 120.

¹¹²² Oliveira, p. 91.

¹¹²³ Primarily to the economic elites, who had been instrumental in the ouster of Vargas in 1954.

¹¹²⁴ Stefan Robock, Brazil: A Study in Development Progress (Lexington, Mass.: Lexington Books, 1975), p. 28. Robock

The construction of Brasília epitomized a new national dedication to develop all of Brazil's potential,¹¹⁷⁵ although this one project became Kubitschek's primary concern during the last two years of his presidency,¹¹⁷⁶ apparently limiting the administration's efficacy in other national development programs. Furthermore, the nationalism implicit to Kubitschek's development scheme is thought to have facilitated the popular acceptance of a model that was not in the interests of the working classes.¹¹⁷⁷

Kubitschek's careful alignment with the bourgeoisie and the military,¹¹⁷⁸ moreover, could not conceal his base as "essentially a politician of and for the middle class...."¹¹⁷⁹ A crucial aspect in his restraint of bourgeois and military reaction to his development program, according to Flynn, was the absence in Brazil of a hegemonic fraction of the bourgeoisie,¹¹⁸⁰ as well as the general and

¹¹⁷⁵(cont'd)notes that "by force of his optimism and supreme confidence in the potential of Brazil and its people, Kubitschek practically eliminated the vestiges of a national inferiority complex left over from the colonial days."

¹¹⁷⁶ Flynn, Brazil, p. 191. Flynn notes that the high cost of Brasília likewise indicated the preferred modus operandi of the Kubitschek regime: pushing ahead in dramatic leaps without waiting to analyze the full range of the problems involved. Pp. 191-192.

¹¹⁷⁷ Hirschman, Journeys, p. 86. Although during this period, industrial development also expanded rapidly in the Center-South, with a 16.2 percent increase in 1958, and 11.9 and 9.6 in the two subsequent years, the most impressive gains being in heavy capital goods and state-owned industries, reflecting a dramatic growth in infrastructure. Flynn, Brazil, p. 196.

¹¹⁷⁸ Flynn, Brazil, p. 199.

¹¹⁷⁹ Flynn, Brazil, p. 198.

¹¹⁸⁰ Flynn, Brazil, p. 196.

¹²⁰⁰ Flynn, Brazil, pp. 205-206. Flynn maintains that the persistence of this condition finally led to the military intervention of 1964.

growing prosperity of the middle and bourgeois classes during this period.¹²⁰¹ Meanwhile the populist tendency of the regime appeared to move toward the incorporation of two groups that were not beneficiaries of the new progress, the peasantry and the urban poor.¹²⁰²

The limited and elite-directed character of peasant participation in the new Brazilian populism was perhaps most evident in the Northeast, where relatively moderate "ligas camponesas", or "peasant leagues"--rural syndicates--achieved widespread notoriety in the late 1950s and early 1960s.¹²⁰³ The rapid rise to national political prominence of one moderately influential league organizer, Francisco Julião, who had declared himself to be a Castroite and a radical,¹²⁰⁴ was widely perceived in the press as an ominous political sign. Shepard Foreman contends that peasant political participation during this period was at best partial and fleeting, with the "extent of their participation far outweigh[ing] its significance."¹²⁰⁵

¹²⁰¹ Flynn, Brazil, p. 198.

¹²⁰² Camargo, p. 119. Oliveira interprets the "populist pact" as a form of bourgeois hegemony, albeit with major dependence upon the state structure (Oliveira, p. 88.), and its collapse in 1964 as the dissolution of the ambiguous role of the state in its preservation. Oliveira, p. 103.

¹²⁰³ A variety of leagues existed, most of which were organized directly by the Catholic Church. Anthony Leeds, "Brazil and the Myth of Francisco Julião," Politics of Change in Latin America, ed. Joseph Maier and Richard W. Weatherhead (New York: Praeger, 1964), p. 191.

¹²⁰⁴ Flynn contends that Julião portrayed himself after the 1964 intervention, and his subsequent imprisonment and exile, as having been more radical than was, in fact, the case, and this corresponded to the exaggerated coverage of the peasant leagues in the foreign (and, especially, American) press. Flynn, Brazil, p. 261.

¹²⁰⁵ Foreman, p. 245. Andrade, on the other hand,

This could be attributed to the fact that the organization of the leagues was frequently controlled by regional political elites, particularly from the urban centers of the sugar zone,¹²⁰⁶ and the league leaders, according to Leeds, "have almost exclusively been representatives of urban-centered interests and politics, even when agricultural products and landholding have been involved."¹²⁰⁷ Thus it is thought by some observers that the growth of the leagues indicated in part the increasing pressure exerted by segments of the regional elite for a larger regional share of national economic resources, particularly in view of the region's economic potential, largely based on its abundant and inexpensive labor supply.¹²⁰⁸ Direct federal expenditures in the region had been steadily increasing since 1952, as Table 4.3 indicates. The creation of the Northeast Development Superintendency (Superintendência do Desenvolvimento do Nordeste, or SUDENE)

on December 15, 1959¹²⁰⁹

¹²⁰⁵ (cont'd) attributes a much greater significance to the growth of the leagues, concluding that they represented the only impetus for the betterment of all rural workers in the Northeast. Andrade, pp. 208-215.

¹²⁰⁶ Flynn notes the almost complete absence of leagues in the sertão and the zona agreste, areas of little or no sugar production. Flynn, Brazil, p. 260. Leeds notes that the leagues "appear to be a function of the operations of the political system of the controlling elites...." Leeds, p. 194.

¹²⁰⁷ Leeds, p. 194.

¹²⁰⁸ Oliveira, p. 114.

¹²⁰⁹ Through the promulgation of Law 3692, which empowered the new agency to: study and propose plans for socio-economic development in the region; supervise all programs of federal agencies in this enterprise; carry out projects assigned to it in the area of Northeast regional development; and coordinate technical assistance programs,

TABLE 4.3

Federal Tax Receipts and Expenditures for
Northeast Brazil, 1952-1958
(in Million Cruzeiros)

YEAR	(A) Tax Receipts	(B) Federal Expenditures	A/B (%)
1952	2,262.2	4,716.3	48.0
1953	2,524.3	6,426.2	39.3
1954	3,028.9	8,135.8	37.2
1955	3,754.4	10,172.9	36.9
1956	4,724.7	12,538.3	37.7
1957	5,558.3	21,984.1	25.3
1958	6,633.6	30,960.0	21.4

Source: I Plano Diretor, SUDENE, p. 10.

might therefore be regarded as an extension of a pattern of federal commitment that was already extant, despite the break with bureaucratic and political precedent that the new agency represented.

The Creation and Early Evolution of the SUDENE. The genesis of the SUDENE conformed in its most basic aspects with the creation of previous federal development efforts in the region: a serious drought in 1958 prompted another federal review of conditions in the region. This time, however, the team that was appointed to the task, The Working Group for the Development of the Northeast (Grupo de Trabalho para o Desenvolvimento do Nordeste, or GTDN) was largely composed of economists, and was led by the young Northeastern economist Celso Furtado. Thus it produced two

 (cont'd) both foreign and Brazilian, in the region.
Interior, 5, No. 29 (November/December 1979), p. 4.

socio-economic reports, the second of which remains the most influential and circumspect official analysis of the regional problems yet to emerge.¹²¹⁰

The second (revised) report of the GTDN opens with an expression of concern regarding the growing average income disparities between the Northeast and Center-South, already pronounced by 1956 (the data for which is reproduced in Table 4.4), and the inferior rate of economic growth in the Northeast,¹²¹¹ relegating the impact of periodic drought to a clearly subordinate status within the constellation of regional problems.¹²¹² It recommended the adoption of four basic policies as a way of beginning to address these problems directly: the stimulation of industrial investment in the region; the expansion and modernization of agriculture in the "humid zone", with a view to improving the urban food supply; the transformation of agriculture practices in the "semi-arid" zones to initiate the use of more productive and drought-resistance techniques and crops;

¹²¹⁰ GTDN, Uma Política de Desenvolvimento Econômico para o Nordeste, segunda edição (Recife, Brazil: Ministério do Interior, SUDENE, 1967, 1959). I would like to express my gratitude to Sa. Glyce da Freitas, in the Documents Division of the SUDENE Headquarters in Recife, for her help in obtaining a copy of this work for me.

¹²¹¹ GTDN, p. 9. A Brazilian analyst who is associated with the SUDENE argues that the basic outlook of the GTDN was a reflection of the views of Rômulo de Almeida, first president of the BNB. Otamar de Carvalho, Desenvolvimento Regional; Um Problema Político (Rio de Janeiro, Brazil: Editora Campus, 1979), p. 165.

¹²¹² "From the point of view of the Northeastern economic complex, drought constitutes a crisis of production of limited magnitude." ("Do ponto de vista do conjunto da economia nordestina a seca constitui uma crise de produção de magnitude limitada.") GTDN, p. 67.

TABLE 4.4

Population and Income of
Brazil's Primary Regions, 1956

Region	Population (in millions)	Total Income		Income Per Cap	
		(Cr\$bil.)	(US\$mil.)	Cr\$	Us\$
North	3,958	25.0	440.9	6,316	111
Northeast	18,714	102.2	1802.5	5,461	96
Center-South	37,135	636.9	11232.8	17,151	303
Brazil	60,080	764.1	13476.2	12,718	224

Source: GTDN, p. 15.

and the expansion of the agricultural frontier of the region to include the drought-free part of the state of Maranhão, with the long-term plan of relocating a significant part of the regional population to that area.¹²¹³ Kubitschek was reluctantly persuaded to support the creation of the new agency after favorable public response to the report was noted, and following a three-hour meeting with Furtado.¹²¹⁴ The passage of the directing legislation, however, including the necessary first Plano Diretor (or Guiding Plan), was

¹²¹³ GTDN, p. 14.

¹²¹⁴ Prominent accounts of the agency's creation (e.g., Hirschman, Robock) disregard Kubitschek's initial resistance to the formation of the agency. An account in *Interior*, on the other hand, stresses the importance of this encounter, citing Kubitschek's reluctant agreement, "I agree. It's difficult, but I agree." ("Concordo. E' duro, mas eu concordo.") *Interior*, 5, No. 29 (November/December 1979), p. 4. David E. Goodman contends, on the other hand, that "it is more appropriate to regard the creation of SUDENE as a direct response to the crisis engendered by the 1958 drought rather than as the logical outcome of intellectual argument and debate." Goodman, "Industrial Development in the Brazilian Northeast: An Interim Assessment of the Tax Credit Scheme of Article 34/18," *Brazil in the Sixties*, ed. Riordan Roett (Nashville: Vanderbilt Univ. Press, 1972), p. 231

another matter, requiring eighteen months of detailed and often acrimonious debate in the Brazilian Congress.

The commissioning of the SUDENE in late 1961, as an "autonomous" agency immediately subordinate to the Brazilian President, specified its largely technical and supportive role. The encouragement of administrative reform was one of its specified functions,¹²¹⁵ as was the initiation of technical and "apolitical" planning, focusing upon the establishment of a Northeastern industrial infrastructure, originally a concession designed to reduce the resistance to the program of the regional political elite.¹²¹⁶ Another important function of the new agency, one which tends to be disregarded in many interpretations (e.g., Hirschman, Robock, Roett) of this period, was its capacity to create mixed (government and private) corporations, which, according to Oliveira, represented one of the first major examples in the region of the state-as-producer.¹²¹⁷ This was dependent upon a crucial section of the enacting legislation, Article 34/18, which was inserted only after lengthy debate, and provided for a comprehensive program of tax incentives for industries willing to invest in Northeastern industrial development.¹²¹⁸

¹²¹⁵ Ministério Extraordinário para a Coordenação dos Organismos Regionais, I Plano Diretor de Desenvolvimento Econômico e Social do Nordeste (Recife, Brazil: Divisão Documentação, SUDENE, 1966), p. 14.

¹²¹⁶ Roett, Politics, p. 40. Oliveira also notes the initial (and vociferous) hostility of regional politicians to the concept of the SUDENE. Oliveira, p. 116.

¹²¹⁷ Oliveira, p. 116.

¹²¹⁸ Hirschman, in an article originally published in 1968, called the industrialization process that was sponsored by

Article 34/18, known after 1974 as the Northeast Investment Fund, or FINOR, became the SUDENE's central function after 1964. Article 34 of the SUDENE legislation of 1961 originally allowed Brazilian-owned corporations to contribute up to fifty percent of their tax liability to an investment pool, administered by the SUDENE, to be used for approved industrial projects in which matching funds were already provided by direct investors. Amendment 18, passed in 1963, allowed foreign corporations operating in Brazil to make use of this tax credit scheme.¹²¹ Article 34 was authored by federal deputy Gileno Dé Carli, a representative of the Northeastern state of Pernambuco,¹²² after a fact-finding mission to Italy where he explored the tax-incentive program of the Southern Italian regional development agency, the Cassa per il Mezzogiorno.¹²³

¹²¹ (cont'd) Article 34/18 "by far the most significant development to have taken place over the past few years in the Northeast...." Hirschman, "Industrial Development in the Brazilian Northeast and the Tax Credit Scheme of Article 34/18," A Bias for Hope; Essays on Development and Latin America, by Hirschman (New Haven: Yale Univ. Press, 1971), p. 124.

¹²² Goodman, pp. 235-236.

¹²³ and a former president of the Brazilian Sugar and Alcohol Institute (IAA). Oliveira contends that the creation of the SUDENE directly reflected the contrasting positions of the region's elite social classes, with Article 34 representing a concession (in its original form) to the sugar-textile elite. Oliveira, p. 115. Ironically, the remnants of an indigenous industrial bourgeoisie in the Northeast was largely destroyed by Article 34/18. Oliveira, p. 132.

¹²⁴ Interior, 5, No. 29 (November/December 1979), p. 5. The trip was--not surprisingly--financed by several industrialists from São Paulo. Carvalho's work is an analysis of the Cassa per il Mezzogiorno and the SUDENE, including a comparison of the two agencies. In the preface, written by former BNB president Rômulo de Almeida, the observation is made that the Italian agency was the most

In view of Brazil's highly concentrated and capital-intensive industrial structure, Goodman argues that the value of 34/18 as a crucial stimulus to Brazilian industrial expansion into the Northeast¹²²² is seriously qualified by the character of the industries that have resulted. They have often had few direct economic ties with the Northeastern ambient,¹²²³ and have tended to import technically-trained labor, semi-processed resources and technology from the Center-South, while exporting their finished products to the more sophisticated markets of the Center-South. Furthermore, the geographically and economically concentrated industrial growth pattern in the Center-South has been reflected in the pattern of industrialization that has emerged in the Northeast, in which two states, Bahia and Pernambuco, received nearly 75 percent of the 34/18 investment funds before 1968 (while providing just 60% of the new industrial employment) as Table 4.5 indicates.

The cost of tax incentives for the stimulation of Brazilian regional industrialization has increased significantly since 1968. The idea has been extended to other regions and economic sectors, often--in the view of one Brazilian analyst--at the expense of institutionalizing conflicting and even mutually neutralizing effects.¹²²⁴

¹²²¹ (cont'd) influential model in the minds of those who established the SUDENE. Almeida, "Apresentação", Desenvolvimento Regional, by Carvalho, p. 17.

¹²²² Goodman, p. 261.

¹²²³ Goodman, p. 249.

¹²²⁴ Ricardo Varsano, "Incentivos Fiscais: Supressão ou

TABLE 4.5

Distribution of Investment and Employment from 34/18 Projects by 1968, by States

STATE	Investment (Percent)	Employment (Absolute Numbers)
Bahia	38.4	15,528
Pernambuco	35.7	20,563
Ceará	8.6	9,779
Alagoas	6.7	2,616
Paraíba	4.1	5,576
Rio Grande do Norte	2.1	2,631
Maranhão	2.1	969
Minas Gerais*	1.2	1,576
Sergipe	0.7	541
Piauí	0.4	275

*Several municípios of northern Minas Gerais were eligible for 34/18 funds.

Source: Goodman, p. 260.

Moreover, the cost of the program for the Northeast may have been prohibitively high. Oliveira argues that the Northeast Development Fund (Fundo de Desenvolvimento do Nordeste, or FIDENE) that was created by Article 34/18 became "the most powerful mechanism for the transference of bourgeois hegemony of the Center-South to the Northeast,"¹²²⁵ and was also an important step in "capturing" the political apparatus of the region.¹²²⁶ He points to the origins of the primary political support for the SUDENE, mostly from Center-South politicians, and the manifest opposition to the agency from Northeastern congressmen,¹²²⁷

¹²²⁴ (cont'd) "Reformulação?" Rumos do Desenvolvimento, 3, No. 16 (March/April 1979), p. 30.

¹²²⁵ "Estava criado o mais poderoso mecanismo para a transferência da hegemonia burguesa do Centro-Sul para o Nordeste." Oliveira, pp. 119-120.

¹²²⁶ Oliveira, p. 119.

¹²²⁷ Oliveira, p. 116. Robock corroborates this, noting

concluding that the SUDENE also represented a "flank attack" on the growing political consciousness of the popular classes of the Northeast.¹²²⁷ Miguel Arraes, a governor of the Northeastern state of Pernambuco prior to his ouster in 1964, notes that job creation, ostensibly one of the primary goals of Article 34/18, has ironically been one of its weakest aspects.¹²²⁸

Another range of basic objections to the SUDENE program has been posited by analysts. Stefan Robock noted the early expenditure of much-needed technical personnel in what was essentially a political struggle,¹²²⁹ a problem that is endemic to bureaucratic agencies in general. The character of that particular struggle, moreover, created numerous subsidiary difficulties for a coordinating agency such as the SUDENE, and by 1964 virtually all of the agency's resources were being expended to prevent its political demise.¹²³⁰ A significant political opposition resisted the SUDENE's efforts to coordinate all formal development efforts in the Northeast, a key constituent of which was the major foreign assistance agency in the region, the United

¹²²⁷ (cont'd) that the direct source of opposition of many Northeastern congressmen was their unwillingness to relinquish their control of federal spending in the region. Robock, Brazil's Developing, p. 105.

¹²²⁸ Oliveira, p. 113.

¹²²⁹ Miguel Arraes, Brazil: The Power and the People (Middlesex, England: Penguin Books, 1969), p. 203.

¹²³⁰ Robock, Brazil's Developing, p. 106.

¹²³¹ An analysis of this situation is the central focus of my M.A. thesis: D. Zirker, "Politics and Institutionalized Change: The Failure of Regional Development Planning in Northeast Brazil, 1961-1964," M.A. thesis, Univ. of Montana, 1976.

States Agency for International Development, or USAID.

The interference of the USAID in the Northeast development process in the early 1960s, while extensively documented elsewhere,¹²³² is important to recall at this juncture in at least two respects. First, it mirrored in its modus operandi the traditional Brazilian method of "containing" regional discontent from the top down through the cooptation of regional political elites. In the early 1960s the Kennedy administration became worried by the image of widespread political unrest in Northeast Brazil,¹²³³ and chose shortly thereafter to use its foreign aid program to counter the efforts of the SUDENE. According to Roett, the USAID mission to the Northeast thereafter functioned as a drag on the efforts of the SUDENE, in the interests of relatively narrow political goals,¹²³⁴ thus conforming with what Roett characterizes as the general tendency of United States foreign aid at the time: the reinforcement of "stable" elites, often at the expense of national development objectives.¹²³⁵

¹²³² Secondary sources include: Roett, Politics; Jerome Levinson and Juan de Onís, The Alliance That Lost Its Way; A Critical Report on the Alliance for Progress (Chicago: Quadrangle Books, 1970); Phyllis R. Parker, Brazil and the Quiet Intervention, 1964 (Austin: Univ. of Texas Press, 1979); and Oliveira, Elegia.

¹²³³ Journalist Tad Szulc published several inflammatory articles in the New York Times, implying the imminent likelihood of the "cubanization" of the region. Oliveira recalls the numerous American "observers", including Dr. Henry Kissinger, who made their appearance in Recife shortly thereafter. Oliveira, pp. 120-121.

¹²³⁴ Roett, Politics, pp. 173-174. Levinson and Onís, p. 291.

¹²³⁵ As Roett puts it, "the United States in the 1960s found itself in the awkward position of advocating political and

Second, the United States agency's interference in the SUDENE program stressed its government's distrust of both the SUDENE and the Brazilian federal government itself.¹²³⁴ An Alliance for Progress mission to the region in late 1961, headed by former United States Ambassador to Brazil Merwin Bohan, issued a set of recommendations for the "containment" of the peasant leagues in the region. These were only withdrawn at the insistence of the Brazilian federal authorities.¹²³⁵ By 1962, the political section of the United States Embassy in Rio de Janeiro was insisting upon the implementation of a school-building program in the Northeast despite the active objections of the embassy's educational division, which argued--as did the SUDENE--that the region's critical teacher shortage made such construction actually counterproductive. The political section won out, according to Roett, by arguing that its purpose was to counter communist subversion in the region, and that such a program would nevertheless provide a valuable presence in the area, and might even influence the outcome of the important 1962 elections in a critical state such as Pernambuco.¹²³⁶ The tacit resistance of the USAID to the SUDENE's development efforts remained in effect until 1964, when the military intervention "stabilized" political

¹²³⁵ (cont'd) social modernization in underdeveloped nations while possessing and using foreign aid as an instrument to impede modernization in the name of national and international security." Roett, Politics, p. 10.

¹²³⁶ Oliveira, p. 122.

¹²³⁷ Oliveira, p. 121.

¹²³⁸ Roett, Politics, pp. 74-75.

change in the region, resulting in the removal of Northeast politicians such as Governor Miguel Arraes, and even the SUDENE's superintendent, Célso Furtado, a prominent economist who subsequently accepted a series of prestigious teaching positions in European and American universities.

E. 1964-1969: Continuity and Relative Decline

Castelo Branco: A Second President from the Northeast. The 1964 military intervention in Brazil reversed the, albeit limited, process of increasing mobilization of the Brazilian peasantry that had been the norm in the previous decade, producing in Foreman's view what amounted to the political muzzling of the peasant political movement.¹²³ The Brazilian pattern of patrimonial politics had been extended in the late 1950s and early 1960s, primarily because of growing pressures upon the region's subsistence farmers,¹²⁴ beyond the traditional aegis of the latifundium, to include such ineffective "patrões" as the peasant leagues,¹²⁵ and,

¹²³ Foreman, p. 195.

¹²⁴ Flynn argues that the 1950s sugar boom resulted in the intensification and modernization of that industry (as well as of other regional agricultural commodities), to the immediate detriment--exclusion from the land--of many subsistence farmers. This directly altered the traditional patrão relationship that had previously existed. Flynn, Brazil, p. 260.

¹²⁵ Leeds noted that all of the leagues were structured in such a way as to provide a surrogate for the paternalistic landlord/tenant relationship: "they guarantee a vertical dependence upward...." Leeds, p. 197.

finally, the SUDENE itself.¹²⁴² Hence the process of suppressing the peasant movement led directly to the disbanding of many of the leagues, and the "depoliticization" of the SUDENE through a thoroughgoing purge of its higher officials, the appointment of a general to replace Furtado,¹²⁴³ and the removal of the agency's "autonomous" status within the Brazilian bureaucracy, reducing it to a branch of the Ministry of the Interior.¹²⁴⁴ President Castelo Branco's policy for Northeast regional development by 1967 included at least three basic tenets, all of which were noteworthy more for their reiteration of earlier plans than for their originality. First, emphasis was placed on the increasing fiscal centralization of regional development efforts. Second, industrialization became the primary focus of federal development efforts in the Northeast. Third, the depoliticization of regional development agencies became a high, if not always realistic, military priority, particularly given the government's tendency after 1964 to define as "political" (and hence as pejorative) a broad range of activities typical of most government institutions in Brazil.

The pronounced centralization of policies for the development of the Northeast constitutes the major theme of virtually all post-1964 military administrations in that region. The proto-authoritarian regime of General Castelo

¹²⁴² Foreman, p. 181.

¹²⁴³ Page, p. 216.

¹²⁴⁴ Page, p. 229.

Branco, in fact, represented something of a departure from the political patterns that might have been predicted based on his political orientation and geographical background: his "liberal" political identity within the military establishment was quickly subsumed by stronger authoritarian currents, resulting in the consolidation and institutionalization of authoritarianism during his regime,¹²⁴⁵ as discussed in the last chapter; his Northeastern origins and identity¹²⁴⁶ apparently had only a moderately significant influence upon federal expenditure policy for the region,¹²⁴⁷ as evidenced by Table 4.6 and the analysis of expenditure data for the region, 1960-1975, presented in the next chapter. As Table 4.6 illustrates, after the substantial inflation of the period is taken into account, net federal program expenditures in the region can be seen to have dropped precipitously in 1964 and 1965, recovering to some extent in 1966, although remaining below the pre-golpe levels. Meanwhile, the Castelo Branco regime renovated the national tax system, formalized in the 1967 Constitution, to ensure the centralization and adequate collection of taxes in the following sectors: imports,

¹²⁴⁵ Abranches notes the pronounced political influence of the more authoritarian War Ministry, headed by General Costa e Silva, during this period. Sérgio Hudson de Abranches, "The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil," Ph.D. Dissertation, Cornell Univ., 1978, p. 118.

¹²⁴⁶ Gordon Campbell, Brazil Struggles for Development (London: Charles Knight and Company, 1972), p. 48.

¹²⁴⁷ The presence of a Northeastern president, it will be recalled, is one of the predictors of high government expenditures for Northeast development, as hypothesized by Hirschman.

TABLE 4.6

The Estimated Effect of Federal Government Expenditures
in Northeast Brazil, 1960-1968

YEAR	(A) Net* Federal Spending in the NE (Cr\$mil.)	(B) Transfer Payments to Local Gov.'s (Cr\$mil.)	(C) Fiscal Incentives in the NE (Cr\$mil.)	(D)= A+B +C	D/ Federal Tax Receipts from NE (%)	D/GDP of NE (%)
1960	12.3	1.5	0	13.8	118.0	4.24
1961	13.7	3.5	0	17.2	103.6	3.73
1962	41.9	7.2	0	49.1	198.0	6.45
1963	65.6	4.9	.1	79.6	166.5	5.48
1964	43.3	21.3	3.4	68.0	63.9	2.31
1965	88.5	47.8	8.0	144.3	78.8	2.65
1966	202.5	108.3	39.0	349.8	122.9	4.58
1967	504.7	270.2	157.0	931.9	283.7	8.95
1968	290.7	535.9	315.9	1,142.4	156.7	7.50

*Total direct federal program expenditures minus federal tax receipts from the region (federal intra-governmental transfers).

Source: Cavalcanti and Cavalcanti, p. 126.

exports, rural territorial property, income, industrialized goods, credit, services in transportation and communications, petroleum products, electric energy and minerals.¹²⁴ One of the most important aspects for the Northeast of the new fiscal centralization was the restructuring of a basic source of revenues for the state governments, the Merchandise Tax (Imposto sobre Vendas e Consignações, or IVC--renamed the Imposto sobre a Circulação de Mercadorias, or ICM, in 1967). The Northeastern states, considered to be primarily "consumer" rather than "producer" states (despite their relatively low levels of consumption relative to states in the Center-South), felt that they had

¹²⁴ Chaloult, pp. 53-54.

been placed at a disadvantage by the changes in the ICM, particularly those that reduced it from a percentage collected from the total value of the transactions at each step of the marketing process to a percentage only of the value added at each step.¹²⁴ Lower state revenues in the Northeast increased regional dependence upon the direct federal program expenditures.

Industrial tax incentives for the Northeast increased dramatically during the Castelo Branco presidency, becoming the centerpiece of government policy for the region,¹²⁵ as Table 4.7 suggests. The industrial tax incentive program for the Northeast has had mixed results. Although Hirschman regarded it, in an article published originally in 1968, as a significant development,¹²⁶ Goodman's subsequent evaluation of the program points to a key and persistent feature, mentioned above: its tendency to import capital, technology, raw materials and labor to the region, and to export its finished products back to the Center-South, the most appropriate market for capital- and

¹²⁴ Chaulout, p. 67.

¹²⁵ Great claims for the success of the program were routinely made, despite evidence to the contrary. As one government report put it, "the incentive system of Article 34/18 is responsible, in large part, for the capitalistic and peaceful revolution that is taking place in the Northeast." ("...o sistema de incentivos dos artigos 34/18 é responsável, em grande parte, pela revolução capitalista e pacífica por que está passando o Nordeste.") Márcio Malveira de Queiroz, Nordeste 70; Ensaio Sócio-Econômico Sobre o Nordeste do Brasil (Fortaleza, Brazil: Imprensa Universitária da Universidade Federal do Ceará, 1971), p. 83.

¹²⁶ Hirschman, "Industrial Development", p. 124.

• TABLE 4.7

The Relative Importance of Fiscal Incentives to the
Brazilian Northeast, 1963-1970

YEAR	(A) Fiscal Incentives (Cr\$mil.)	A/ Federal Tax Receipts from the Northeast (%)	A/ State and Municipal Tax Receipts for the NE (%)	A/ GDP for the NE (%)
1963	.1	.21	.08	.01
1964	3.4	3.19	1.31	.12
1965	8.0	4.37	1.87	.15
1966	39.0	13.70	6.27	.51
1967	157.0	47.79	16.12	1.51
1968	315.8	43.33	21.05	2.22
1969	484.3	47.44	23.57	2.64
1970	711.2	68.16	28.51	3.11

Source: Cavalcanti and Cavalcanti, p. 125.

technology-intensive goods.¹²⁵² Opponents of the regime, such as Marcio Moreira Alves, have contended that tax incentives represent government aid to the Center-South, rather than the Northeast, and that "modern industries have in many cases reduced the number of jobs available and, even by optimistic calculations, have offered, at most, 60,000 new opportunities over ten years."¹²⁵³ Alves adds, in terms that are reminiscent of Chaloult's arguments regarding

¹²⁵² Goodman cites Hirschman's potential reservations regarding this prospect (the program had apparently not yet established a firm pattern when Hirschman wrote his article) that industry might come to accept the program "merely for the purpose of taking advantage of the available 34/18 funds." Hirschman, "Industrial Development," p. 154. Goodman concludes that, "sadly, an interim assessment suggests that this is quite an accurate description of many 34/18 projects in the capital and durable-goods sectors." Goodman, p. 244.

¹²⁵³ Marcio Moreira Alves, A Grain of Mustardseed; The Awakening of the Brazilian Revolution (Garden City, New York; Anchor Books, 1973), p. 99.

internal dependency, that such regional development programs imitate the economic distortions resultant from international dependent relations.¹²⁵⁴ This situation is recognized in documents of the SUDENE, such as the Fourth Guiding Plan,¹²⁵⁵ as well as in broad-spectrum economic analyses of the program.¹²⁵⁶ Andrea Maneschi argues that while the character of modern technology bears much of the blame for the low job-creation associated with 34/18, the structure of the incentives program is likewise culpable:

By artificially lowering the relative price of capital with respect to that of labor, they have induced entrepreneurs to adopt the most capital-intensive techniques of production in the most capital-intensive lines of industry. Greater labor absorption, though possibly at the expense of a smaller increase in output, would have occurred had the government chosen a type of fiscal incentive specifically biased in this direction, such as an annual subsidy, for a limited period of time, applicable to a firm's operating costs rather than, as at present, to its initial (mostly capital) costs.¹²⁵⁷

Article 34/18 has also sponsored a geographically concentrated (and hence, from a regional job-creation standpoint, impractical) pattern of subsidized industrial

¹²⁵⁴ Alves, pp. 99-100.

¹²⁵⁵ Minter/SUDENE, IV Plano Diretor de Desenvolvimento Econômico e Social do Nordeste, 1969-1973 (Recife, Brazil: Minter/SUDENE, 1968), p. 59.

¹²⁵⁶ E.g., David E. Goodman, Júlio F. Ferreira Sena and Roberto Cavalcanti de Albuquerque, "Fiscal Incentives for the Industrialization of the Northeast of Brazil, the Choice of Techniques," Brazilian Economic Studies, No. 1 (1975), p. 225.

¹²⁵⁷ Andrea Maneschi, "The Brazilian Public Sector," Brazil in the Sixties, ed. Riordan Roett (Nashville: Vanderbilt Univ. Press, 1972), p. 206.

expansion. Even firm proponents of the program recognized its early tendencies toward economic concentration within the Northeast, as demonstrated by a summary (in Table 4.8) of the program at the end of the Castelo Branco regime. Furthermore, as Page observes, the program ignored the sugar industry, one of the region's primary employment problems.¹²⁵ After 1968, the redirection of federal expenditures away from Northeast industrial development further exacerbated many of the problems associated with the program.

The "depoliticization" of regional development agencies, a second major policy orientation of the Castelo Branco dictatorship vis-à-vis the Northeast, was consistent with the broad policy goals of the post-1964 Brazilian military authorities, prominent among which was a commitment to altering the basic function of bureaucracy in Brazil.¹²⁵ The SUDENE lost its "autonomous" status, becoming a subordinate branch of the reorganized Ministry of the Interior (MINTER), a "watchdog" ministry which came increasingly to specialize in overseeing regional development and public housing and urban affairs under the military "tutelage".¹²⁶ This followed the original 1964 purge of the SUDENE leadership, including the summary removal of Celso Furtado. As late as 1979, no mention was

¹²⁵ Page, p. 230.

¹²⁵ Daland describes the focus of administrative change in the post-1964 era as "a shift of power from a politicized bureaucracy to a military-technical bureaucracy." Daland, Exploring, pp. 393-394.

¹²⁶ Daland, p. 122.

TABLE 4.8

Distribution of 34/18 projects by 1967, by States

STATE	Total Investment Projected (Cr\$ millions)	%	Number of Projects	%
Bahia	304.0	36.2	47	18.5
Pernambuco	288.6	34.4	88	34.6
Alagoas	121.5	14.5	15	6.0
Ceará	39.6	4.7	43	17.0
Paraíba	23.6	2.8	28	11.0
Rio Grande do Norte	22.2	2.7	9	3.5
Sergipe	17.4	2.1	7	2.6
Minas Gerais	13.3	1.6	3	1.2
Piauí	5.0	0.6	8	3.1
Maranhão	4.4	0.5	6	2.4
Total	839.6	100.0	254	100.0

Source: Hirschman, "Industrial Development, p. 144.

made in an official summary of the history of the SUDENE of Furtado's formidable role in the agency's establishment,¹²⁶¹ indicating the pervasive and ideological character of that purge. Although this general military policy of de-politicization arguably benefitted the region in some respects,¹²⁶² it also reduced the ability of regional agencies to compete politically for federal resources, a pattern ingrained in the Brazilian sistema. Combined with the Brazilian recession that followed the "stabilization" policies of the Castelo Branco regime, this policy may have contributed to the regressive pattern of income distribution

¹²⁶¹ Minter/SUDENE, SUDENE Vinte Anos (Recife, Brazil: Minter/SUDENE, 1979), pp. 15-23. Furtado's name is not even mentioned in this summary of the SUDENE's first twenty years of operation.

¹²⁶² Foreman suggests, for example, that military rule undermined elite political patronage in the region. Foreman, p. 84.

in the Northeast that had become apparent by the end of the first military presidency, with the income of the lowest 40 percent of the population of Recife, for example, declining from 16.5 percent of the total income of the city in 1960 to 11.5 percent in 1967, and the lowest 40 percent of the population of Maceió declining from 15.4 percent of that city's total income in 1964 to 11.2 percent in 1968.¹²⁶³ A very limited land-reform program, introduced as the Land Statute Law, which provided for the creation of two new agencies to oversee land redistribution measures,¹²⁶⁴ accomplished little by the end of the Castelo Branco administration, and "the problem of the land-tenure system continue[d] to be one of the most serious of the country."¹²⁶⁵

The results of the state elections of 1966 reinforce Oliveira's contention that the region's indigenous bourgeoisie (including, by virtue of the patrimonial political system in Brazil, their vertical linkages downward) were threatened by the regional policies of the first post-1964 military government.¹²⁶⁶ Both working- and upper-class neighborhoods in the city of Recife tended to

¹²⁶³ Philippe Schmitter, "The 'Portugalization' of Brazil?" Authoritarian Brazil; Origins, Policies, and Future, ed. Alfred Stepan (New Haven: Yale Univ. Press, 1973), p. 204.

¹²⁶⁴ Andrade, p. 3.

¹²⁶⁵ Andrade, p. 198.

¹²⁶⁶ A comprehensive analysis of the election results for the state of Pernambuco is available in: Vamireh Chacon, "As Eleições Estaduais em Pernambuco em 1966," Revista Brasileira de Estudos Políticos, No.'s 23 and 24 (July 1967 and January 1968), p. 93. Chacon argues that the results indicated an elite preference for the pre-1964 program of the SUDENE.

reject candidates from the official government party, ARENA.¹²⁶⁷ An analysis of that party's performance throughout the state of Pernambuco, moreover, appears to confirm the importance of the support by the rural cotton-cattle oligarchy (again, with patrimonial vertical linkages downward) of the government: the official--though nevertheless acerbic--opposition, the MDB, garnered 21 percent of the vote for federal deputies in the coastal (sugar) zone, 13 percent in the transition zone (zona agreste), and 3 percent in the sertão, the heart of the cotton-cattle oligarchy in the state.¹²⁶⁸

Relatively few substantive changes had been made in the structure and function of Northeast development agencies by the end of the Castelo Branco presidency in 1967. The CVSF was renamed the Superintendency of the São Francisco Valley (Superintendência do Vale do São Francisco, or SUVALE) in that year, and was reorganized on the basis of a new government commitment to the agency of one percent of the annual Brazilian federal tax revenues.¹²⁶⁹ The limited scale of its projects is thought to have minimized its potential as an agent of significant change in the region, however.¹²⁷⁰ The positive response of foreign assistance and international banking establishments to the stabilization policies proposed by Minister of Planning Roberto Campos

¹²⁶⁷ Chacón, p. 94.

¹²⁶⁸ Chacón, p. 89.

¹²⁶⁹ Anthony L. Hall, Drought and Irrigation in North-East Brazil (Cambridge, England: Cambridge Univ. Press, 1978), p. 11.

¹²⁷⁰ Hall, p. 11.

ensured their enthusiastic cooperation with federal policies,¹²⁷¹ as evinced in the improvement in the working relationship between the SUDENE and the USAID, even if few tangible economic results of this rapprochement were noted during the Castelo Branco presidency itself.¹²⁷² The most "dynamic" foreign assistance program during the period was evidently Food for Development, of which about half of the imported foodstuffs went to the Northeast.¹²⁷³ Castelo Branco's Economic Action Program (PAEG) may, in fact, have discouraged foreign and domestic regional development programs because of its rudimentary and unclear plan to begin integrating all regional plans into a single national program,¹²⁷⁴ a policy that would dominate--in a more coherent and cohesive form--the regional development programs of the two subsequent military dictatorships.

Costa e Silva: A Shift to "Humanism". The brief presidency of General Artur da Costa e Silva represented a period largely characterized by dysfunctional authoritarianism and--arguably for ulterior motives--the intensification of the federal government's Northeast development efforts. The

¹²⁷¹ Fishlow, "Some Reflection," p. 83.

¹²⁷² Roett notes the favorable response of the United States development agency to the appointment of Gonçalves de Souza as Superintendent of the SUDENE in August of 1964, although he observes that, because the limited 1964 financial agreements had already been fulfilled, no significant funding was added. Furthermore, the bulk of United States assistance was soon tied up in support of the stabilization program. Roett, Politics, pp. 162-163.

¹²⁷³ Roett, Politics, p. 163.

¹²⁷⁴ Roett, Politics, p. 147.

dysfunctional aspect of this dictatorship, which soon came to be referred to as the "ditamole",¹²⁷⁵ was portrayed by the regime as a new emphasis upon "humanism", despite the continuing presence and growth of such authoritarian elements as the National Information Service. The administration sought to reinforce its claims to humanism by adopting a public relations campaign, part of which included transferring the federal government (for short periods) from Brasília to São Paulo, Recife and Belo Horizonte.¹²⁷⁶ The government's week-long stay in Recife in August 1967 was used to announce a new plan, the Co-ordinated Action of the Federal Government in the Northeast, which, true to the spirit of the regime, turned out to be a sort-lived publicity scheme based largely upon development measures already adopted by the government.¹²⁷⁷ Another purported basis of the new "humanism" of the Costa e Silva presidency was a heightened sense of economic nationalism, in which increased exports and nationally-financed development schemes were touted as preferable to the heavy reliance upon foreign capital that had typified Castelo Branco's economic policymaking.¹²⁷⁸ The administration's claim to having

¹²⁷⁵ Campbell, p. 90. "Ditadura", the Portuguese word for "dictatorship", contains the particle "dura", which means "hard". "Ditamole" is a play on words, substituting a word particle meaning "soft" ("mole").

¹²⁷⁶ Campbell, p. 91. Campbell notes the difficulties that Costa e Silva encountered in dealing with the political aspects of the presidency, and his obvious preference for routine administration. Pp. 90-91.

¹²⁷⁷ Roett, Politics, p. 149.

¹²⁷⁸ Alfred Stepan, The Military in Politics; Changing Patterns in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1971), p. 236

manifested a heightened interest in the problems of regional development was reinforced by the appointment of General Affonso de Albuquerque Lima, a Northeasterner and "hard-line" authoritarian nationalist (as well as a former director of the DNOCS), as Minister of the Interior,¹²⁷ although the limited Land Reform Statute of the previous administration was quickly abandoned by the regime.¹²⁸ Costa e Silva's most important appointment was undoubtedly that of Antônio Delfim Neto as Minister of Finance. Delfim Neto's gradual climb to a position of predominance in economic policymaking, finally achieved during the subsequent Médici presidency, would have important repercussions for the future of regional development policies.

The general policy formulation of the Costa e Silva government which directed such sectoral policy areas as regional development planning was known as the Strategic Program for Development,¹²⁹ which replaced the PAEG of the Castelo Branco administration. The Strategic Program altered the basic direction of economic policy, emphasizing price stability with increasing production and gross national product as the basic goals of the regime. It discussed--although did little to alter--the need for

¹²⁷ Flynn, Brazil, pp. 379-380.

¹²⁸ Stepan, Military, p. 236

¹²⁹ The program, covering the period from 1968 to 1970, was contained in fifteen volumes that were compiled during a six-month period by 100 government and private-sector analysts under the direction of the Minister of Planning. Campbell, p. 105.

greater economic democracy and the elimination of the economic "privileges" of the upper classes.¹²⁸² It stressed the desirability of accelerating social progress and increasing employment opportunities through the expansion of the domestic market and domestic investment, and discussed the importance of the Northeast and Amazonian regional development in this context.¹²⁸³ Campbell describes it as "an appropriate stance for a nationalist government, anxious to appear more forthrightly Brazilian than its predecessor,"¹²⁸⁴ although Flynn stresses that "these were changes not radically to alter or challenge the previous economic model, but rather to strengthen and develop it further."¹²⁸⁵ One feature of the program that was to have a formative effect on regional development in Brazil was its creation of the Fundo de Participação dos Estados e Municípios, one of several mechanisms for transferring funds from the federal to local governments,¹²⁸⁶ not unlike the "revenue sharing" scheme adopted at roughly the same time in the United States under the Nixon administration. The worsening pattern of income distribution observed in Brazil during the Costa e Silva presidency is a primary feature of this model, which stresses rapid (and short-term) economic growth above all else,¹²⁸⁷ and which hence countered the

¹²⁸² Roett, Politics, p. 148.

¹²⁸³ Campbell, p. 106.

¹²⁸⁴ Campbell, p. 107.

¹²⁸⁵ Flynn, Brazil, p. 383.

¹²⁸⁶ Dália Maimon, Werner Baer and Pedro P. Geiger, "O Impacto das Políticas Econômicas no Brasil," Revista Brasileira de Geografia, 39, No. 3 (1977), p. 11.

¹²⁸⁷ Flynn, Brazil, p. 392.

short-term benefits to regional development that derived from the efforts of Minister of the Interior Albuquerque Lima.

Albuquerque Lima's primary contribution to regional development in Brazil, one that would continue to be observed well after his departure from government in 1969, was the formulation of the policy of "national integration," the active attempt to consolidate all of the regional development programs under super-regional development schemes which were closely associated with the prevailing military concept of "national security."¹²⁸⁸ The nationalist thrust of this policy, which was encapsulated in the expression "integrate so as not to sell out (entregar)",¹²⁸⁹ was not unrelated to Albuquerque Lima's own presidential aspirations,¹²⁹⁰ although it contained a number of nominally positive and long-term steps involving regional development, including increased support for the SUDENE and the SUDAM (the Superintendency for Development in the Amazon Region), the establishment of a "free" industrial zone in the state of Amazonas, the creation of a corps of educated urban youth to participate in the improvement of living conditions in remote areas and the support of policies leading to agrarian reform.¹²⁹¹

¹²⁸⁸ Flynn, Brazil, p. 427.

¹²⁸⁹ "Integrar para não entregar."

¹²⁹⁰ Stepan describes Albuquerque Lima's nationalism as an attempt to capitalize on the growing frustrations of junior officers for his own political benefit. Stepan, Military, p. 260.

¹²⁹¹ Flynn, Brazil, pp. 427-428. The supra-regional programs were not actually created until well after

Although the effect of Albuquerque Lima's tenure as Minister of the Interior conforms at least cursorily with Hirschman's prediction vis-à-vis the likely conditions that might trigger increased government support of Northeast regional development,¹²²² of more long-term significance was the extent to which his policies were either tangential, or a challenge, to the economic philosophy of Finance Minister Delfim Neto.¹²²³

Delfim Neto served extensively in three Brazilian cabinets after 1967,¹²²⁴ and has maintained a relatively neutral, if sometimes hostile, position regarding regional development in Brazil.¹²²⁵ He has tended, particularly between 1967 and 1974, to devote his attention to the

¹²²¹ (cont'd) Albuquerque Lima's departure from the government in 1969.

¹²²² As a Northeasterner and a prominent policymaker, he established the funding pattern that probably accounted for the exceptionally large government aid to the region during the 1970 drought.

¹²²³ Flynn, Brazil, pp. 428-429. Flynn adds that "the challenge was not, it should be stressed, a very radical one. Albuquerque Lima himself already had business connections which excluded a thoroughly nationalist defiance of either foreign or the centre-south financial and business interests. If he had any hope of becoming president, he would need eventually to come to terms with those 'powerful groups' he now severely criticized." P. 429.

¹²²⁴ As Minister of Finance (1967-1974) and Minister of Planning (1979-present).

¹²²⁵ A recent article in Veja describes Delfim Neto as now being generally opposed to federal expenditures for long-term development projects in the Northeast because he "believes that it is poor business to invest (in the Northeast, where the profitability is less) federal money that goes a short way, and that could bring a much higher profit in other places." ("O ministro Delfim Netto acredita que é mau negócio aplicar no Nordeste, onde a rentabilidade é menor, um dinheiro federal que anda curto e que pode render muito mais em outros lugares.") Veja, 18 March 1981, p. 54.

macro-economic policies affecting currency exchange-rates, the planning of industrial development and the administration of resources deriving from the application of a specific economic growth model.¹²²⁶ This model generally favors the economic interests of multinational and Center-South corporations, as well as those of the middle- and upper-classes, and, to a lesser extent, the urban workers (this point is debatable, as evidenced by the growing gap between the industrial productivity and wages of Guanabara workers, shown in Table 4.9),¹²²⁷ at the immediate expense of the agricultural laborers who, despite the instigation of modest corrective policies,¹²²⁸ remained virtually ignored by policies emanating from civilian technocrats¹²²⁹ conforming to the policies of Delfim Neto.

The "humanism" of the Costa e Silva presidency can be described generally as illusory--at least for most of the people of Brazil. The growing government focus upon Northeast regional development, which probably derived in large measure from the political prominence of General Albuquerque Lima, has not appeared to foster significant economic change in the region,¹³⁰⁰ and retained the

¹²²⁶ Flynn, Brazil, p. 391.

¹²²⁷ Fishlow argues, moreover, that "the increase in real income of urban workers after 1967 may have been associated with increasing inequality among themselves." Fishlow, "Reflections," p. 94.

¹²²⁸ Such as the guaranteed minimum prices policy, which Fishlow describes as having effected a short-term, but not a long-term, improvement in rural incomes outside the state of São Paulo. Fishlow, "Reflections," pp. 94-95.

¹²²⁹ Flynn, Brazil, p. 454.

¹³⁰⁰ Data presented in Chapter Six deals directly with this argument.

TABLE 4.9

Growth of Wages and Productivity of the Industrial
Work Force in Guanabara, 1959-1970
(Wages Deflated by the Cost-Of-Living Index)

YEAR	Wages	Productivity of Work Force
1959	100	100
1960	---	---
1961	---	---
1962	104	111
1963	123	122
1964	119	124
1965	107	120
1966	111	127
1967	111	135
1968	116	144
1969	124	150
1970	126	163

Source: Flynn, Brazil, p. 460n.

character of strict political supervision typical of military authoritarianism. The SUDENE, for example, was compelled in 1968 to abandon a mild workers' profit-sharing program in the subsidized industrial sector because of unfounded charges that this would lead to workers' self-management, and hence to socialism. Costa e Silva's inept authoritarian administration, in fact, set the stage for Institutional Act No. 5 of late 1968, and the advent of overt military authoritarianism that was the hallmark of the subsequent presidency of General Emílio Garrastazú Médici.

F. Conclusion

The persistent underdevelopment that has typified the Brazilian Northeast has been the object of a varied spectrum of analyses and policies ultimately aimed at accelerating the regional development process. Late nineteenth- and early twentieth-century analyses of the problem stressed the havoc caused by the periodic droughts, and eventually conditioned a federal development program, the IFOCS (later called the DNOCS), which maintained a "hydraulic approach" to regional development, the creation of public works to provide for increased water retention and irrigation. The record of this agency has been uninspiring, however. Subsequent analyses of regional underdevelopment pointed to the traditional economic bases of the Northeast--sugar culture and slavery--as serious inhibitions to regional economic development, particularly given the historic tendency of the region's agricultural sector to increase production through expanding the area under cultivation rather than modernizing the techniques of agriculture. A more circumspect and sophisticated adaptation of this analysis, which in its varying forms has rapidly gained currency since the 1950s, develops this line of argument in attributing chronic regional underdevelopment to the regional and national socio-economic systems, which are thought to foster the extreme income disparities and abnormally low agricultural wages characteristic of the

Northeast. The most effective agencies created in the 1950s and early 1960s in response to this interpretation, particularly the BNB, the SUVALE and the SUDENE, have nevertheless failed in the short-term to reduce significantly the pronounced regional development disparities in Brazil, at least in part because of the political resistance that their programs encountered. The underdevelopment of the Brazilian Northeast remains a serious and embarrassing fact of the contemporary Brazilian economy.

This dissertation explores one aspect of the influence of politics upon the development of the Northeast. Since 1964, increasing attention has been focused upon the role of the state in the Brazilian political, social and economic setting. The interrelationship between politics and economics is particularly underscored, given the extensive and growing state participation in Brazilian economic development. Continuing development efforts in the Brazilian Northeast have been largely dependent upon the federal expenditure policies for the region. In examining the relationship between post-1964 Brazilian military presidencies and the varying federal expenditure commitments for the Northeast, the post-1964 regional expenditure policies will ultimately be used as a vehicle for analyzing more thoroughly Brazilian military authoritarianism--particularly regarding its potential as an agent of development.

The purpose of this chapter has been to provide a background to Northeast regional underdevelopment while emphasizing the importance of the national and international ambients to this persistent problem. Chapter Five will focus upon the highly authoritarian presidency of General Médici, particularly the "boom" years of 1969-1973, and will compare its effective Northeast regional expenditure policies with those of its predecessors. It will examine the impact of varying expenditures, and the variable policies directing the use of these expenditures, upon regional development as interpreted both quantitatively and in the current literature. It will also include the quantitative and theoretical evaluation of a primary hypothesis, that military authoritarianism and effective expenditure policy for Northeast regional development are inversely related in Brazil after 1964.

V. THE "MIRACLE" AND REGIONAL DEVELOPMENT POLICY

A. Introduction

The irony of the Brazilian "miracle" is that it failed, at least in the short run, to improve the lot of most Brazilians. This chapter will analyze the national and regional development policies of the government of General Emilio Garrastazú Médici in the context of its high, or overt, military authoritarianism and its ostensibly favorable economic conditions. The presidential period, particularly its halcyon days between 1969 and 1973, affords a useful comparative perspective in examining the central hypothesis of this work, that military authoritarianism and effective federal expenditure policy for Northeast regional development are inversely related after 1964.

The political consolidation of the Brazilian military dictatorship in late 1968 completed the uneven process of "routinization of authoritarianism"¹⁰⁰ in post-1964 Brazil by bringing to power a regime that was both sensitive to the prevailing authoritarian nationalist mood within the officer corps, and sufficiently authoritarian in character to effect its primary policy objectives. The political manipulation that led to this consolidation, impeded to some extent by the eleventh-hour senior military appointments of the more

¹⁰⁰ Sergio Henrique Hudson de Abranches, "The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil," Ph.D. diss., Cornell Univ., 1978, p. 121.

moderate President Castelo Branco in 1967,¹³⁰³ resolved a political schism which had developed between the military government and the wider military officer corps, and focused primary attention upon the new government's priorities of economic development and political stability.¹³⁰⁴ It also underscored more than ever before the influence, and divergent views, of the civilian technocratic elite.¹³⁰⁵

The five-year presidency of General Médici is known, particularly prior to the international oil crisis of 1973,¹³⁰⁶ as the "Brazilian Miracle", a "golden phase" of Brazilian development, in which average annual growth rates topped 10 percent, endemic inflation dropped sharply and exports tripled.¹³⁰⁷ The wider period from 1968 to 1975 brought a 103 percent increase in the country's gross

¹³⁰³ Ronald Schneider, The Political System of Brazil (New York: Columbia Univ. Press, 1971), p. 211.

¹³⁰⁴ Robert Daland, Exploring Brazilian Bureaucracy: Performance and Pathology (Washington, D.C.: University Press of America, 1981), p. 339.

¹³⁰⁵ "The military officers and technocrats of the government, the state bourgeoisie, despite commitments to economic growth in a capitalist mode, do not constitute a homogeneous group in terms of immediate economic policy." (Os militares e técnicos do governo, a burguesia estatal, apesar de compromissados com o crescimento econômico de um modo capitalista, não constituem um grupo homogêneo em termos de políticas econômicas imediatas.") Vilma Figueiredo, Desenvolvimento Dependente Brasileiro; Industrialização, Classes Sociais e Estado (Rio de Janeiro, Brazil: Zahar Editores, 1978), pp. 139-140.

¹³⁰⁶ Which is frequently assumed to have derailed the Brazilian development process, despite evidence that the cyclical character of Brazilian development would inevitably have terminated the economic upswing, probably at about the same point.

¹³⁰⁷ Mario Henrique Simonsen [Ministro da Fazenda], "Comentários Sobre a Atual Política Econômica Brasileira," Palestras e Conferências, 2o. Semestre, 1975, pp. 53-54.

national product, and a 64 percent growth in real income per capita,¹³⁰⁸ contributing to a comparison of the "Miracle" with the Brazilian industrial growth of the 1950s, particularly in relation to its large component of foreign capital.¹³⁰⁹ The Médici presidency would therefore appear to afford a rare opportunity to observe the potential for the fulfillment of policy objectives, particularly in the area of socio-economic development, that can be expected from military authoritarian administrations in Brazil.

Analyses of the economic policies and the overall economic performance during the period frequently disagree as to the nature of the causal relationship between the two, although it is clear that they were mutually reinforcing in at least some key respects. The government enthusiastically pursued a "frankly capitalistic" model, tempered with a significant degree of state intervention (through tax incentives, the creation of state enterprises in infrastructural capacities, the regulation of investment, etc.), and emphasizing growth in the capital market and in foreign trade.¹³¹⁰ Ultimately, however, Médici's goal of initiating a general process of economic development throughout the country,¹³¹¹

¹³⁰⁸ Simonsen, "Brasil e Suas Perspectivas Econômicas," Palestras e Conferências, 10. Semestre 1976, p. 8.

¹³⁰⁹ Peter Flynn, Brazil: A Political Analysis (Boulder, Colorado: Westview Press, 1979, 1978), p. 395.

¹³¹⁰ Albert Fishlow, "Some Reflections on Post-1964 Brazilian Economic Policy," Authoritarian Brazil: Origins, Policies, and Future, ed. Alfred Stepan (New Haven: Yale Univ. Press, 1973), p. 97.

¹³¹¹ Daland, Exploring, p. 340. Daland mentions another declared goal of equalizing income distribution in Brazil,

which tended in practice to favor short-term change over long-term development,¹³¹² happened to coincide with a dramatic upswing in the Brazilian economy, manifestly evident by 1971 when Brazil attained a record surplus in its balance of payments of US\$536 million and foreign currency reserves of US\$1.72 billion, putting it ahead of all other Latin American countries in these figures.¹³¹³

The character of the corresponding rise in the affluence of average Brazilians was highly skewed, however. While consumption of expensive consumer durables such as cars and television sets increased at an astounding annual rate of 14 percent between 1960 and 1975, increases in meat and newsprint consumption, and in number of homes using electricity, averaged about three percent, far below the rate of urbanization.¹³¹⁴ The basic economic policies of the Médici government, in fact, did not appear to differ markedly from those of other post-1964 military governments,¹³¹⁵ although favorable economic indicators

¹³¹¹ (cont'd) particularly vis-à-vis the rural sector. Pp. 340-341.

¹³¹² Fishlow, "Reflections," p. 70.

¹³¹³ O Estado de São Paulo, 8 February 1972, p. 33.

¹³¹⁴ Norman Gall, "The Rise of Brazil," Commentary, 63, No. 1 (January 1977), p. 49.

¹³¹⁵ David Dye and Carlos Eduardo de Souza e Silva summarize these general policies as: (1) emphasis upon economic growth led by multinational (and high-technology) private enterprise; (2) modernization and concentration of private enterprise with a view to enhancing exports; (3) separation of state and private sectors, with the former engaged in providing infrastructure and support for the latter; and (4) continual modernization of the state sector to provide inputs for the private sector. Dye and Souza e Silva, "A Perspective on the Brazilian State," Latin American Research Review, 14, No. 1 (1979), p. 87.

allowed the Médici government considerably more freedom in pursuing them, particularly through its federal expenditures. The dramatically increased political repression of the period does constitute a significant difference, however.

Many of the economic policies of the Médici government were conducted, for reasons discussed later in this chapter, largely under the direction of civilian technocrats such as Antônio Delfim Netto, Minister of Finance, despite their apparently contrasting views with those of the military. The status accorded to regional development efforts was an important example of this basic contrast in viewpoints.¹³¹⁶ The relatively recent emergence of technocratic elites at the center of national governments was noted early in this century by Antonio Gramsci, who observed that although "it is true that every new form of society and State has required a new type of functionary, it is also true that new ruling groups have never been able, at least initially, to ignore tradition or established interests...."¹³¹⁷ Top level

¹³¹⁶ Skidmore describes the Médici regime as "a working alliance between extremists and technocrats. Each has his own reasons for wanting an authoritarian regime. Each needs the other. The hard-line military need the technocrats to make the economy work. The growth rates in turn give pragmatic legitimacy to the authoritarian system--'it works.' The technocrats and managers need the military in order to stay in power, or at least in order to have the power and authority to carry out their policies." Thomas E. Skidmore, "Politics and Economic Policy Making in Authoritarian Brazil, 1937-1971," Authoritarian Brazil, ed. Stepan, p. 19.

¹³¹⁷ Antonio Gramsci, Selections from the Prison Notebooks of Antonio Gramsci, ed. and trans. Quinton Hoare and G.N. Smith (New York: International Publishers, 1971), pp. 185-186.

Brazilian technocrats such as Delfim Netto have multiple ties with the national and international economic elite. Nevertheless, they have tended to act, borrowing a phrase from Nicos Poulantzas, with a relative autonomy vis-à-vis the multinational and national industrial interests, sometimes to the short-term detriment of these groups,¹³¹⁸ but usually to their long-term benefit.¹³¹⁹ The overall character of their role has been described as that of "intellectual broker" between the government and the interests of international capital,¹³²⁰ although they have supported the interests of national capital as well, and Baer notes that "it is not clear that [the technocrat's] interests as a group are fundamentally different from those of the private producers."¹³²¹ The support of the interests of large-scale private capital is not always unqualified,¹³²²

¹³¹⁸ E.g., Skidmore, "Politics," p. 20.

¹³¹⁹ Faucher notes that "once the period of stabilization was over, there is no doubt that the bourgeoisie as a whole benefitted from the growth of the 1968-1973 period (the 'miracle'). Because the economic policy was aimed not only at maintaining but also at stimulating the rhythm of growth, it was clearly directed towards the interests of the bourgeoisie, both national and foreign." Philippe Faucher, "The Paradise That Never Was: The Breakdown of the Brazilian Authoritarian Order," Authoritarian Capitalism: Brazil's Contemporary Economic and Political Development, ed. Thomas C. Bruneau and Philippe Faucher (Boulder, Colorado: Westview Press, 1981), p. 14.

¹³²⁰ Robert R. Kaufman, "Industrial Change and Authoritarian Rule in Latin America: A Concrete Review of the Bureaucratic-Authoritarian Model," The New Authoritarianism in Latin America, ed. David Collier (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 189.

¹³²¹ Baer, Brazilian, p. 156.

¹³²² Faucher cautions that the Brazilian dictatorship should not be regarded as "the ideal form of government for the

despite Fernando Pedreira's view that

the bureaucratic-military system that we have today in Brazil is the paradise of the technocrats, entrepreneurs and, to a lesser degree, the military officers themselves. It is a closed and authoritarian system, but not so rigid as it seems from the outside. On the contrary, the system has demonstrated itself capable of altering its course to answer certain necessities, political and otherwise.¹³²³

The military have regarded the technocrats largely as problem-solvers, officials whose task it is to formulate competent, "politically viable" solutions to these "necessities".¹³²⁴

It is useful to note that a distinction between the military policy makers and the technocrats does exist, particularly in view of the facility with which cynical appraisals blithely dismiss the long-term Brazilian military concern with comprehensive national development. Peter McDonough notes that

Seen from a distance, the Brazilian political situation, at least during the high tide of authoritarianism, does not appear mysterious at all. It is an exclusionary, modernizing dictatorship run

¹³²² (cont'd) bourgeoisie...." Faucher, p. 12.

¹³²³ "O sistema burocrático-militar que hoje temos no Brasil é o paraíso dos tecnocratas, dos empresários e, em grau menor, dos próprios militares. É um sistema fechado e autoritário, mas não é tão rígido quanto pode parecer do exterior. Ao contrário, o sistema tem-se mostrado capaz de alterar o seu curso para atender a determinadas necessidades, políticas ou não." Fernando Pedreira, Brasil Política, 1964-1975 (São Paulo, Brazil: DIFEL, 1975), p. 23.

¹³²⁴ Douglas A. Chalmers, "Political Groups and Authority in Brazil: Some Continuities in a Decade of Confusion and Change," Brazil in the Sixties, ed. Riordan Roett (Nashville: Vanderbilt Univ. Press, 1972), p. 74.

by the military and the técnicos to the benefit of capitalist interests, foreign and domestic.

But closer inspection reveals a mélange of interests engaged in something more than palace politics and in something less than seismic revolution.¹³²⁵

The military has, in fact, received ambivalent support from the national bourgeoisie,¹³²⁶ and a strong case has been made by Faucher for the argument that the Brazilian dependent state is not merely the "instrument of capital."¹³²⁷ The technocrats, as the indirect representatives of international and national capital interests, have been overridden by military policy, even in the case of "superministers" such as Delfim Netto.¹³²⁸

The gravitation of these technocrats to the center of government was greatly facilitated by the breakdown of interelite competition and the pervasive centralization that is implicit to the National Security Doctrine.¹³²⁹

¹³²⁵ McDonough, Power, p. 8.

¹³²⁶ Faucher, p. 32.

¹³²⁷ Faucher, p. 17. One of his primary arguments is that the bourgeoisie are not directly represented in much of the decision making.

¹³²⁸ "A civilian superministro, like Delfim Netto, may wield colossal power and have exceptional discretion in setting economic and social policy. But civilians have been forced to bow to the military in matters touching on the rules of political conflict and competition. Even if they cannot run the economy by themselves, the Brazilian generals are scarcely figureheads. They retain the final word about political restrictions and permissiveness." McDonough, Power, pp. 224-225.

¹³²⁹ Edmundo Campos Coelho confirms that the DSN proposes a model in which the "social structure is monolithic to the point of reducing political competition to exceptionally low levels." ("...um modelo no qual a estrutura societal é tão monolítica a ponto de reduzir a competição política a níveis excepcionalmente baixos.") Coelho, Em Busca de Identidade: O Exército e a Política na Sociedade Brasileira (Rio de

It ultimately had the effect of focusing national energies on the development of the industrialized Center-South, the region whose large capital interests they already represented. This did not alter Médici's (and, for that matter, the previous military governments') repeated commitments to inter-regional and inter-sectorial national development, however.¹³³⁰ Médici frequently recognized the disequilibria produced by the Brazilian industrialization process, and the need to improve the conditions of the weakest economic sectors, particularly those of the peasantry, considered to be the "first among our basic infrastructures."¹³³¹

We understand development only on behalf of man, and attaining it by paths that respect him, that exalt him and that dignify him. It is our profound conviction that ethical principals should not be economized, as are material resources, on the pretext of increasing them. Thrift does not exist on the moral plane.¹³³²

¹³²⁹ (cont'd) Janeiro, Brazil: Forense-Universitária, 1976), p. 165.

¹³³⁰ Daland notes that "a content analysis of President Médici's speeches (1969-1974), furthermore, shows that 35 percent of the presidential references were to national prosperity, and another 43 percent to social peace and national integration combined." Daland, Exploring, p. 406.

¹³³¹ "...era e é necessário considerar o homem, inclusive e primordialmente o homem do campo, a primeira das nossas infra-estruturas básicas." Médici, from his inaugural address, quoted in Tarefa de Todos Nós, by Médici (Brasília: Departamento de Imprensa Nacional, 1971), p. 59.

¹³³² "Só compreendemos o desenvolvimento em benefício do homem e alcançando pelos caminhos que o respeitam, que o exaltem e que o dignifiquem. É nossa profunda convicção que não se devem poupar os princípios éticos como se pouparam os recursos materiais, sob a justificativa de incrementá-los. Não existe economia no plano moral."

Médici, quoted in: O Estado de São Paulo, 1 April 1971, p. 17.

The extent (especially within the military) of this commitment to humanistic development is further substantiated in its reiteration by instructors in lectures given at the Superior War College (Escola Superior de Guerra, or ESG).¹³³³ Daland observes that the apparent concern of the Médici government with development along the lines of humanism, morality and order may have been adopted for ulterior motives, i.e., as a more practical means to achieve national security through national development,¹³³⁴ although this does not in itself call into question the strength of that commitment. Médici frequently reiterated it, moreover, with reference to the development of the North and the Northeast regions, which he regarded as a central part of this program of "humanistic" national development.¹³³⁵ Even Finance Minister Delfim Netto felt obliged to declare publicly that his own concern with the problems of the Northeast (questionable as it was later

¹³³³ E.g., "The development model, to be adopted by underdeveloped countries that prepare to construct a democratic society, should have as a first and last principle to lead to human advancement and social justice." ("O modelo de desenvolvimento, a ser adotado pelos países subdesenvolvidos que se dispõem a construir uma sociedade democrática, deve ter como objetivo primeiro e último conduzir a promoção humana e a justiça social.") Prof. Tarcísio Meirelles Padilha, Cel. Inf. Rosalvo Eduardo Jansen, Prof. Omar Gonçalves da Motta, Econ. Luiz Zottmann, Política Nacional de Desenvolvimento (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1972), p. 32.

¹³³⁴ Daland, Exploring, p. 346.

¹³³⁵ E.g., "the transformation of the economic and social physiognomy of the North and Northeast is among the gravest preoccupations of the government...." ("A transformação da fisionomia econômica e social do Norte e Nordeste é entre as mais graves preocupações do Governo....") Médici, quoted in O Estado de São Paulo, 7 July 1971, p. 9.

proven to be) was determined by President Médici's "constant preoccupation with the problems of the region."¹³³⁶

The political priorities adopted by the Médici regime provide an insight into its public concern with humanistic development and Northeast regional development, as well as its emphasis upon opening the Amazonian frontier, a policy that conformed to the geopolitical aspects of military teachings.¹³³⁷ The elevation of "national security" to an obsessive concern after the promulgation of Institutional Act Number 5,¹³³⁸ resulting in extensive government repression--torture and terror that both predated and persisted long after the short burst of urban guerrilla activity from 1969 to 1971¹³³⁹--encountered enough national and international protest to warrant a government-sponsored public relations campaign and an attempt politically to "legitimize" the regime. The commitment of the regime to developing the Northeast was at least partly motivated by this attempt to popularize a dictatorship. As Flynn notes,

while exercising the most complete control of any president in Brazil's history, and leaving a record

¹³³⁶ "O ministro Delfim Netto, da Fazenda, declarou ontem, na Câmara, que mesmo que quisesse não conseguiria deixar de se preocupar com o Nordeste, 'por que o presidente Médici não deixa, tal a sua preocupação constante com os problemas da região.'" O Estado de São Paulo, 4 August 1971, p. 26.

¹³³⁷ See, for example, General Carlos de Meira Mattos, Brasil: Geopolítica e Destino (Rio de Janeiro, Brazil: José Olympio, 1979), pp. 91-98.

¹³³⁸ Eliezer Rizzo de Oliveira notes that security became the "central point" of national political policy, and a primary rationale of continuing dictatorship. Rizzo de Oliveira, As Forças Armadas: Política e Ideologia no Brasil (1964-1969) (Petrópolis, Brazil: Vozes, 1976), p. 100.

¹³³⁹ Flynn, Brazil, p. 445.

of presiding over the most repressive period of Brazilian politics yet experienced, Médici and his government shared unprecedented concern for improving the popular image of the regime, both nationally and internationally.¹³⁴⁰

National and regional economic development, described by Médici as the "valorization" of the human being, thus came to be regarded as the "tonic" of the regime.¹³⁴¹ It also represented a basic concession to the military officer corps, as evidenced by the campaign of General Albuquerque Lima and discussed in the first three chapters. The origins of the military government's strong commitment to regional development during the Médici presidency can thus be attributed to various compelling political sources, underscoring the irony of its apparent inefficacy.

B. The Succession of General Médici

Crisis and Division within the Officer Corps. The severe stroke suffered by President Costa e Silva on the 29th of August, 1969, immediately plunged the Brazilian political system into a crisis of succession. "Hard line" officers

¹³⁴⁰ Flynn, Brazil, p. 447.

¹³⁴¹ Maria Lucia Werneck Vianna, in a critical and well-documented analysis of the Médici regime, notes that the regime's "tonic is development, or rather, the elimination of the economic insufficiencies of the country." ("A tônica consiste no desenvolvimento, ou seja, na eliminação das insuficiências econômicas do país.") Vianna, "O Governo Médici: Uma Análise de Conjuntura," Encontros Com a Civilização Brasileira, No. 14 (August 1979), p. 65.

had, ten months earlier, forced the government to adopt a firm authoritarian role in the promulgation of Institutional Act Number 5. After Costa e Silva's incapacitation these same officers simply seized control of the "cúpula", the executive center of government, ignoring the constitutional succession of the civilian vice-president.¹³⁴² The junta that was immediately formed was composed of the three military ministers, the three military chiefs of staff, and the chief of General Staff. Their first major act was the postponement of the constitution of 1967¹³⁴³ in an attempt to redefine the bases of the regime's "legitimacy" to suit the short-term political requirements of the senior military command. Underlying this move was the fear of an imminent (and authoritarian nationalist) "colonels' revolt",¹³⁴⁴ and the likelihood that such an event would seriously alter the economic system, ostensibly shattering any semblance of "military unity".¹³⁴⁵ Fear of this latter prospect contributed to the success of the junta in excluding the authoritarian nationalist tendency.¹³⁴⁶ In an action designed to outflank its authoritarian opposition, the junta announced the promulgation of Decree-Law 869-69,

¹³⁴² Abranches, p. 148.

¹³⁴³ Flynn, Brazil, p. 438.

¹³⁴⁴ Schneider, p. 291.

¹³⁴⁵ Rizzo de Oliveira stresses that the corporative unity of the officer corps did not preclude the persistence of deep political division, as the succession crisis now demonstrated. Rizzo de Oliveira, p. 105.

¹³⁴⁶ Alfred Stepan, The Military in Politics; Changing Patterns in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1971), p. 264. Stepan notes that civilian opposition would continue to threaten the regime, however, if economic development faltered. pp. 264-265.

establishing a sweeping and compulsory program of "moral and civic education," to extend to the entire educational system, which would stress the values of military dictatorship in Brazil: religion, family, nation and "constructive action for the common good" within the structured [corporatist] social and political hierarchy.¹³⁴⁷ This move appealed to the authoritarian sentiments of the junior officers, and thus diffused to some extent their calls for the fundamental alteration of the economic development pattern.

One important aspect of the authoritarian/nationalist threat to the senior officers' command was the unsuccessful candidacy for president of Costa e Silva's Minister of the Interior (and thus director of the Northeast development efforts), General Afonso Augusto de Albuquerque Lima. He is described by Flynn as "the most vocal representative...of those who wanted tighter, if not extreme, nationalist control, and more emphasis on distribution, especially to the regions...."¹³⁴⁸ His strong political backing among army officers of the rank of colonel and below, and among the more nationalist of the civilian technocrats,¹³⁴⁹ derived from a new nationalist mood among the junior officers, an outlook that according to Stepan was "difficult for an Anglo-Saxon audience to comprehend...."

¹³⁴⁷ Philippe Schmitter, "The 'Portugalization' of Brazil?" Authoritarian Brazil, p. 216.

¹³⁴⁸ Flynn, Brazil, p. 426.

¹³⁴⁹ Flynn, Brazil, p. 379.

There was a self-interested element of fear of the return of those they had helped to purge. More important, however, were the twin urges to be more authoritarian--purge more politicians, disband Congress and political parties, cancel all elections--and to be more radically reformist--expropriate large landholdings, confiscate wealth of profiteering businessmen, and have more nationalist assertive relations toward foreign capital and the United States.¹³⁵⁰

Albuquerque Lima's credentials as a participant in the attempt to oust Castelo Branco in 1965, and his outspoken support of enhanced authoritarianism to control "subversion", were joined with his suspicion of foreign capital and his demands that greater attention be paid to the distribution of the fruits of development,¹³⁵¹ particularly in the mitigation of the dramatic (and growing) development disparities between regions in Brazil.¹³⁵² He endorsed a larger role in policy making for members of the armed forces, through a wider use of the National Security Doctrine and a reduced role for the technocrats.¹³⁵³ His program of "national integration", discussed at the end of Chapter 4, focused upon the plight of the Northeast.

The profound reaction to Albuquerque Lima's candidacy reflected the extent to which he was thought to represent a threat to the São Paulo and international financial

¹³⁵⁰ Stepan, Military, p. 255n. Emphasis in the original.

¹³⁵¹ In this respect, Flynn regards Albuquerque Lima as representative of "the long nationalist tradition within the armed forces." Flynn, Brazil, p. 382.

¹³⁵² Flynn, Brazil, p. 426. Flynn observes that this outlook "had brought him into conflict first with Roberto Campos, then with Delfim Netto...."

¹³⁵³ Flynn, Brazil, p. 419.

communities.¹³⁵⁴ Despite indications that his stand may have reflected his own political opportunism,¹³⁵⁵ and the likelihood that he would modify his position following a successful campaign, a power play to prevent his candidacy was launched by senior officers who supported the unrestricted presence of foreign capital in the Brazilian economy.¹³⁵⁶ Albuquerque Lima's support among Navy officers, thought at the time to be as high as 90 percent, and his significant--if less extensive--backing by junior officers of the other two military branches was viewed as capable of producing a major split within military ranks.¹³⁵⁷ The high command moved suddenly in response to this perceived threat, and by October 7, 1969, had formally endorsed the candidacy of Médici, who outranked both Albuquerque Lima and Army Chief of Staff Orlando Geisel, a prominent castelista and also a candidate.¹³⁵⁸ It should be added parenthetically that Albuquerque Lima probably evinced too much popular charismatic appeal to receive the approval of an anti-populist and demobilizing military authoritarian regime. Médici, on the other hand, represented a "safe

¹³⁵⁴ Flynn, Brazil, p. 429.

¹³⁵⁵ Flynn, Brazil, p. 430. His supporters went so far at one point as to attempt to form a political alliance with disaffected castelistas.

¹³⁵⁶ This effort was aided by Albuquerque Lima's resignation from the post of Interior Minister in January, 1969, ostensibly because of cutbacks in Northeast regional development funding (Schmitter, "The 'Portugalization'," p. 203); his loss of this prestigious position is thought to have weakened his ability to maneuver politically. Schneider, p. 277.

¹³⁵⁷ Flynn, Brazil, p. 440. Rizzo de Oliveira, p. 104.

¹³⁵⁸ Schneider, pp. 300-301.

choice" for the military leaders, as the following section will explain.

Médici: The Political Background of Overt Authoritarianism.

While the selection of Médici resolved a crisis of unity within the officer corps,¹³⁵⁹ the presidential selection appeared at first to represent more of a refuge from imminent chaos than the product of a viable military decision.¹³⁶⁰ A Gaúcho, Médici had long been regarded as a hard-line officer, particularly after his appointment to head the National Information Service (SNI) in 1967. Prior to that he had been the commander of the Third Military Region in Rio Grande do Sul, and (earlier yet) Costa e Silva's chief of staff when that former president had been the commander of the Third Military region.¹³⁶¹ Furthermore, he had worked closely with Costa e Silva as commandant of the Brazilian Military Academy at Agulhas Negras.¹³⁶² He was considered to be a likely choice for president because of his status as a four-star general, his long-term and sympathetic association with the stricken president, his opposition to the "radical nationalism" of Albuquerque Lima,

¹³⁵⁹ Flynn observes that "the whole presidency of Garrastazú Médici was, in effect, an anti-climax after the serious power struggle and choice of options in late 1968 and throughout 1969. The contradictions of authoritarian military control and the economic, social and political priorities built into the system established in 1964 had now been clearly demonstrated." Flynn, Brazil, p. 441.

¹³⁶⁰ Rizzo de Oliveira, p. 104.

¹³⁶¹ Flynn, Brazil, p. 380

¹³⁶² Schneider, p. 205.

and his lack of formal association with the ESG.¹³⁶³ His performance as chief investigator of the military invasion of the University of Brasília in August 1968, in which he concluded that the hard-line military commanders of the raiding party were not responsible for the scandalous exhibition of military violence against unarmed students,¹³⁶⁴ further added to his credibility as a presidential candidate in the eyes of many officers.

Médici was a political nonentity. Stepan concluded at the time that despite the government's image as a military authoritarian dictatorship, "it appears that the intense splits within the military have necessitated a bland compromise figure simply to maintain a minimum of military unity."¹³⁶⁵ Oswaldo Cordeiro de Farias, the famous tenente, hero of the Italian campaign, former governor of the state of Pernambuco and highly-decorated field marshal of the Brazilian Army put it more succinctly: "I have spent fifty years in the Army and have never met this fellow."¹³⁶⁶ Flynn stresses that the choice of Médici was "a definitive victory" for the supporters of continued and increased authoritarianism, and the defense of the "more internationalized and dependent capitalist system" in

¹³⁶³ Stepan, Military, p. 264. This underscores the importance of the ESG's political resurgence during his presidency.

¹³⁶⁴ Rizzo de Oliveira, p. 96.

¹³⁶⁵ Stepan, Military, p. 265n.

¹³⁶⁶ "Passei cinquenta anos no Exército e nem cheguei a conhecer esse rapaz." As quoted, in his obituary, from his 1969 comment. Veja, No. 651 (25 February 1981), p. 21.

Brazil.¹³⁶⁷ In sum, the choice of Médici represented both a political concession to, and an economic defeat for,¹³⁶⁸ the authoritarian nationalism of the officers who had supported the candidacy of General Albuquerque Lima.

Three primary political issues confronted the new president when he assumed office on October 25, 1969. First, the military struggle for presidential succession had contributed to a breakdown in military unity and had thus once again raised the perennial question of the regime's legitimacy. Second, the selection of Médici amounted to a rejection of the economic nationalism espoused by Albuquerque Lima and the nationalist officers, and hence a commitment to maintaining and intensifying the highly unequal and centralized system of foreign-dominated capitalism, despite the widespread social problems that it implied. Third, the new administration represented a tacit concession to the junior officers' demands for heightened authoritarianism, a process that had been readily discernible for the previous ten months. A summary of the Médici administration's responses to these issues provides a précis of its most distinguishing political and economic characteristics.

The crisis of military cohesion was immediately addressed by Médici, and it quickly became the "fundamental political value" of the Médici administration.¹³⁶⁹ The

¹³⁶⁷ Flynn, Brazil, p. 441.

¹³⁶⁸ I.e., the acceleration of "internationalized" capitalist expansion.

¹³⁶⁹ Rizzo de Oliveira, p. 105.

selection of his cabinet, inevitably a task requiring great political dexterity in Brazil, balanced the followers of the late (moderate) President Castelo Branco with those of Costa e Silva "while acknowledging the power of the more right-wing elements in the armed forces and firmly excluding the nationalist officers associated with Albuquerque Lima."¹³⁷⁰ The choice of Médici, in fact, in its obvious attempt to eschew the elevation of a charismatic personality to the presidency,¹³⁷¹ can also be interpreted as a move to unify the officer corps, which was characterized by Linz as apparently "hostile and fearful of the emergence of a 'caudillo.'"¹³⁷² The initial strategy of the regime thus centered on an attempt to derive an "institutional definition of the system,"¹³⁷³ maintaining a pattern of preserving those elements of common agreement among the officer corps¹³⁷⁴--such as the "depoliticization" of the bureaucracy, the intensification of authoritarianism, the campaign against corruption, stimulation of national and

¹³⁷⁰ Flynn, Brazil, p. 442.

¹³⁷¹ Juan Linz argued in the early 1970s that the Brazilian military organization would attempt to veto "any officer with clear political skills and potential for populist charismatic appeal" as a presidential candidate, owing primarily to the threat that such a president would pose to the bureaucratic state. Linz, "The Future of an Authoritarian Situation or the Institutionalization of an Authoritarian Regime: The Case of Brazil," Authoritarian Brazil, p. 241.

¹³⁷² Linz, "The Future," p. 241.

¹³⁷³ "A estratégia de Médici consiste, na realidade, numa tentativa de resolver o problema central de todos os governos revolucionários até então: a definição institucional do sistema." Vianna, p. 65.

¹³⁷⁴ And punishing (with transfer to the reserves) any officer attempting to act against "military cohesion".

regional development efforts, etc. These political questions became the primary fields of presidential activity. Military cohesion was perceived as a key element both in the establishment of the administration's legitimacy, and, indeed, in its ultimate survival.¹³⁷⁵

A second, and interrelated, political issue of some importance to the Médici government was that of establishing, or "institutionalizing", the pattern of economic development that had emerged since 1964,¹³⁷⁶ and to which, according to Octavio Ianni, the Médici regime largely subscribed.¹³⁷⁷ The "success" of this model likewise had important implications for the popular legitimacy, or at least tolerance, of the regime, both in the national and international contexts.¹³⁷⁸

¹³⁷⁵ This was especially true of the security agencies, who were said to have believed at the time that "the legitimacy of the regime is predominantly linked to the question of the preservation of national security." ("...a legitimidade do regime está vinculada à questão da preservação da segurança nacional.") Lúcia Klein and Marcus Figueiredo, Legitimidade e Coação no Brasil pós-64 Rio de Janeiro, Brazil: Forense-Universitária, 1978), p. 59.

¹³⁷⁶ Flynn notes that this was most evident in the crucial ministries of Finance and Planning: "the primary emphasis was on the continuing need for cool technocratic planning, defusing the volatile situation of the last few months, and reassuring foreign observers that Brazil's growth was still going forward smoothly, in safe hands, untroubled by opposition or criticism either inside or outside Congress." Flynn, p. 443.

¹³⁷⁷ Ianni, Estado e Planejamento Econômico do Brasil (1930-1970), 3a. Edição (Rio de Janeiro, Brazil: Civilização Brasileira, 1979), p. 226.

¹³⁷⁸ David Apter notes in general terms largely applicable to the Brazilian case that "modernization emphasizes certain types of authority. The particular combinations of right that embodied in authority, we call legitimacy are quite often determined by the goals of that polity. Failure to achieve such goals is thus prejudicial to authority. This means that in many modernizing societies the polity can only

Stefan Robock observed in 1975 that the Brazilian people were conscious of the comparative advantages of economic and political "trade-offs" associated with the military dictatorship, and that "many Brazilians feel that there has been a favorable trade-off in which the people gave up some civil liberties and part of their political franchise in order to secure economic growth." The new government's focus upon the maintenance of military cohesion and the continuation of an ostensibly successful economic development plan could not be regarded as sufficient to guarantee the survival of the regime. Both techniques merely shifted attention away from the divisive political contention that persisted both within and outside of the officer corps. According to Vianna, the government was thus forced to seek additional ways to compensate for its lack of constitutional legitimacy and "institutional definition"--principally by resorting to increased authoritarianism.

The heightened authoritarianism of the Médici administration has been attributed to the fear of a socialist revolution similar to the one that had occurred a decade before in Cuba, as well as to the "sheer weight and inertia of the vast security infrastructure built up in the

 " (cont'd) be secured by its successes." Apter, The Politics of Modernization (Chicago: Univ. of Chicago Press, 1965), p. 42.

" Stefan H. Robock, Brazil: A Study in Development Progress (Lexington, Mass.: Lexington Books, 1975), p. 3.
 " Vianna, p. 66.

1968-1969 period; "it appears equally likely that it resulted from a concerted attempt to make the "revolution" of 1964 a permanent one." Fernando Henrique Cardoso contends that "in effect, presidential power [during the Médici government] was transformed into a sanctioning symbol and the state began to reserve (in the secrecy of meetings of high officials) 'for itself' the political decisions." The government technocrat thus emerged as a central political personality in Brazil, and little tolerance remained for opposing political views. As Skidmore remarked at the time, "the simplistic ideological preoccupations of an antidemocratic cadre have spread far through the apparatus of government."

¹³⁸¹ Sylvia Ann Hewlett, The Cruel Dilemmas of Development: Twentieth-Century Brazil (New York: Basic Books, Inc., 1980), p. 78.

¹³⁸² Abranches, pp. 147-148n. Flynn observes that the authoritarian structures strengthened by AI-5 further shaped the state apparatus as "an instrument working on behalf of international and multinational groups rather than those more readily defined a local or 'national' bourgeoisie." Flynn, Brazil, p. 430.

¹³⁸³ "Com efeito, o poder presidencial transfigurou-se em símbolo sancionador e o Estado passou a secretar (no sigilo das reuniões de altas funcionários) 'por si' as decisões políticas." Cardoso, Autoritarismo e Democratização, 2da. Edição (Rio de Janeiro, Brazil: Paz e Terra, 1975), p. 202.

¹³⁸⁴ Cardoso, Autoritarismo, p. 202. Robock, Brazil, p. 34. Kaufman adds that the "system rested on the complementary interests of civilian technocrats (such as Delfim) and hard-line officers, interested in 'development' and 'national security' respectively." Kaufman, "Industrial," p. 174.

¹³⁸⁵ Thomas E. Skidmore, "Politics and Economic Policy Making in Authoritarian Brazil, 1937-1971," Authoritarian Brazil, p. 18.

C. Definition of the "Miracle"

An Economic and Political Characterization of the Period.

The presidency of General Emilio Garrastazu Médici encompassed a period of high economic growth, particularly in the Center-South, and of extensive political repression, one political manifestation of intensified military authoritarianism. The economic growth rates apparently allowed the Médici administration to establish and maintain this overt military authoritarianism by shifting the basis of the regime's "legitimacy" from the political to the economic realm.¹³³⁶ Cardoso argues that the authoritarian tendencies of the earlier governments had now been consolidated into "the grand norm of government," with the program "Brazil, [World] Power" ("Brasil Potência") as its shibboleth and "ideological inculcation" as a replacement for the thin trappings of legality that had been preserved up to that point.¹³³⁷

Although the Médici presidency is widely identified as a qualified "economic miracle",¹³³⁸

¹³³⁶ Edmar L. Bacha, "Issues and Evidence on Recent Brazilian Economic Growth," World Development, 5, Nos. 1/2 (1977), p. 62.

¹³³⁷ Cardoso, Autoritarismo, p. 201.

¹³³⁸ Paul Singer, a noted Brazilian economist, in reviewing the post-war origins of the term "economic miracle" as applied to Japan and West Germany, suggests that its premature application to the Brazilian case was made in the belief that it was thought to benefit from the best aspects of German neo-liberalism, Japanese export-oriented development and its own "perfectly disciplined labor market, protected from any premature 'distributivism' that could

the inaccuracy of this characterization is evident in its juxtaposition with the previous and following economic periods; as Tyler notes, rather than constituting a miracle, the 1968-1974 economic growth spurt was the result of a period of "catching-up" from an extended term of retarded growth, as well as a response to "growth-inducing economic policies."¹³⁸⁸ The demise of the "milagre"; moreover, would reveal its propensity for high foreign debt.¹³⁸⁹

Nevertheless, the "miracle" affords a valuable opportunity to observe a period of relative freedom in Brazilian economic policy making in the context of a federal government with the twin and interrelated policy goals of development and security,¹³⁹⁰ the latter characterized by the modus operandi of widespread political repression associated with overt military authoritarianism.

The economic growth during the period of the "miracle" was of striking overall proportions, as Table 5.1 illustrates, although it was limited in its distribution and probably mitigated to a large extent by a simultaneous and rapid growth in population. The Brazilian gross national

¹³⁸⁸(cont'd)unleash the feared wage and price spiral." ("...um mercado de trabalho perfeitamente disciplinado, resguardado de qualquer 'distributivismo' prematuro que pudesse deslanchar a temida espiral de preços e salários.") Paul Singer, A Crise do Milagre; Interpretação Crítica da Economia Brasileira, 3a. Edição (Rio de Janeiro, Brazil: Paz e Terra, 1977), p. 15.

¹³⁸⁹ William G. Tyler, The Brazilian Industrial Economy (Lexington, Massachusetts: Lexington Books, 1981), p. 5. Bacha also makes this point. Bacha, p. 47.

¹³⁹⁰ Faucher notes that the "miracle" was under strain as early as 1970, when heavy foreign debts taken to finance large state-run projects began to mount. Faucher, p. 18.

¹³⁹¹ Vianna, p. 69.

TABLE 5.1

Brazilian Economic Indicators, 1961-1980

YEAR	Annual Growth Rates(%)				Exports (US\$ mil.)	Imports (US\$ mil.)	Annual Inflation Rate(%)**
	GDP	GDP Per Capita	Indus- try	Agri- culture			
1961	10.3	7.2	10.6	7.6	1,403	1,460	33.3
1962	5.3	2.3	7.8	5.5	1,214	1,475	54.8
1963	1.5	-1.3	0.2	1.0	1,406	1,486	78.0
1964	2.9	0.0	5.2	1.3	1,429	1,263	87.0
1965	2.7	-0.1	-4.7	13.8	1,595	1,096	55.4
1966	3.8	0.8	9.9	-14.6	1,741	1,494	39.5
1967	4.8	1.9	3.1	9.2	1,654	1,667	28.8
1968	11.2	8.1	13.3	4.5	1,881	2,132	27.8
1969	10.0	6.8	12.2	3.8	2,311	2,265	20.3
1970	8.8	5.8	10.0	1.0	2,739	2,849	18.2
1971	13.3	10.2	14.3	11.4	2,904	3,701	17.3
1972	11.7	8.7	13.4	4.2	2,991	4,232	17.4
1973	14.0	10.8	15.8	3.5	6,198	6,192	20.4
1974	9.8	6.8	9.8	8.5	8,568	12,641	31.5
1975	5.6	2.8	6.2	3.4	8,669	12,210	32.7
1976	9.0	6.0	10.8	4.2	10,128	12,383	41.9
1977	4.7	1.8	3.9	9.6	12,120	12,023	42.2
1978	6.0	3.1	8.1	-1.7	12,658	13,683	41.9
1979*	6.4	3.5	6.9	3.2	15,244	18,083	55.6
1980*	8.0	5.4	8.0	6.8	20,132	22,961	100.2

*Preliminary Estimates

**Implicit deflator used in the national income accounts.

Source: Tyler, Brazilian Industrial, p. 3.

product increased an average of over 10 percent per year during the "miracle", while the population grew by an estimated 2.8 percent per year.¹³³² The focus of the development was in the manufacturing sector,¹³³³

¹³³² Thomas W. Merrick and Douglas H. Graham, Population and Economic Development in Brazil, 1800 to the Present (Baltimore: Johns Hopkins Univ. Press, 1979), p. 278.

¹³³³ One report notes that the three countries in Latin America that exported the most manufactured goods in 1960,

with industry expanding at an annual rate of 12.6 percent during the period.¹³³⁴ The highest growth within manufacturing was evident in sectors such as machinery, transport equipment and electrical equipment, while the more distributional and "traditional" industrial sectors such as textiles, clothing and foodstuffs grew much more slowly.¹³³⁵ Although export-expansion was a central policy direction after 1968,¹³³⁶ manufactured exports remained relatively modest during the period, amounting to only about five percent of the total manufacturing output in 1974.¹³³⁷ Increased exports of agricultural and primary products directly enlarged both the range of government policy options and the overall national economy by relaxing foreign exchange constraints upon economic growth and increasing the country's ability to borrow money from foreign sources,¹³³⁸ a decidedly mixed blessing considering the period after 1974, when Brazil's foreign debt soared out of control.

The concept of national economic growth, the presence of which was the basis of the Brazilian "miracle", is misleading to the extent that growth per se does not

¹³³³ (cont'd) Mexico (US\$79.6 million), Argentina (US\$43.3 million) and Brazil (US\$23 million) had reversed their relative standings by 1971: Brazil (US\$528.8 million), Mexico (US\$494.2 million) and Argentina (US\$257.9 million). Dan Griffin, "The Boom in Brazil; An Awful Lot of Everything," Washington Post, 27 May 1973, p. C5.

¹³³⁴ Werner Baer, The Brazilian Economy: Its Growth and Development (Columbus, Ohio: Grid Publishing, Inc., 1979), p. 94.

¹³³⁵ Baer, Brazilian, pp. 94-95.

¹³³⁶ Tyler, The Brazilian Industrial, p. 5.

¹³³⁷ Tyler, Brazilian Industrial, p. 11.

¹³³⁸ Tyler, Brazilian Industrial, p. 5.

TABLE 5.2

The Brazilian Federal Deficit and Debt,
1951-1976
(millions of cruzeiros)

YEAR	Deficit or Surplus	Government Debt Outstanding	Deficit/ GDP
1951	+2.4	---	---
1952	+2.5	---	---
1953	-10.7	---	2.28
1954	-4.0	---	0.63
1955	-5.7	---	0.73
1956	-23.9	---	2.40
1957	-41.2	---	3.38
1958	-30.7	---	2.11
1959	-40.5	---	2.04
1960	-76.6	---	2.78
1961	-137.5	---	3.39
1962	-280.9	---	4.26
1963	-504.7	---	4.23
1964	-728.2	41	3.16
1965	-592.9	430	1.61
1966	-586.6	1,401	1.09
1967	-1,224.7	2,482	1.71
1968	-1,226.7	3,481	1.23
1969	-755.8	5,881	0.57
1970	-738.3	10,112	0.42
1971	-672.3	15,445	0.29
1972	-516.1	26,179	0.14
1973	+295.1	38,344	---
1974	+388.2	47,801	---
1975	+73.0	97,548	---
1976	+423.0	153,889	---

Source: Baer, Brazilian Economy, p. 174.

guarantee (although it is commonly thought to suggest) the eventual distribution of development. The extreme concentration of capital expansion during the Brazilian "miracle", and the outward-directedness of the economy, had the effect of isolating much of the population from the benefits of economic growth, at least in the short run.¹³³

The Médici government, in what appeared to have been a

¹³³ Bacha, pp. 52-54.

partial recognition of this fact, emphasized the "democratization of capital" by encouraging wider participation in the stock market, although this actually affected only a small part of the total population.¹⁴⁰⁰

Rapid economic growth can be regarded as a decidedly mixed blessing for many developing countries. As Hewlett concludes for the Brazilian case, the "modern growth processes are grounded in massive poverty and require a significant degree of political repression."¹⁴⁰¹ The widening of income disparities during the 1960s was so extensive that by 1970 the wealthiest one percent of the population is reported to have appropriated the same share of the national income as the poorest 50 percent.¹⁴⁰² Regional inequalities in per capita income also registered increases during the Médici period, with that of the Northeast slipping increasingly further behind the per capita income of the Center-South, although this condition cannot be tied simply to the presence of rapid national growth: during the 1950s, another period of accelerated and concentrated national industrial expansion in Brazil, the disparity in per capita income between the Northeast and the rest of the country was actually reduced.¹⁴⁰³

¹⁴⁰⁰ Vianna, pp. 72-73

¹⁴⁰¹ Hewlett, p. 26.

¹⁴⁰² Hewlett, p. 49.

¹⁴⁰³ Osmundo E. Rebouças, et al., "Crescimento do Nordeste no Contexto Nacional: Fatores Condicionantes," Revista Econômica do Nordeste, 9, No. 4 (October/November 1978), p. 454. Regional development disparities will be discussed in detail in the following chapter.

The primary political themes of the presidential period, the key or most illustrative parts of which are thought to have occurred between 1970 and the end of 1972,¹⁴⁰⁴ devolve upon the federal government's multifaceted struggle to attain a modicum of legitimacy both nationally and internationally through a variety of tactics. These included the pursuit of political "popularity", the attempt to create a single-party system along the lines of the Mexican example, the modernization and centralization of the bureaucracy and, adjacent to these policies, heightened political repression and a well-advertised drive against corruption in government.

The government's concern to establish such bases of legitimacy, which paralleled its attempts at economic "legitimization", and which contrasted with the priorities of the Castelo Branco presidency,¹⁴⁰⁵ became publicly apparent immediately after the 1970 elections, when Médici declared that the recent electoral victories of the ARENA¹⁴⁰⁶ politicians, "demonstrate the popular legitimacy of my government".¹⁴⁰⁷ Such "popular" sources of legitimacy were--perhaps ironically--limited by the military authoritarian administration itself given the tendency for

¹⁴⁰⁴ Vianna, p. 62.

¹⁴⁰⁵ Flynn, Brazil, p. 343.

¹⁴⁰⁶ Aliança Renovadora Nacional, or the National Renovating Alliance, the official government party.

¹⁴⁰⁷ Quoted in Vianna, p. 67. A much publicized article from the New York Times of late 1971, translated in O Estado de São Paulo, 9 December 1971, p. 21, declared the Médici administration to be the "most popular" of the post-1964 governments, citing the economic boom and the recent World Cup soccer victory as principal reasons.

such regimes in general to stress the demobilization of the population.¹⁴⁰⁰ Furthermore, the dramatic increase in the appropriation of the legislative function by the executive after 1968, as illustrated by Tables 5.3 and 5.4, indicated the dictatorship's unwillingness to rely on traditional manifestations of "popular legitimacy".¹⁴⁰¹ This point is particularly relevant because of the traditional role of the Brazilian Congress as a legitimizing agent for the executive, a function that had been graphically illustrated by its reopening in 1969 (nearly a year after it had been closed by Institutional Act No. 5) primarily to ratify the selection of Emílio Garrastazu Médici as president.¹⁴⁰²

The apparent attempt of the Médici government to establish a Mexican-style party system in Brazil, which was related to its efforts to limit manifestations of popular mobilization,¹⁴⁰³ likewise pointed to the political insecurity of the regime. The Brazilian presidential succession of 1967 was itself a conscious attempt to imitate the Mexican process,¹⁴⁰⁴ with a modicum of presidential

¹⁴⁰⁰ Fernando Henrique Cardoso, "On the Characterization of Authoritarian Regimes in Latin America," The New Authoritarianism in Latin America, ed. David Collier (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 36.

¹⁴⁰¹ Lúcia Klein, "Brasil Pós-1964: A Nova Ordem Legal e a Redefinição das Bases de Legitimidade," Legitimidade e Coação no Brasil Pós-64, by Klein and Marcus F. Figueiredo (Rio de Janeiro, Brazil: Forense-Universitária, 1978), p. 57.

¹⁴⁰² Klein, p. 33.

¹⁴⁰³ Flynn, Brazil, p. 450.

¹⁴⁰⁴ Fishlow, "Reflections," p. 82. Skidmore notes, moreover, that immediately after the 1964 golpe, top officials had considered such a move. Skidmore, "Politics", pp. 43-44.

TABLE 5.3

Percentage of the Bills Approved by the Legislature,
By Origin

YEARS	ORIGIN	
	Legislative	Executive
1967	86	97
1968	80	98
-----AI-5 Becomes Effective-----		
1970	11	98
1971	9	100
1972	5	100
1973	7	97
-----Geisel Administration-----		
1974	6	99
1975	--	100

Source: Soares, p. 116.

campaigning and some attempt to incorporate heterogeneous economic interests within the system. The pattern was continued, with decreasing effect, in subsequent elections. Furthermore, by 1969, the Armed Forces of Brazil (in much the same way as the PRI in Mexico) had ordained themselves as the "party of the revolution", and undertook extensive policy consultations with officers of junior rank.¹⁴¹³ The Médici presidency, characterized at least initially with something like a "Mexican-style" presidential selection and a hegemonic "party" structure (within the recently united officer corps),¹⁴¹⁴ was thus arguably the most "Mexican" of the post-coup presidencies in Brazil.

¹⁴¹³ Flynn, p. 438.

¹⁴¹⁴ As mentioned previously, the Médici presidency evinced the least intra-military tension of any of the post-1964 presidencies.

Attempts at "Mexicanization" of the system failed in one crucial respect. As Schmitter notes, such a transformation would probably foster, if it did not require, the emergence of a "charismatic military statesman," and the "collective desire on the part of the armed forces for withdrawal from politics,"¹⁴¹⁵ both of which, again, run counter to the demobilizing impulse of the post-1964 military dictatorships. The dramatic rise of the official opposition party, the MDB (Brazilian Democratic Movement, or Movimento Democrático Brasileiro), as a viable avenue for anti-government activity further undercut government moves to establish such a system,¹⁴¹⁶ and ultimately focused its attempts to "legitimize" the dictatorship within the economic sphere.

One of the more hackneyed expressions of self-justification frequently employed by contemporary military dictatorships--the need to eliminate corruption and inefficiency in the bureaucracy--constituted the most salient, and probably the most efficacious, institutional policy goal of the Médici government. Attributing overriding importance both to his "select and harmonious team,"¹⁴¹⁷

¹⁴¹⁵ Schmitter, "The 'Portugalization'," p. 226. He adds, moreover, that the "creation through power of a predominant or hegemonic party of the Mexican type is not easy for a group of officers with a basically bureaucratic mentality, nor for technocrats with a commitment to apolitical, rational economic and social policy making." P. 248.

¹⁴¹⁶ Vianna, p. 68. Vianna refers to the fears of the MDB politicians, expressed publicly in 1970, that such a plan had been proposed.

¹⁴¹⁷ Médici, quoted in O Estado de São Paulo, 29 April 1971,

TABLE 5.4

Federal Bills Introduced and Voted upon
by the Chamber of Deputies, 1963-1971

YEAR	Introduced	Voted Upon	Percent Voted
1963	1,344	186	13.84
1964	880	391	44.40
1965	894	356	39.80
1966	615	320	52.00
1967	881	137	15.55
1968	1,162	253	21.77
-----AI-5 Becomes Effective-----			
1969	42	35	83.30
1970	288	351	121.88
1971	543	395	72.74
1972	553	225	40.69
1973	637	251	39.40
-----Geisel Administration-----			
1974	671	332	49.48
1975	1,689	287	16.99

Source: Soares, "Military Authoritarianism,"
p. 114.

and to his own reported rejection of all appeals made to him on the basis of personal "influence", the Médici attempted--through public relations and a strict redefinition of the rules governing the Brazilian bureaucracy--to minimize the corruption and inefficiency with which it had long been associated. This was consonant with the post-1964 federal commitment to shift the basic role of the bureaucracy from that of a resource base for prominent politicians to what Daland calls a "performance" bureaucracy. The administration's penchant for conducting its business behind a curtain of secrecy, even in

(cont'd) p. 96.

O Estado de São Paulo, 2 July 1971, p. 3.

Daland, Exploring, p. 354.

comparison with the previous military administrations,¹⁴²⁰ however, made it difficult to assess on these issues. It is clear that the corruption continued, and that the renovated bureaucracy was not necessarily less likely to be corrupt.¹⁴²¹

The question of bureaucratic reform during the Médici period is further complicated by the tendency of post-1964 governments to label as "corrupt" those policies with which they politically disagreed.¹⁴²² The "depoliticization" of the bureaucracy was therefore one of the effective goals of the administrative reform program, regarded by Médici as the hallmark of his presidency.¹⁴²³ The use of the secret police, the Serviço Nacional de Informações (National Information Service, or SNI), to regulate political behavior within the government agencies was facilitated by the requirement during the Médici administration that every government agency have its own SNI representative.¹⁴²⁴

¹⁴²⁰ An editorial in O Estado de São Paulo during the period refers to Médici's government as the most secretive, as well as the most centralizing, of the post-1964 governments. 2 July 1971, p. 3.

¹⁴²¹ Daland, Exploring, p. 248. Daland refers to the misuse of government consulting as an example of a corrupt bureaucratic practice during the Médici regime, moreover. Pp. 248-251. Flynn, Brazil, p. 518.

¹⁴²² Daland, Exploring, p. 247. E.g., the disbanding of the Superintendency for Agrarian Reform (SUPRA) after the golpe on the grounds that it was "corrupt". Pp. 247-248.

¹⁴²³ "The Revolution of 31 of March is intended, before all else, to reform the administrative and political customs...." ("...a Revolução de 31 de março se propôs, antes de tudo, a reformar os costumes administrativos e políticos....") Médici, Tarefa, p. 51.

¹⁴²⁴ Daland, Exploring, p. 313. The SNI monitored the political activities of all personnel.

The centralization of the Brazilian bureaucracy proceeded rapidly during the Médici period, in conformity with the National Security Doctrine and under the guidance of its "central control organ," the National Security Council.¹⁴²⁵ The creation of a series of "center" agencies, engaged in planning, policy definition and coordination of programs,¹⁴²⁶ was an attempt to overcome what Daland characterizes as the "pathological horizontal aloofness" of the Brazilian bureaucracy, and was in keeping with the major post-1964 administrative reform legislation, Decree-Law 200 of January 1967.¹⁴²⁷ The decentralized autarquias, semi-autonomous agencies such as the SUDENE and the Northeast Development Bank (BNB), which were originally established to forge political linkages with, and thereby ultimately to control, regional and sectoral economic interests, were gradually brought under the control of the new empresas públicas, or public corporations, ostensibly a more flexible form of administration that was favored by the military.¹⁴²⁸ Furthermore, "center" agencies such as the Ministry of the Interior, which coordinated and controlled

¹⁴²⁵ Daland, Exploring, p. 126.

¹⁴²⁶ Daland regards the creation of a "center" and "periphery" relationship between Brazilian bureaucratic agencies as an important aspect of the post-1964 Brazilian bureaucratic milieu. Daland, Exploring, pp. 74-75. He notes, moreover, that the center agencies perform at least four functions: (1) they mediate (if not originate) policy; (2) they penetrate into several (or many) other agencies; (3) they have multiple access to the presidency; and (4) they are given the authority necessary to function as intended (which is not frequently the case within the Brazilian bureaucracy). Pp. 93-94.

¹⁴²⁷ Daland, Exploring, p. 227.

¹⁴²⁸ Daland, Exploring, pp. 113-114.

the expenditure policy of autarquias, empresas públicas and conventional agencies alike (within its designated areas, including regional development, Indian affairs, etc.) provided a convenient basis for direct presidential (or technocratic, for that matter) management at the top of the bureaucratic hierarchy. Médici was consequently described as the most involved president in Brazilian history in the direct formulation of public policy decisions.¹⁴² The crucial effect of bureaucratic centralization, however, was to consolidate the economic hegemony of the technocrats, who were largely representative of the economic interests of the Center-South, as analysis (in the following sections) of Northeast regional development policy will explain.

The pervasive political repression of the period, discussed in previous chapters, has been regarded by at least one observer as "the product of a ruling class that was deeply frightened at the possibility of socialist revolution,"¹⁴³ although other factors were probably more important. The increasing use of the state apparatus to sustain and intensify a pattern of development that is wholly dependent upon foreign financing, investment and technology, and that is geared to the consumption patterns of a relatively narrow economic elite (and the profits of foreign financial and industrial interests),¹⁴⁴

¹⁴² "...em nenhum governo, até hoje, as decisões foram tão marcadamente centralizadas nas mãos do presidente da República." Editorial: "Governo Médici é o Mais Centralizador," O Estado de São Paulo, 2 July 1971, p. 3.

¹⁴³ Hewlett, p. 83.

¹⁴⁴ According to Peter Evans, it was "more profitable to

reached a zenith during the Médici period. According to Evans, the repressive measures adopted by the Médici government sustained this development pattern by "virtually eliminat[ing] the problem of political pressure from below,"¹⁴³² at least while the spurt of economic growth continued. Two law professors from the United States who toured Brazil as observers during the period concluded that the widespread and arbitrary enforcement of "security measures" had completely undermined the rule of law in Brazil,¹⁴³³ ostensibly placing even more strain on the government's efforts to achieve a sense of economic "legitimacy".

The increasing "militarization" of Brazilian politics during the Médici presidency,¹⁴³⁴ thought to have been the result of the growing politicization of the officer corps

¹⁴³¹ (cont'd) cater to the needs of the elite" (p. 38); furthermore, "in 1971 the rate of return on U.S. direct investments was higher in Brazil than in any other Latin American country with the exception of Panama." Evans, "The Military, the Multinationals and the 'Miracle': The Political Economy of the 'Brazilian Model' of Development," Studies in Comparative International Development, 9, No. 3 (Fall 1974), pp. 28-29.

¹⁴³² Evans, "The Military," p. 34.

¹⁴³³ Henry J. Steiner and David M. Trubek, "Brazil--All Power to the Generals," Foreign Affairs, 49, No. 3 (April 1971), p. 472.

¹⁴³⁴ Writing about this presidency, Daland mentions the employment of the military institution in Brazil as "the representative, that is the proxy, for the nation." He concludes that "the military is viewed and billed as the microcosm of the society and thus as its appropriate representative." Noting the practice of polling the officer corps regarding particular policies, he adds that "the Brazilian strategy is to found the regime on a genuine consensus within the military institution." Daland, Exploring, pp. 406-407.

after 1964,¹⁴³⁵ accompanied a return to political prominence of the Superior War College (ESG) after its brief demotion during the Costa e Silva presidency,¹⁴³⁶ and the elevation of the Justice Minister to the role of chief political spokesman of the government.¹⁴³⁷ Vianna describes the ESG and the Justice Minister as the ideologues of the government.¹⁴³⁸ The ESG's central role in establishing the "political doctrine" of the government¹⁴³⁹ followed Médici's policy of frequent and "discrete" military transfers, in which key positions (such as that of commandant of the ESG) were "routinely" shifted¹⁴⁴⁰ in order to undercut the personal following of senior military personnel without provoking their open resistance. The ESG thus

re-established itself in a position as a chief (although no

¹⁴³⁵ Steiner and Trubek, p. 474. They noted that the "standards and discipline of the barracks" had been imposed on the politics of the country. P. 464.

¹⁴³⁶ The ESG was reported to have been appointed publicly by Médici as the official government "think tank" in 1970. Joseph Novitski, "Brazil's Policies Shaped at War College," New York Times, 2 August 1972, p. 10.

¹⁴³⁷ This latter development, which effectively reduced most contentious political questions to the level of "criminality" versus "propriety", began in 1968. By 1971, Justice Minister Alfredo Buzaid defined the Médici program ambiguously as the "federalism of integration" ("federalismo de integração"), and characterized leftist opposition to the regime as reduced to attempting to addict the youth to drugs and immoral acts. Vianna, pp. 75-76n.

¹⁴³⁸ Vianna, p. 70.

¹⁴³⁹ Colonel Germano Vidal (ESG staff), quoted in O Estado de São Paulo, 15 July 1971, p. 18. Vianna stresses that the ESG's role during the period was "intellectual--and not political...." Vianna, p. 70. A staff member of the ESG declared in 1971 that topical studies from the school were sent to the Armed Forces General Staff if judged useful, and formally approved by the president if accepted as government policy. Novitski, "Brazil's Policies," p. 10.

¹⁴⁴⁰ Vianna, p. 70.

longer predominant) advisor on the ideological content of National Security without threatening presidential hegemony.

The Bank of London and South America Limited was widely quoted in 1971 as referring to the ESG as "the only effective center in the country for the formation of an elite," adding that

it is indispensable to be familiar with the role fulfilled by the ESG to understand the thought and attitudes of the principal directors of Brazil, in that this organ constitutes the laboratory in which the ideology and the doctrine of the Revolution of 1964 were forged and defined.¹⁴⁴¹

The expansion of the school to a new building in Brasília, and the simultaneous construction of luxury housing for senior officers involved with its program, announced in mid-1971,¹⁴⁴² were further indications of the school's renewed status, as was the public expression of support for Médici expressed by its commandant.¹⁴⁴³ The list of closed lectures given at the school in late 1971, including presentations by the Brazilian Foreign Minister, the first

¹⁴⁴¹ "[O ESG é] o único centro eficiente do país para a formação de uma elite... é indispensável conhecer o papel que desempenha a Escola Superior de Guerra para compreender o pensamento e as atitudes dos principais dirigentes do Brasil, já que esse organismo constitui o laboratório em que foram forjadas e definidas a ideologia e a doutrina da Revolução de 1964." Quoted in O Estado de São Paulo, 22 January 1971, p. 38.

¹⁴⁴² O Estado de São Paulo, 31 July 1971, p. 4.

¹⁴⁴³ E.g., an article entitled "ESG Applauds Médici's Speech" ("ESG aplaude fala de Médici"), in which commandant General Lauro Alves Pinto publicly supported Médici's call for "security through development" at an OAS meeting in Washington, D.C. O Estado de São Paulo, 22 December 1971, p. 4.

secretary of the foreign ministry, the president of the Supreme Court and the president of the National Congress,¹⁴⁴⁴ was announced with regularity in the Brazilian press.

Economic Policymaking, 1969-1973: The Ramifications of Centralization. It is useful to examine the character of the military authoritarianism that dominated the Médici period in analyzing the economic policies that the administration fostered. Albert Fishlow, in an article published in 1973, noted the "widespread belief that a modernizing and rapidly growing Brazil requires the political stability of military rule."¹⁴⁴⁵ The government's disciplinarian role was evident in the wages policy, for example, which determined that upper- and middle-class salaries would rise during the period (and hence stimulate the market for expensive consumer goods) while the wages of the vast majority of the work force dropped significantly.¹⁴⁴⁶ This policy was rigidly enforced by the government, moreover, to the point of rolling back wage increases that had been spontaneously granted by certain

¹⁴⁴⁴ O Estado de São Paulo, 2 September 1971, p. 18.

¹⁴⁴⁵ Fishlow, "Reflections," p. 112. He added that long-term growth would probably require "broader participation" than allowed by the regime. P. 113.

¹⁴⁴⁶ Cardoso, Autoritarismo, pp. 50-51. Although precise data is not available, Cardoso notes that the real minimum wages fell by 35 percent between 1964 and 1970, and the wages of unskilled laborers, which comprised more than half the work force, experienced a steep decline between 1966 and 1972. Pp. 50-51.

corporations.¹⁴⁴⁷ Furthermore, the growing concentration of industrial production in Brazil, in which relatively few firms, typically two or three, tended to control the bulk of industrial output in most sectors,¹⁴⁴⁸ facilitated the increasingly centralized and authoritarian pattern of economic policy making that characterized the Médici government.

Federal expenditure policies during the Médici period reflected the military regime's commitment to these patterns. While personnel expenditures continued to account for a large percent of the total government allocations, with the military "bureaucracy and clientele" remaining important recipients in the time-honored patronage system,¹⁴⁴⁹ roughly 60 percent of loans to private enterprise came from the government, and were derived, in turn, largely from the forced savings programs that deducted funds from payroll cheques.¹⁴⁵⁰ While Robock argued that this "model" depended "heavily on the market rather than on comprehensive and detailed management by government agencies,"¹⁴⁵¹

¹⁴⁴⁷ Vianna, p. 73.

¹⁴⁴⁸ Fishlow, "Reflections," p. 77.

¹⁴⁴⁹ The "spoils" system had apparently not changed substantially since 1964. Margaret Daly Hayes, "Policy Consequences of Military Participation in Politics: An Analysis of Tradeoffs in Brazilian Federal Expenditures," Comparative Public Policy: Issues, Theories, and Methods, ed. Craig Liske, William Loehr and John McCamant (New York: John Wiley and Sons, 1975), p. 32.

¹⁴⁵⁰ Gall, "The Rise," p. 52.

¹⁴⁵¹ Admitting at the same time that "the government has played a dominant role in guiding and shaping decisions in the market place through some controls, numerous incentives,

direct state involvement in the economy rose sharply, with state participation in the formation of fixed capital reaching 65 percent in 1973; fully half of this is reported to have derived from state enterprises.¹⁴⁵² The steady growth of state involvement in the industrialization process, mostly in the provision of industrial infrastructure,¹⁴⁵³ contrasted with the persistently episodic character of federal expenditures in other categories, in which expenditure increases for any one area were frequently "staggered" across the years of the government's tenure, creating lean expenditure years followed by years of high expenditure.¹⁴⁵⁴

The primary bases of federal economic intervention in the private sector during the Médici presidency, export promotion and the stimulation of private savings (through both voluntary and compulsory programs),¹⁴⁵⁵ experienced high growth rates, and thereby afforded the government increased freedom in both domestic and foreign policy formation by reducing economic constraints.¹⁴⁵⁶

¹⁴⁵¹ (cont'd) and fiscal and monetary management." Robock, Brazil, p. 41.

¹⁴⁵² Cardoso, Autoritarismo, p. 45.

¹⁴⁵³ Robock mentions the tendency of private infrastructure investments in Brazil to lag behind the needs of industry. Robock, Brazil, p. 45.

¹⁴⁵⁴ Hayes, "Policy Consequences," p. 28.

¹⁴⁵⁵ Fishlow, "Reflections," pp. 98-99.

¹⁴⁵⁶ The unsuccessful insistence of United States economic advisors upon continuing the economic stabilization policy in Brazil, moreover, may have reduced to some extent the influence of the United States government on the Médici administration. Fishlow noted that "when the economy had turned around, American influence in the political sphere was diminished by its own prior inconsistency and inflexibility in the economic." Fishlow, "Reflections," p.

Savings programs provided the capital basis for fiscal incentives to industrialization and regional development. One major category involved, export tax incentives, is calculated to have reduced export prices by up to 40 percent without affecting profits.¹⁴⁵⁷ Export promotion, characterized by Fishlow as a policy "peculiarly consistent with the multiple objectives of government" because it reassured international investors while catering to the nationalist sentiments of junior officers by "proving" Brazil's international competitiveness and ostensibly reducing its foreign dependence,¹⁴⁵⁸ was described by Finance Minister Delfim Netto as "vital for the growth of the Brazilian internal market."¹⁴⁵⁹ The export of industrialized goods was held to be particularly important by the government,¹⁴⁶⁰ and growth in this sector was dramatic in comparison with that of other Latin American countries during the period, as illustrated in Table 5.5.

The centralization of economic policy making during the Médici presidency was conducive to the further concentration of capital within the national economy. Government regulations favored the growth of large corporations (e.g., tax incentives programs) and channeled ever increasing

¹⁴⁵⁶ (cont'd) 84.

¹⁴⁵⁷ Fishlow, "Reflections," p. 98. Furthermore, growth in net private savings was projected at about 7.5 percent annually through 1977.

¹⁴⁵⁸ Fishlow, "Reflections," p. 103.

¹⁴⁵⁹ "...o aumento das exportações e expansão do mercado externo são vitais para o crescimento do mercado interno brasileiro." Delfim Netto, quoted by Vianna, p. 72.

¹⁴⁶⁰ Robock, Brazil, p. 41.

TABLE 5.5

Export of Industrialized Goods by Country,
1969-1971

Country	Total (US\$ Million)			Variation(%)	
	1969	1970	1971	1969-70	1970-71
Argentina	596.5	644.1	653.0	17.2	11.6
Brazil	495.0	665.0	822.1	34.3	23.6
Colombia	208.5	221.1	254.0	6.0	14.9
Mexico	198.5	204.9	246.9	3.2	20.5

Source: Cardoso, Autoritarismo, p. 53.

revenues to the federal government,¹⁴⁴¹ ostensibly to aid in the creation of a "Brazilian model of competition", in which national capital could be expected to compete with multinational capital, according to Planning Minister Reis Veloso.¹⁴⁴² Most general characterizations of the period, however, note only the Médici government's encouragement of the further concentration of capital in general and its permissiveness toward foreign capital.¹⁴⁴³ The growth of foreign capital, moreover, was also thought to aid in the concentration of capital through the contribution of technology and financing; the state sector, moreover, provided infrastructure to capital-intensive industries in such key sectors as metallurgy, energy, petrochemicals and minerals.¹⁴⁴⁴ Foreign participation in the Brazilian economy

¹⁴⁴¹ Peter Evans, Dependent Development; The Alliance of Multinational, State, and Local Capital in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 218.

¹⁴⁴² Quoted by Vianna, p. 72.

¹⁴⁴³ Vianna, p. 72.

¹⁴⁴⁴ Vianna, p. 72.

during this period also brought with it a pattern that would have long-term consequences: direct investment was largely discarded by foreign economic interests in favor of capital investment based on foreign currency loans, allowing for the eventual repatriation of both the profits and the original capital outlay.¹⁴⁶⁵ Coupled with the lag between capital investment and the actual production output, which was especially apparent during this period of rapid industrial infrastructural expansion, this created conditions which were extraordinarily conducive to excessive capital accumulation and high foreign debt, as Albert Fishlow presciently warned at the time.¹⁴⁶⁶ The accumulation of the world's highest foreign debt after 1975 was, in fact, to become the nemesis of Brazilian policy makers in the post-Médici period.

Another important concomitant of intensified authoritarianism and the concentration of capital during the Médici regime was the consolidation of economic decision-making in the hands of a small hierarchy. This hierarchy was directed, moreover, by one "superministro", the Minister of Finance, Delfim Netto.¹⁴⁶⁷ Despite the more nationalist image of the Médici government, the apparent product of the nationalism of the junior officer corps (and the administration's attempts to diffuse it), foreign economic influence grew steadily,¹⁴⁶⁸

¹⁴⁶⁵ Flynn, Brazil, p. 396.

¹⁴⁶⁶ Fishlow, "Reflections," p. 106.

¹⁴⁶⁷ Flynn, Brazil, p. 479.

¹⁴⁶⁸ Flynn notes that "the policies of Delfim Netto, despite

and was readily apparent in the country's Center-South, where the most dynamic industrial sectors were seen to be dominated by foreign corporations.¹⁴⁶⁶ Médici's repeated commitments to accelerated national economic growth "through the incorporation of new technology and the conquest of new internal and external markets...",¹⁴⁷⁰ further contributed to the continued and growing prestige of foreign and Center-South economic interests in Brazil. In a reference to the arguments of dependentistas in this regard, Fishlow commented that it was not easy to determine the significance of foreign economic interests in the formation of Brazilian federal policy, but that foreign economic pressures were "probably greater than most Brazilian officials would like to admit, while considerably less than the foreigners believed."¹⁴⁷¹ Furthermore, the Médici administration's struggle for "legitimacy" required that the economic model generate a basic consensus among the most powerful national classes,¹⁴⁷² by this time largely made up of industrial

¹⁴⁶⁶ (cont'd) considerable innovation and changes in emphasis, ... pushed Brazil into still further collaboration with and dependence upon the international financial and business community." Flynn, Brazil, p. 384.

¹⁴⁶⁷ Robock, Brazil, p. 66.

¹⁴⁷⁰ "A necessidade de conjugar crescente eficiência a desenvolvimento acelerado, mediante a incorporação de nova tecnologia e a conquista de novos mercados internos e externos, reclama do Governo e da iniciativa privada atitude inovadora, decididamente voltada para as crescentes exigências do mundo em que vivemos." Médici, Tarefa de Todos Nós (Brasília: Departamento de Imprensa Nacional, 1971), p. 42.

¹⁴⁷¹ Fishlow, "Reflections," p. 83.

¹⁴⁷² Vianna, p. 71. Cardoso cautions, however, that it is extremely difficult to relate directly the interests of classes to the policies of the Médici government. Cardoso, Autoritarismo, pp. 204-205.

interests in the Center-South, many of which also had strong ties with foreign economic interests. The response that Brazilian and subsequent military regimes in Chile, Uruguay and Argentina chose was to establish an "intellectual broker" between the government and international capital, a symbol as it were "of the government's determination to rationalize its rule primarily in terms of economic objectives," and a role that was aptly filled in Brazil by Delfim Netto.¹⁴⁷³ His role, according to Flynn, was "in some respects, a key to an understanding of Brazilian politics from 1967 to 1973...."¹⁴⁷⁴

Delfim Netto's primary contribution as the chief "broker" of economic and expenditure policy was the elimination of inconsistencies associated with the gradual shift from import substitution industrialization to what Flynn calls the new "regressive distribution scheme,"¹⁴⁷⁵ the highly concentrated and largely foreign-controlled industrial growth pattern most apparent after 1968.¹⁴⁷⁶ Through the technical use of monetary correction devices, such as the incremental adjustment of the exchange value of

¹⁴⁷³ Robert A. Kaufman, "Industrial Change and Authoritarian Rule in Latin America: A Concrete Review of the Bureaucratic-Authoritarian Model." The New Authoritarianism in Latin America, ed. David Collier (Princeton, New Jersey: Princeton Univ. Press, 1979), p. 189.

¹⁴⁷⁴ Flynn, Brazil, p. 382.

¹⁴⁷⁵ Flynn, Brazil, p. 393.

¹⁴⁷⁶ Flynn contends that Delfim Netto heeded "the complaints of industrialists and middle-class groups, especially in São Paulo," but that his primary commitment was to furthering the unequal and highly concentrated economic growth pattern. Flynn, Brazil, p. 388.

the cruzeiro, which limited currency speculation and regularized foreign financial dealings, Delfim Netto established the image, however misleading it may have been, of the technocrat as a politically amorphous technician.

One of Delfim Netto's primary bases of influence was his presidency of the National Monetary Council (Conselho Monetário Nacional, or CMN), which, in dominating the formation of economic policy, stimulated the participation of entrepreneurial groups "almost corporatively" in decisions that immediately affected their interests.¹⁴⁷⁷ Thus it is not inaccurate to describe his function as that of a "broker", bargaining between what Vianna (and others) have identified as the system's three principal political and economic actors: foreign and national entrepreneurs, high government functionaries and military officers.¹⁴⁷⁸ The military's preoccupation with national security pushed him into a predominant position in the formation of much of the administration's expenditure policy by centralizing the system, so that the CMN increasingly determined the direction of development programs such as those of national housing and savings,¹⁴⁷⁹ programs that ultimately determined the success of the regional development efforts, despite Médici's apparently contrasting policy preferences in certain respects.

¹⁴⁷⁷ Vianna, pp. 70-71.

¹⁴⁷⁸ Vianna identifies these groups as the "key sectors in the maintenance of the model...." ("setores-chave de sustentação do modelo....") Vianna, p. 64.

¹⁴⁷⁹ Vianna, p. 64.

At first glance, therefore, the contention that Médici exercised the most control over the political system of any president in Brazilian history¹⁴⁴ is somewhat mystifying. He was a colorless, non-charismatic military administrator, someone hardly likely to have had well-developed contacts with the economic elite in 1969. His domination of the political system, one that had long demanded a unique combination of personalismo and direct elite linkages from its presidents, does not make sense, unless the contention is adopted that owing primarily to the authoritarian character of the regime, Médici was able to secure the backing of the officer corps, ostensibly by making a commitment to follow a policy course parallel in some respects at least to their authoritarian nationalist demands. His retention of authority, moreover, points to the eventual acceptability of his policies to the prevailing economic elite.

The primary manifestations of heightened presidential power between 1969 and 1973 included the active suppression of all perceived political opposition, the centralization of the considerable bureaucracy and the initiation of a variety of national development programs designed primarily to enhance economic growth and "efficiency" goals. One of these, the National Integration Program (Programa de Integração Nacional, or PIN), which represented a coordinated effort to open and colonize the Amazon region with

¹⁴⁴ Flynn, Brazil, p. 447.

Northeastern settlers, was an important part of military "geopolitical" thought in Brazil. But the authoritarian character of the administration, particularly its centralizing tendencies,¹⁴⁴¹ made all of its programs particularly vulnerable to cooptation by multinational and Center-South economic interests.¹⁴⁴² The Médici administration's original goal of preserving a positive foreign investment situation in Brazil at all costs further increased its vulnerability to cooptation by these interests. The rapid proliferation of state involvement in the Brazilian industrialization process after 1969, and the military's program of centralizing the state apparatus, had the effect of sharply increasing the vulnerability of federal development programs to redirection for the purposes of intensifying even further the concentration of capital, to the direct detriment of regional and "national" development programs such as the SUDENE and even the PIN.

It is not without a certain irony that military policy makers were gradually removed from the control of policy areas precisely because of the military government's single-minded obsession with national security. Its consequent insistence upon the centralization of federal

¹⁴⁴¹ Vianna refers to the 1969-1973 period as one in which the parameters of "authoritarian centralism" ("centralismo autoritarismo") were formalized. Vianna, p. 63.

¹⁴⁴² Cardoso argues, moreover, that by the end of the Médici period, the authoritarian character of the administration had led to an "automatism", and thus the relative loss of control, the destruction of responsible political "centers", by the head of the government. Cardoso, Autoritarismo, p. 203.

policy formation, a vital ingredient of the National Security Doctrine, and hence the consolidation into one hierarchy of what had been "autonomous" branches of government competing for federal resources, in effect removed the military government from the direct determination of policy in areas of some importance to its own institutional commitments (such as Northeast regional development) largely derived from the succession crisis and the struggle for popular acceptance. Nevertheless, the military government retained significant political and economic authority, and remained able, if not always willing, to impose its will within the public expenditure process, as evidenced during the 1970 Northeastern drought, described in the following sections. It was, in this sense, an unenthusiastic and inconsistent master of the Brazilian policy process.

D. The "Miracle" and Development in the Northeast

The Character of Regional Policies during the Médici Period.

The Médici presidency was significantly influenced by the presidential selection process of 1969, and particularly the central role played in it by General Afonso de Albuquerque Lima. As a Native Northeasterner and director of the regional development efforts in the North and Northeast

during the Costa e Silva administration,¹⁴³³ Albuquerque Lima had steadily enhanced his popular image¹⁴³⁴ among the authoritarian nationalists (the linha dura) within the officer corps. He was, moreover, a strong exponent of regional development efforts within a nationalist framework, an outlook which he had identified as "national integration", a term that was associated with National Security in its more nationalist (and less security-oriented) sense.¹⁴³⁵ The divisive political campaign that concluded with the selection of General Médici by the High Command seriously threatened to alienate the substantial following among the junior officers that Albuquerque Lima had enjoyed. As an apparent compromise to those authoritarian-nationalist officers, the government, which was committed to maintaining the extant foreign-dominated pattern of economic growth, adopted "Integração Nacional" as its basic development policy for the Northeast, and heightened authoritarianism as its basic modus operandi. The noteworthy decrease in the political divisions within the Brazilian officer corps after 1969 was largely the product of these new macro-policies, although Médici's government assiduously excluded the authoritarian-nationalist group from high political

¹⁴³³ As Minister of the Interior.

¹⁴³⁴ Originally derived from his strident authoritarian political activity during the Castelo Branco presidency.

¹⁴³⁵ Flynn, Brazil, p. 427. Also, Shelton H. Davis, Victims of the Miracle (Cambridge, England: Cambridge Univ. Press, 1977), p. 13.

positions,¹⁴⁴⁴ while stressing the value of political "continuity" with the previous administration.¹⁴⁴⁵

The Northeast regional programs introduced during the Médici period,¹⁴⁴⁶ particularly after the introduction of the National Development Program (Programa Nacional de Desenvolvimento, or PND) in 1971, had the overall effect of supporting multinational and Center-South capital interests by favoring the Northeast's cotton-cattle latifundia (through road-building programs, for example) at the expense of the sugar-based oligarchy, traditionally associated with the city of Recife,¹⁴⁴⁷ and by favoring Amazonian frontier expansion and development, ostensibly to be based upon the emigration of the surplus Northeastern population.¹⁴⁴⁸ This was not accomplished, however, in a uniform and unambiguous manner. The traditional military concern with Northeast regional development, and with the national development of the Amazon region, created a situation in which the predominant economic interests found it necessary to divert and coopt federal policy patterns in order to expand their already sizable sphere of economic activities.

¹⁴⁴⁴ Moreover, Albuquerque Lima's key subordinates in the Ministry of the Interior, including those in the "autonomous" agencies such as SUDENE, had resigned with him. Daland, Exploring, p. 198.

¹⁴⁴⁵ Flynn, Brazil, p. 443.

¹⁴⁴⁶ This is one of Oliveira's primary contentions.

¹⁴⁴⁷ This first PND also marked the first time in modern Brazilian administrative history that the Center-South region was explicitly mentioned as a top developmental priority of the federal government. Dália Maimon, Werner Baer and Pedro P. Geiger, "O Impacto das Políticas Econômicas no Brasil," Revista Brasileira de Geografia, 39, No. 3 (1977), p. 13.

A crucial first step in this process was familiar to observers of the sporadic Northeast development effort: the SUDENE was effectively demoted from its prominent position in the direction of regional programming and expenditures, while other institutions (including several new ones as well as the DNOCS) now found government favor under the rural-oriented programs of "national integration." Despite Médici's repeated commitments to Northeast development, moreover, the major "national integration" schemes, beginning with PIN, introduced in June 1970, effectively transferred funding from Northeast and Amazonian development projects to "interregional" projects, in general much more amenable to capital accumulation by multinational and Center-South corporate interests, especially the huge Transamazônica highway-building and "colonization" project.

The Transamazon highway project is an important example of the gradual cooptation of an originally more distributive development policy by the interests of highly concentrated multinational and Center-South capital. A recent work

And much of the SUDENE's limited program funding, aside from the temporary job-creation budget for the drought of 1970-71, was directed to the construction of a huge new headquarters building near the campus of the Universidade Federal de Pernambuco. This removed the agency from downtown Recife, where it had once been the scene of political demonstrations.

As mentioned earlier, the DNOCS is ostensibly a national organization against the effects of drought, despite the fact that it has never carried out anti-drought works outside of the Northeast (except for the tiny part of Minas Gerais that is included in the Northeast's "drought polygon").

Davis, Victims.

explores the implications of the diversion of more than half of the federal fiscal incentives to the "interregional" PIN and PROTERRA programs. By 1972, many huge cattle ranching and agrobusiness ventures in the Amazon had come under the aegis of federal fiscal incentives,¹⁴³³ and Davis observes that "the capital, management, and technology for these new agribusinesses came from rich Brazilian capitalists from the [Center-South] states of São Paulo and Minas Gerais."¹⁴³⁴ The Suiá-Missú Ranch, covering nearly 5,000 square miles and owned by Orlando Ometo, a wealthy sugar farmer from São Paulo, was one example of this trend.¹⁴³⁵ Multinational corporations were also heavily involved in huge cattle ranching ventures in the Amazon region, and received the benefit of tax and export incentives increasingly made available by changes in government policy. King Ranch of Texas, for example, collaborated with Swift-Armour of Brazil in the establishment after 1968 of a 180,000 acre cattle ranch in the Amazonian state of Pará. According to Davis this "experimental" venture was immediately followed by several other major foreign-controlled purchases in the region.¹⁴³⁶ The three million acre Jarí Forest and Ranching Company, controlled at the time by American billionaire Daniel K. Ludwig, was thought to have served as a model for

¹⁴³³ Davis, p. 36.

¹⁴³⁴ Davis, p. 36.

¹⁴³⁵ Davis, p. 36. Many of these ventures had initially made use of the tax incentives offered under the SUDAM (the Amazonian equivalent of the SUDENE), only later to qualify for the more "liberalized" incentives of the Médici government.

¹⁴³⁶ Davis, p. 37.

multinational investments in the region.¹⁴⁹⁷ The Liquigas Corporation (Italy) bought a substantial share of the Suiá-Missú ranch during the Médici period,¹⁴⁹⁸ and Davis notes that by 1976 "a number of industrial firms located in the South of Brazil, such as Volkswagen, are investing in cattle ranching [in the North] to take advantage of the fiscal and tax incentives program of the Brazilian government."¹⁴⁹⁹ He lists over 60 major agrobusinesses in the region receiving federal incentives by the end of 1970.¹⁵⁰⁰

Agrobusiness and ranching represent only one general category of investment for multinational and Center-South capital that was stimulated by the redirection of federal policy with the "national integration" programs. Foreign-controlled technical assistance figured prominently in such projects as the aerial photographic mapping of the Amazon Basin,¹⁵⁰¹ and numerous multinational corporations were directly involved in aspects of highway construction.

¹⁴⁹⁷ Davis, p. 128.

¹⁴⁹⁸ Davis, p. 129.

¹⁴⁹⁹ Davis, p. 130. Davis cites the case, in 1969, of the purchase by Deltec Panamerica, a division of Deltec International, of International Packers Limited, which thereby gave it control of Swift-Armour of Brazil at the same time that this latter corporation had negotiated with King Ranch for the joint purchase of a huge ranch in the region. The King Ranch project was sold to Brascan (a Canadian multinational) and a Brazilian corporation in 1972, although Deltec had by then opened a huge meat packing plant in the region, and apparently had a working arrangement with the new management of the ranch. Davis, pp. 130-131.

¹⁵⁰⁰ Davis, pp. 115-117.

¹⁵⁰¹ Litton Industries, in collaboration with Goodyear Corporation, mapped a number of features of the basin, including geological and vegetation patterns. Davis, p. 64.

Caterpillar Brasil, a division of Caterpillar Tractor Company, was a major beneficiary.¹⁵⁰² "National integration" as it developed under the Médici government thus represented a major extension of markets and incentives for multinational and Center-South investment capital.

As the extent of the shift in funding priorities became evident, Médici attempted to explain the ambiguities in policy formation by arguing that, aside from emergencies (i.e., the drought of 1970), the federal government was "much more preoccupied with the Northeasterner than with the Northeast...."¹⁵⁰³ This corresponded with his oft-mentioned concern with the "valorization" of the Brazilian citizen, although it appears that the President was distracted from that commitment after 1970. By the time that the colonization project had demonstrated its inapplicability to the needs of impoverished Northeasterners,¹⁵⁰⁴ Médici had pledged his unqualified commitment to frontier expansion.¹⁵⁰⁵

¹⁵⁰² With sales of US\$47 million to the Brazilian Army Corps of Engineers between 1970 and 1972, and control of 70 percent of the US\$125 million heavy earthmoving market in Brazil. Davis, p. 65.

¹⁵⁰³ "...o Governo Federal, muito mais preocupado com o nordestino do que com o Nordeste, além da ajuda de emergência...." Médici, *Tarefa*, p. 79.

¹⁵⁰⁴ "Between October 1970 and January 1974 only 4,969 families had been settled along the Trans-Amazon Highway, a miniscule part of the 100,000 families that INCRA [the Brazilian colonization agency] had officially claimed it would settle in the Amazon by 1975. As far back as 1973, in fact, INCRA had suspended all arrangements for colonists to arrive in the Amazon by plane, boat, and truck, and it was now merely providing assistance to those colonization projects that were already established in Altamira and Santarém." Davis, p. 136.

¹⁵⁰⁵ Vianna describes the Amazon highway and colonization

despite the continuing impression that the Northeast was a "principal preoccupation" of the government.¹⁵⁰⁵ Syvrud contends that Médici's frontier expansion policies ultimately contributed to the formation of a "new development ideology" in Brazil,¹⁵⁰⁷ although with the increasing "capitalization" of landholdings along the highway, and its notable failure to stimulate productive colonization,¹⁵⁰⁸ it might better be described as the large-scale provision of infrastructure for the further concentration of capital in Brazil, as well as the severe curtailment of federal expenditure policies for the development of the Brazilian Northeast.

A conventional Brazilian administrative interpretation of the Médici presidency's severe downgrading of regional expenditure policies after 1970 implied that there were inevitable antagonisms between national and regional development goals. As a president of the Northeast Development Bank (BNB) later noted, perhaps somewhat ruefully,

in economic policy, few problems will be as difficult to resolve as that of achieving an adequate articulation between the instruments of national economic policy and the institutional mechanisms related to regional development. This is because, in the function of the free play of market forces, generally the decisions of economic policy,

¹⁵⁰⁵ (cont'd) project as a "priority area" (área prioritária) for the government by 1971. Vianna, p. 69.

¹⁵⁰⁶ O Estado de São Paulo, 18 August 1971, p. 41.

¹⁵⁰⁷ Donald E. Syvrud, Foundations of Brazilian Economic Growth (Stanford, California: Hoover Institution Press, 1974), p. 8.

¹⁵⁰⁸ Baer, Brazilian, p. 108, p. 205.

taken at the national level, even when perfectly correct from the point of view of the country's economy, can present secondary and undesirable effects touching on regional development.¹⁵⁰

It is my view, however, that this "disarticulation" between national and regional policy making had more to do with a pervasive policy drift in favor of the Center-South, and from the gradual cooptation (by multinational and Center-South interests, as indirectly represented by the "técnicos") of "national integration" programs derived from the National Security Doctrine, than with some inevitable conflict between regional and national interests.¹⁵¹ As McDonough observes in his study of the Médici period, "the military, the multinationals, and the técnicos have transgressed the norm of limited pluralism."¹⁵²

It may be useful at this juncture to digress to some extent in summarizing a case that points to the validity of the argument that the military administration of General Médici was coopted by the interests of multinational and

¹⁵⁰ "Em política econômica, poucos problemas serão tão defíceis de resolver como este de alcançar-se uma adequada articulação entre os instrumentos de política econômica nacional e os mecanismos de instituições relacionados com o desenvolvimento regional. Isto porque, em função do livre jogo das forças de mercado, geralmente as decisões de política econômica, tomadas a nível nacional, mesmo quando perfeitamente corretas do ponto-de-vista da economia do País como um todo, podem apresentar efeitos secundários e indesejáveis no que toca ao desenvolvimento regional." Nilson Holanda, Temas Atuais do Nordeste (Fortaleza, Brazil: BNB, 1976), p. 9.

¹⁵¹ This view varies to some extent with recent arguments by Evans and others that the técnicos have tended to support the discrete interests of the state.

¹⁵² McDonough, Power, p. 130.

Center-South capital because of its exclusive concern with centralization and "depoliticization" of the government.¹⁵¹² The protection of the American Indians in the Amazon region represents both an historical commitment of the Brazilian officer corps, who were instrumental in creating the Indian Protection Service in 1910, and a military concern following the agency's scandalous demise in 1967. The heroic image of Brazilian military explorer Marshal Cândido Rondon, who as a junior officer joined with some of his colleagues in urging the agency's creation,¹⁵¹³ contributed to a continuing, if sporadic, government commitment to the Indian Protection Service over the decades. In 1967, General Albuquerque Lima ordered an investigation of the corruption and mismanagement of the service, making public a shocking 5,115 page disclosure of negligence, graft and murder. The release of the report by an authoritarian military dictatorship, which sparked an international outcry, is mystifying¹⁵¹⁴ if it is assumed that the post-1964 military administrations have simply colluded with the multinational and Center-South capital interests. If, however, some of the historical and ideological concerns that have motivated the junior officers

¹⁵¹² Stepan notes that "the very absence of strong political institutions in a country such as Brazil has meant that all major actors attempt to co-opt the military as an additional supportive force in pursuit of their political goals." Stepan, Military, p. 61.

¹⁵¹³ Davis notes that in the first 20 years of its existence, the agency was not responsible for a single killing or wounding of an Indian, although Indian agents died. Davis, p. 4.

¹⁵¹⁴ "To this day it remains uncertain why the Brazilian government made public the findings of the highly controversial...Report." Davis, p. 12.

since before the turn of the century are considered,¹⁵¹⁵ and if the threat to the military hierarchy from the authoritarian nationalist junior officers after 1967 is likewise regarded as significant, another interpretation of the events is possible.

In a more encompassing and explanatory interpretation, Albuquerque Lima can be said to have responded to an important military viewpoint when he abolished the Indian Protection Service in 1967 and replaced it with the National Indian Foundation (FUNAI), promising punishment for those who had committed crimes while working for the disbanded agency.¹⁵¹⁶ The belief among at least some of the officials of the Medici administration that the PIN would radically restructure society,¹⁵¹⁷ that the highway system would serve as a new release valve for the impoverished and overpopulated Northeast, in effect diverted attention from the shift in the Indian policy after 1968, when growing authoritarianism and the centralization of government policy had taken its toll. General Bandeira de Mello was appointed as head of the FUNAI in 1970, and he announced shortly thereafter that the Indian protection policy would conform to the guiding policy of "national integration," assuming

¹⁵¹⁵ Davis attributes the humanitarian views of the junior officers in 1910 to Comtean positivism, for example.

¹⁵¹⁶ Davis implies that Albuquerque Lima's actions could best be explained by his attempt "to unify various nationalist sectors in the Brazilian military." Davis, pp. 12-13.

¹⁵¹⁷ Planning Minister Reis Velloso claimed in 1973 that it would lead to a "dramatic transformation of society..." Davis, p. 41.

that the Indians would participate "in national progress and integration as producers of goods."¹⁵¹ Indians were to be "taxed" by leasing their (federal) lands to new capitalist ventures and by compelling them to produce goods for the market. The overall Indian policy was to be "coordinated" with highway construction, with FUNAI agents sent to "pacify" tribes in the path of the new roads.¹⁵² "National Security" was now one of the official justifications that the president could use in ordering the removal of tribes from specific areas. For all intents and purposes, the "most military" of the post-1964 Brazilian presidencies had abrogated its central role in protecting the Brazilian Indians, based upon the exigencies of a rapidly centralizing policy making apparatus, but in violation of the traditional concern of the Brazilian officer corps for the Indians' welfare.

In sum, the heightened authoritarianism encouraged by the Médici administration, and the subsequent moves to bring centralized and military-like order and "efficiency" to the bureaucracy, had the effect of reducing the remnants of autonomy still retained by the regional development agencies. Subordination of these agencies to, and cooptation by, the central administrative agencies such as the CMN, directed by "technocrats" indirectly representative of multinational and Center-South interests (prominent among whom was Delfim Netto), was thereby assured. By early 1971,

¹⁵¹ Bandeira de Mello, quoted by Davis, p. 56.

¹⁵² Davis, pp. 57-58.

Médici appeared before the CMN to request its approval for the extension of anti-drought legislation for the Northeast, including the addition of a rural credit program for the drought-stricken sertão, asking that "such measures begin to constitute a special government program in the chapter of agricultural development and national integration."¹⁵²⁰ The ensuing "nationalization" of programs originally designed to effect regional income redistribution literally transformed the system. A Senator from the Northeast declared in 1980, in a reference both to the paucity of information on government expenditures in the Northeast, and to the apparently low amount of those total expenditures, that "it is necessary to regionalize the budget of the country, giving the Northeast 30 percent of the existing funds, which would not be any favor to the 30 million people that inhabit the region."¹⁵²¹ It is, in fact, virtually impossible to determine the exact amount of federal expenditures in the Northeast since the late 1960s, owing to the "nationalization" of regional development expenditures by post-1964 administrations, although one careful government

¹⁵²⁰ "Minha sugestão ao Conselho Monetário Nacional é no sentido de que tais providências passem a constituir programa especial de governo no capítulo do desenvolvimento agropecuário e da integração nacional." Médici, in a speech before the CMN, 29 March 1971. Tarefa, p. 68.

¹⁵²¹ "E' preciso regionalizar o orçamento do País, dando ao Nordeste 30 por cento das verbas existentes, o que não seria nenhum favor aos 30 milhões de pessoas que habitam o região." Senator Marcos Freire, quoted in "Marcos Freire vê Nordeste na Fase de 'Vacas Magras': O Senador Marcos Freire, da Tribuna do Senado, Mais uma Vez Denuncia o Empobrecimento Cada Vez Maior do Nordeste," Confidencial Econômico Nordeste, 11, No. 5 (May 1980), p. 22. The population of Brazil in 1980 was about 119 million.

estimate of federal expenditures for the region is available, and will serve as the basis of an analysis of the subject in a subsequent section of this chapter.

Northeast Regional Development during the Médici Period.

Brazilian development planning after 1968 effectively demoted Northeast regional development as a basic national priority. The IV Plano Diretor of the SUDENE,¹⁵²² issued in 1968 for the period 1969 to 1973, was already a response to the new political ambient into which the agency was moving. The SUDENE had lost much of its remaining political independence with the Brazilian administrative reforms of 1967, which had removed its direct subordination to the Brazilian president and placed it under the jurisdiction of the reorganized Ministry of the Interior, or Minter, which now also supervised other regional development agencies (SUDAM, SUDECO and SUDESUL) as well as the SUDENE's perennial rival, the DNOCS and sectoral programs such as the National Housing Bank (BNH), Indian Affairs, etc.¹⁵²³ Carvalho observes that this new plan, when compared with previous ones, evinced a "notable preoccupation with aspects of coordination of the federal institutions functioning in the Northeast, particularly with those tied to the Ministry

¹⁵²² SUDENE, IV Plano Diretor de Desenvolvimento Econômico e Social: 1969/1973 (Recife, Brazil: Divisão Documentação, SUDENE, 1968).

¹⁵²³ Otamar de Carvalho, Desenvolvimento Regional; Um Problema Político (Rio de Janeiro, Brazil: Editora Campus, 1979), pp. 188-189.

of the Interior."¹⁵²⁴ It was thought, moreover, to be chronologically disjointed with the Strategic Development Program (PED), launched the year before and covering only a three-year period between 1968 and 1970.¹⁵²⁵

The IV Plano Diretor manifested concern with the concentrated industrial growth in the Northeast that had been subsidized by article 34/18, and urged that tougher measures be taken with corporations that did not apply approved funding as prescribed.¹⁵²⁶ It insisted upon the maintenance of the two objectives of growth and distribution, reiterating the need to reduce regional income disparities and encourage the "improvement of the living standards of the population, especially of the lowest income levels...."¹⁵²⁷ This reflected what appeared to be a strengthened concern with improving the agency's performance, particularly in the industrialization program, and came at a time, according to Moreira, when questions and criticism from several sources, most notably the Center-South industrialists, had been directed at the economic "efficiency" of Article 34/18.¹⁵²⁸ The extension of

¹⁵²⁴ "O IV Plano Diretor apresentava, ainda, em relação aos que o antecederam, notável preocupação com os aspectos de coordenação das instituições federais com atuação no Nordeste, particularmente com as vinculadas ao Ministério do Interior." Carvalho, p. 190.

¹⁵²⁵ Carvalho, p. 189.

¹⁵²⁶ Moreira, p. 95. In 1967, 73.1 percent of the incentive funds approved by the SUDENE had gone to two states, Pernambuco and Bahia. P. 95n.

¹⁵²⁷ "Melhoria do nível de vida da população, sobretudo das camadas de mais baixa renda...." SUDENE, IV Plano Diretor, p. 17.

¹⁵²⁸ Moreira, p. 95.

the incentives concept to include other regions and sectors, many of which were now located in the Center-South,¹⁵² can be regarded as a response to these growing demands for increased government subsidy of corporate interests concentrated in that area.

The severe Northeastern drought of 1970 intervened briefly in what had become a major retreat of the federal government from active participation in the development of the Northeast. The SUDENE filled a central administrative role in the drought relief program, spending about Cr\$300 million (about US\$ 64.9 million) in the first year in the creation of 144 "labor fronts" that provided temporary work for about 500,000 men.¹⁵³ Médici's well-publicized visit to the region that year, moreover, resulted in a move by the administration to "counterbalance the relative inertia of the SUDENE" by creating a major new program, the National Integration Program (Programa de Integração Nacional, or PIN), which immediately took 30 percent of 34/18 fiscal incentive funds.¹⁵⁴

¹⁵² EMBRATUR, the Brazilian tourism corporation, and EMBRAER, the Brazilian aeronautics corporation, to name two examples.

¹⁵³ O Estado de São Paulo, 7 January 1971, p. 8. The relief program was thought to have been relatively free of corruption. Joseph Novitski, "In Brazil's Northeast, a Drought--and Quiet Despair," New York Times, 27 March 1971, p. 8.

¹⁵⁴ "...o Estado decidiu contrabalançar a relativa inércia da SUDENE...." Yves Chaloult, Estado, Acumulação e Colonialismo Interno; Contradições Nordeste/Sudeste, 1960-1977 (Petrópolis, Brazil: Vozes, 1978), p. 105. Carvão, p. 217.

The PIN, encompassing the Transamazônica highway and colonization projects, represented a major reallocation of development priorities despite government assurances that it was conceived in the best interests of the people of the Northeast. The product of military geopolitical ideology,¹⁵³² this "March to the West" ("Marcha para Oeste"), as it came to be known, was ostensibly designed to serve as a drain for the surplus (rural) population of the Northeast,¹⁵³³ although I contend that its primary effect was to make the incentives program more accessible to potential investors by shifting attention from the constraints imposed by Article 34/18 (and the government's longstanding commitment to industrial development of the Northeast),¹⁵³⁴ while providing a non-mobilizing vehicle for nationalism.¹⁵³⁵ Fishlow remarked at the time, moreover, that this new approach was "unlikely to make more than a marginal contribution to the problem of poverty in the

¹⁵³² Jan Knippers Black, United States Penetration of Brazil (Pennsylvania: Univ. of Pennsylvania Press, 1977), p. 249.

¹⁵³³ Flynn, Brazil, p. 452.

¹⁵³⁴ Cardoso substantiates this view in noting that "the results of this impressive policy to benefit the major enterprises were not long in appearing: after 1974 (the Geisel government); the rate of colonization began to decrease, as did the interest in constructing roads such as the trans-Amazon which, after running from east to west (consequently, paralleling the Amazon river some hundreds of kilometers to the south), links areas of small capacity to generate intensive road traffic. But the strategy of settling the Amazon through large enterprises was not only maintained, but accentuated." Fernando Henrique Cardoso, "Development and Environment: The Brazilian Case," CEPAL Review, No. 12 (December 1980), pp. 125-126.

¹⁵³⁵ Other examples of nationalism deemed acceptable by the anti-mobilizing military establishment included the national enthusiasm surrounding soccer and samba.

Northeast."¹⁵³⁶ He also noted that "whatever [the new plan's] impact, it is to some extent diluted by a compensating reduction in the resources destined for the Northeast and Amazon regions."¹⁵³⁷

¹⁵³⁸ The primary opposition to the PIN in the Northeast complained not only of the 30% reduction in fiscal incentives for Northeast regional development, but also the harsh budgetary limitations that it imposed on existing development programs, as well as its significant contribution to the SUDENE's continuing loss of autonomy in coordinating Northeast regional development programs.¹⁵³⁸

When considered with subsequent tax incentive programs, including PROTERRA (20 percent of incentives), and existing national programs such as MOBRAL (the Brazilian literacy program, which took between one and two percent)¹⁵³⁹ the new programs represented a severe setback for Article 34/18 and the (albeit highly concentrated) industrialization of the Northeast. Furthermore, relatively few Northeasterners became successful colonists,¹⁵⁴⁰ and although Daland

¹⁵³⁶ Fishlow, "Reflections," p. 108. He called the PIN "an ironic return to the Furtado strategy of outmigration," and added that "the number of families to be relocated initially is discussed in the order of meager thousands, while surplus population in the Northeast is reckoned in the hundreds of thousands." P. 109.

¹⁵³⁷ Fishlow, "Reflections," p. 109.

¹⁵³⁸ Carvalho, p. 218. Opposition to the PIN also came from the governors of the Northeastern states, particularly in their meetings in the Deliberative Council of the SUDENE. P. 218.

¹⁵³⁹ Carvalho, p. 219.

¹⁵⁴⁰ Thomas W. Merrick and Douglas H. Graham, Population and Economic Development in Brazil, 1800 to the Present (Baltimore: Johns Hopkins Univ. Press, 1979), p. 127.

attributes the failure of the PIN colonization scheme to administrative shortcomings,¹⁵⁴¹ the later "reformulation" of the PIN legislation to favor extensive corporate ranching operations, (including the granting of liberal credit terms to such parties,¹⁵⁴² merely underscores the program's susceptibility to cooptation by Center-South and multinational economic interests.

A parallel federal plan, the Social Integration Program (PIS), which was also touted by the government as contributing to the distributive dimension of national development by enlisting workers in compulsory payroll savings programs,¹⁵⁴³ had similar shortcomings, including its function as "a supplement to existing social insurance programs rather than a redistributive device."¹⁵⁴⁴ The rapid growth in savings accumulated under this plan, moreover, equalling over US\$3 billion by 1976,¹⁵⁴⁵ represented a windfall for Brazilian and multinational financial

¹⁵⁴¹ Calling the failure "predictable" because of the well-known deficiencies at the "middle levels" of the bureaucracy to implement such a sophisticated policy. Daland, Exploring, p. 419.

¹⁵⁴² David E. Goodman, "The Brazilian Economic 'Miracle' and Regional Policy: Some Evidence from the Urban Northeast," Latin American Studies, 8, Part I (May 1976), p. 8.

¹⁵⁴³ Flynn, Brazil, p. 452. Membership in this plan was reported at over 13 million in 1971.

¹⁵⁴⁴ Fishlow, "Reflections," p. 111. He adds that "if there is a legitimate question concerning the ability of PIN to treat regional disparity adequately there must be even greater doubt about the capacity of PIS to ameliorate the inequality of the size distribution of income." P. 111.

¹⁵⁴⁵ Werner Baer, The Brazilian Economy; Its Growth and Development (Columbus, Ohio: Grid Publishing, 1979), p. 176. The value of the accumulated savings in cruzeiros (Cr\$38.886 billion) was converted to US dollars based on the official exchange rate of 12.35, as noted in Anuário Estatístico.

interests.

President Médici's appearance before the National Monetary Council (Delfim Netto's chief policy making body) in March 1971 was made, by his own account, in order to stress in urgent tones the two top priorities of the third government of the "Revolution": the development of agricultural production and the "recuperation of the economic backwardness of the North and Northeast regions."¹⁵⁴⁶ He appears to have gone out of his way to insist that these more distributive goals be respected by the government agencies, which were themselves increasingly influenced by the CMN. Of particular interest was Médici's continued verbal support of Article 34/18.

Delfim Netto's public responses over the next several months to Médici's call for renewed development efforts in the Northeast and North were ambiguous. In July of 1971 he reminded the estagiários of the ESG that "the whole process of development is measured by the growth of the Gross National Product," and that it was based upon its contribution to this growth that investment by foreign concerns should ultimately be judged.¹⁵⁴⁷ In August of that year, following the announcement of PROTERRA, he noted that

¹⁵⁴⁶ "...recuperação do atraso econômico das regiões Norte e Nordeste...", problems, moreover, that he described as meriting the attention of "all sectors of the Government" ("...todos os setores do Governo..."). Médici, Tarefa, p. 67.

¹⁵⁴⁷ "Todo processo de desenvolvimento está medido pelo crescimento do Produto Nacional Bruto..." Netto, Desenvolvimento Econômico e Capital Externo (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 1.

the "solution" to the Northeast problem was "to increase [agricultural] production per area and area inhabited," and he added, with shades of the great Alexander Botts, that this would best be facilitated in the Northeast if the number of tractors in the region could be doubled.¹⁵⁴⁴

In July 1971 the administration introduced the Program for the Redistribution of Land and the Stimulus of Agroindustry in the North and Northeast (PROTERRA), in fact a collection of programs theoretically aimed at mitigating rural poverty in those two regions,¹⁵⁴⁵ which took 20 percent of the fiscal incentives.¹⁵⁵⁰ The programs under the new PROTERRA legislation ostensibly operated in seven basic areas: the purchase and distribution of lands for small and medium rural producers; the provision of loans for the purchase of lands; financing for the expansion of projects in agroindustry; financial assistance for agricultural research and the development of infrastructure; subsidies

¹⁵⁴⁴ "A Solução para o problema do Nordeste...é aumentar o produção [agrícola] por área e a área ocupada por homem." O Estado de São Paulo, 4 August 1971, p. 26. Tractors, of course, were a product of Center-South industry, and Delfim Netto readily admitted in the same interview that the Center-South would directly benefit from the sale of tractors to the Northeast. Davis notes that a "tractor revolution" has subsequently taken place in Brazil, largely the result of the PIN, with Massey-Ferguson, Ford and Caterpillar all benefitting. Davis, p. 145.

¹⁵⁴⁵ Médici described the program as part of the "structural changes demanded by the imperative to bring together economic growth and the establishment of a more prosperous, more humane and just social order." ("...as mudanças estruturais exigidas pelo imperativo de conjugar o crescimento da economia com o estabelecimento de ordem social mais próspera, mais humana e mais justa." Médici, O Povo, p. 11. Also, Carvalho, p. 219.

¹⁵⁵⁰ PIN and PROTERRA now took 50 percent of the fiscal incentives.

for the use of modern, production-related appliances; guaranteed minimum prices for export products; and defrayal of costs for discriminatory actions related to the seizure of lands.¹⁵⁵¹ According to Goodman, however, the plan amounted to "a fine example of how efficiency goals can be pursued under the guise of equity objectives."¹⁵⁵²

Such "efficiency goals", for which the post-1964 military regimes were, to varying degrees, noted, are reminiscent at the government level of what Daland characterizes as bureaucratic performance goals. These basically constitute a favorable predisposition toward centralization, specifying that program resources should be "combined into implementing programs," and according to Daland are "based ultimately on the National Security Doctrine."¹⁵⁵³ The connection between the National Security Doctrine and the centralization of federal programs, while by no means a novel revelation, contributes an interesting perspective on the intense capital concentration of state-sponsored development programs during the Médici period.¹⁵⁵⁴

¹⁵⁵¹ IBGE, Geografia do Brasil; Região Nordeste (Rio de Janeiro, Brazil: Fundação IBGE, 1977), p. 328.

¹⁵⁵² Goodman, "The Brazilian Economic 'Miracle,'" p. 8. Flynn concludes of PROTERRA that "unfortunately, there was no real will to carry through effective, far-reaching agrarian reform...." Flynn, Brazil, p. 453.

¹⁵⁵³ Daland, Exploring, p. 126. Daland also notes that PIN and PROTERRA were coordinated directly from the offices of the president. P. 390.

¹⁵⁵⁴ João Quartim notes that "capitalist 'planning' in Brazil...has a particular content, very different from its equivalent in capitalist metropolises. It is conducted for the benefit of a nationalist monopolist oligarchy, but under the constraints of foreign penetration of the key sectors of

Chaloult concludes that PROTERRA negatively affected employment while benefitting an already privileged social class by stimulating the concentration of land holding.¹⁵⁵⁵ Like PROTERRA, a third basic program, the Special Program for the São Francisco Valley (Programa Especial para o Vale do São Francisco, or PROVALE), consolidated and centralized existing programs in its development sector, an inter-regional river basin,¹⁵⁵⁶ which had long been outside the aegis of the SUDENE.

The Médici presidency's new emphases on the redirection of fiscal incentives and the unqualified support of "agroindustry", exports and concentration of development programs, in my view, facilitated the moves by concentrated capital interests in the Center-South and abroad to make fiscal incentives, originally intended for Northeast regional industrial development (which in 1970 still accounted for over half of the total incentive funds available, as indicated in Table 5.6), more flexible and accesible to use by large-scale capital interests.¹⁵⁵⁷ As Raimundo Moreira notes,

it was with the consolidation of the development model, beginning in 1968, within the criteria of

¹⁵⁵⁴ (cont'd) the national economy." Quartim, Dictatorship and Armed Struggle in Brazil (London: NLB, 1971), p. 64.

¹⁵⁵⁵ Chaloult, p. 106.

¹⁵⁵⁶ Albuquerque and Cavalcanti, p. 84.

¹⁵⁵⁷ The government initially denied that the SUDENE incentives program would actually lose funding because of PROTERRA, explaining that an anticipated overall gain in resources would compensate for the loss of 28.5 percent of the total fiscal incentives to PROTERRA. O Estado de São Paulo, 16 October 1971, p. 17.

TABLE 5.6

Percent Distribution of
the Brazilian Tax Incentive Programs

YEAR	SUDENE (NE)	SUDAM (Amazon)	SUDPE (Fishing)	Tour- ism	Reforest- ation	PIN & PROTERRA
1962	100.0	---	---	---	---	---
1963	87.5	12.5	---	---	---	---
1964	92.3	7.7	---	---	---	---
1965	93.0	7.0	---	---	---	---
1966	84.3	15.7	---	---	---	---
1967	76.0	22.0	2.0	---	---	---
1968	64.5	22.8	6.1	5.1	1.6	---
1969	56.4	23.4	12.5	4.0	3.7	---
1970	54.0	22.1	13.4	3.9	6.6	---
1971	44.3	19.8	9.5	3.9	17.3	5.2
1972	22.4	8.4	3.1	2.2	11.2	52.8
1973	27.6	9.5	2.6	3.0	13.9	43.5
1974	21.3	8.3	1.1	2.0	11.3	55.9
1975	23.4	7.4	1.0	1.1	12.0	55.2
1976	21.6	7.2	0.7	1.5	15.7	53.2
1977	21.1	7.4	0.6	0.9	16.5	53.4
1978	20.0	7.8	0.5	0.8	19.8	51.2

Source: Rebouças, "Política," p. 43.

economic rationality and accelerated growth of the national product, that the pressures from the Center-South intensified so that the incentives would be broadened to [include] other activities, smoothing the way even more for the tendency toward concentration of investments in the Center-South.¹⁵⁵⁸

The first National Development Plan (Plano Nacional de Desenvolvimento, or PND),¹⁵⁵⁹ introduced on September 15,

¹⁵⁵⁸ "Foi com a consolidação do modelo de desenvolvimento, a partir de 1968, dentro dos critérios de racionalidade econômica e crescimento acelerado do produto nacional, que as pressões do Centro-Sul se tornaram mais intensas para que se ampliassem os incentivos para outras atividades, o que viria respaldar mais ainda a tendência à concentração dos investimentos no Centro-Sul." Raimundo Moreira, O Nordeste Brasileiro: Uma Política Regional de Industrialização (Rio de Janeiro, Brazil: Paz e Terra, 1978), p. 168.

¹⁵⁵⁹ República Federativa do Brasil, I Plano Nacional de Desenvolvimento (Rio de Janeiro: Fundação IBGE, 1971).

1971, reflected the planning euphoria for rapid economic growth of the "miracle", and sought to initiate an even more rapid development process that would, as it claimed, transform Brazil into a "developed" country in the space of a generation, doubling the per capita income by 1980 and maintaining an 8 to 10 percent rate of growth for the foreseeable future.¹⁵⁶⁰ The I PND (1972-1974) immediately replaced the SUDENE's IV Plano Diretor, which had originally been intended to run through 1973, directing the SUDENE to draw up a new proposal, the Plano de Desenvolvimento do Nordeste, which further consolidated the activities of federal programs in the region, while strongly emphasizing (as did the I PND) the introduction of new technology.¹⁵⁶¹ As noted, the first PND regarded the Brazilian Center-South as the nucleus of national development, and pledged support to maintaining its high growth rates and its economic status in relation to the rest of the country.¹⁵⁶² On the other hand, it explicitly limited regional development programs to 5.9 percent of the total planned government investments,¹⁵⁶³ in effect formalizing the "national integration" approach. Médici publicly supported the government's continuing reliance upon (and expansion of) fiscal incentives, however, suggesting that the official state banks of the Center-South states should work with the federal government in this

¹⁵⁶⁰ Maimon, et al., pp. 11-12. Also, O Estado de São Paulo, 16 September 1971, p. 16.

¹⁵⁶¹ Carvalho, p. 193. Also, O Estado de São Paulo, 23 December 1971, p. 90.

¹⁵⁶² Maimon, et al., p. 13.

¹⁵⁶³ Maimon, et al., p. 12.

aspect of the "national integration" policy.¹⁵⁶⁴

The focus of the new program as it applied to the Northeast was on coordinating existing development plans in order to increase agricultural production and expand industrial exports (the two points that Delfim Netto had mentioned months earlier), despite what one analyst has called the "pronounced urban bias" implicit in earlier Northeast regional plans.¹⁵⁶⁵ This did not mean, however, that the new agricultural focus of the government's development policies would herald the birth of federal assistance for small farmers. In a report before a special committee of the ruling ARENA party on June 30, 1971, the director of Rural and Cooperative Credit for the BNB, Juarez Novães Pontes, stated unequivocally that the large number of small agricultural production units in the Northeast was regarded as the principal obstacle to the development of the region.¹⁵⁶⁶ Furthermore, as Fishlow noted in 1973, the ensuing agricultural programs in the Northeast, including minimum prices policies, agricultural credit and improved marketing techniques, "have probably benefitted the

¹⁵⁶⁴ O Estado de São Paulo, 16 September 1971, p. 1.

¹⁵⁶⁵ Goodman, "The Brazilian Economic 'Miracle,'" p. 2. An ex-Secretary of the Interior of the Northeastern state of Alagoas and congressman in the ruling ARENA Party, José Alves, chided the government in 1971 for its lack of continuity in dealing with the Northeast, and its undermining of the SUDENE. O Estado de São Paulo, 22 December 1971, p. 31.

¹⁵⁶⁶ O Estado de São Paulo, 1 July 1971, p. 94. One of his primary objections was that such properties could not modernize their agricultural technology, and hence contributed to the region's low agricultural productivity.

wealthier farmers at the expense of the poor."¹⁵⁶⁷ The new emphasis was on introducing modern agricultural technology, and on the expansion of the agricultural frontier to include the "humid valleys" of the Northeast, particularly the São Francisco, and the "new areas" in the Amazon and the Central Plateau.¹⁵⁶⁸ As Andrade notes in reference to the programs adopted under the aegis of "national integration" after 1968, Brazil effectively opted for agrarian "reformulation" rather than agrarian reform.¹⁵⁶⁹

One important aspect of the "national integration" approach was the severe budgetary downgrading of the SUDENE, as a primary agency for the development of the Northeast, concurrent with the reestablishment of the DNOCS (along with other agencies) as a major recipient of federal expenditures,¹⁵⁷⁰ as illustrated in Table 5.8. As the weekly news magazine Veja reported in its coverage of the severe drought of 1981, "no period was as lean for the SUDENE as [that] of the Emilio Médici government..."¹⁵⁷¹ The cutbacks in funding for the SUDENE came at a time when

¹⁵⁶⁷ Fishlow, "Reflections," p. 110. As Flynn concludes, "there was no real will to carry through effective, far-reaching agrarian reform, every hint of which in Brazil had always produced the most ferocious resistance from landowners." Flynn, Brazil, p. 453.

¹⁵⁶⁸ I PND, p. 24.

¹⁵⁶⁹ Manuel Correia de Andrade, The Land and People of Northeast Brazil, trans. Dennis V. Johnson (Albuquerque, New Mexico: Univ. of New Mexico Press, 1980), p. 4.

¹⁵⁷⁰ By 1973, the DNOCS's annual reports, produced for some years in mimeographed form, had once again achieved the status of glossy-page production.

¹⁵⁷¹ "Nenhum período foi tão avaro com a SUDENE quanto o governo Emilio Médici...." Veja, 18 March 1981, p. 56.

TABLE 5.7

Size Distribution of Rural Landholdings
in Northeast Brazil, 1972

Size of Holdings in Hectares	Number of Holdings	Total Area in Hectares
1-10	363,376	1,573,150
10-100	478,644	16,593,655
100-500	129,319	26,042,087
500-2,000	29,291	20,268,430
2,000-10,000	3,617	12,911,352
10,000-100,000	286	5,982,468
More than 100,000	15	2,659,135

Source: Andrade, The Land, p. 38.

the agency's incentives program was already under attack from opposition politicians such as federal deputy Paes de Andrade (MDB, Ceará) for corruption which was alleged to have made the Northeast "extremely dependent" on high-priced goods from the Center-South,¹⁵⁷² and from a publicity campaign, apparently launched by members of the ruling Arena Party and São Paulo businessmen, which charged the agency with contributing to the impoverishment of the Northeast.¹⁵⁷³ Furthermore, the government maintained direct military control of the agency, replacing General Tacito Teófilo Gaspar de Oliveira (appointed in February 1969) with General Evandro Moreira de Souza Lima, the SUDENE's eighth superintendent, in January 1971.¹⁵⁷⁴ Opposition (MDB) deputies severely criticized Souza Lima in August 1971 for

¹⁵⁷² O Estado de São Paulo, 18 December 1971, p. 9.

¹⁵⁷³ And which its friends, such as the Secretary of Industry and Commerce for the state of Pernambuco, publicly denied. O Estado de São Paulo, 7 December 1971, p. 21.

¹⁵⁷⁴ O Estado de São Paulo, p. 6.

TABLE 5.8

Projected and Actual Expenditures
DNOCS and SUDENE, 1964-1979
(in US\$ millions)*

YEAR	DNOCS		SUDENE**		Actual less Drought Relief
	Budgeted	Actual	Budgeted	Actual	
1964	22.96	22.96	55.38	56.15	-----
1966	19.64	19.62	85.77	102.75	96.68
1967	32.36	32.36	61.25	70.97	66.42
1968	27.69	27.69	78.37	80.17	-----
1969	24.61	24.09	63.49	66.42	-----
1970	36.63	28.37	49.86	145.99	60.57
1971	44.34	40.35	45.50	76.97	54.84
1972	41.29	39.53	52.26	65.00	-----
1973	51.16	49.25	49.88	67.63	-----
1974	58.50	54.05	45.14	58.33	-----
1975	96.54	84.64	43.34	61.18	-----
1976	50.59	50.59	39.22	159.59	53.24
1978			38.53	71.97	70.76
1979	34.91	34.91			

*Conversion to US\$ based on official conversion rates as designated in Anuário Estatístico.

**Figures do not include fiscal incentives funds.

Sources: Relatórios Anuais do DNOCS, 1960-1979.

SUDENE Vinte Anos, SUDENE, 1979.

supporting the first of the agency's severe expenditure cutbacks, noting that the president had not even bothered to consult with him beforehand.¹⁵⁷⁵ It even appeared that General Souza Lima's primary function was that of maintaining the political conformity of the SUDENE, rather than acting in any way as its advocate. This was reinforced at a subsequent news conference (regarding the formation of PROTERRA), when the general angrily refused to comment on

¹⁵⁷⁵ O Estado de São Paulo, 7 August 1971, p. 10.

such "details" as Médici's failure to consult with him prior to the announcement of the new program, and continued to maintain against weighty evidence to the contrary that it would not affect the SUDENE.¹⁵⁷⁶

The DNOCS, on the other hand, appears to have benefitted directly from the new policy orientation of the federal government. A major aspect of the agricultural program for the Northeast would involve irrigation projects, as well as a program to stimulate the production of cotton through long-term low-interest credit,¹⁵⁷⁷ a reordering of priorities that recalls Oliveira's contention that cotton/cattle interests were allied with the DNOCS. The Superintendency of the São Francisco Valley (SUVALE), newly integrated in the PROVALE, also benefitted from higher funding during the period, its budget rising from US\$14.8 million in 1970 to US\$23.4 million in 1973.¹⁵⁷⁸ In addition, PRORURAL, established in May 1971, attempted to bring all Brazilian agricultural workers within the social security system,¹⁵⁷⁹ and MOBRAF, the national literacy movement mentioned above, had been given a budget of about US\$13 million by 1970.¹⁵⁸⁰ The cutbacks in regional programs were thus said to have received fair compensation in national programs operating in the region,¹⁵⁸¹

¹⁵⁷⁶ O Estado de São Paulo, 6 August 1971, p. 26.

¹⁵⁷⁷ O Estado de São Paulo, 3 February 1971, p. 22.

¹⁵⁷⁸ SUVALE, Relatórios Anuais de SUVALE, 1970, 1973 (Rio de Janeiro: Minter, 1971, 1973). The figures in cruzeiros are Cr\$68,404,526 and Cr\$143,996,935 respectively.

¹⁵⁷⁹ Flynn, Brazil, p. 453.

¹⁵⁸⁰ Flynn, Brazil, p. 452.

¹⁵⁸¹ Nilson Holanda, "A Política de Desenvolvimento do

although a prominent Brazilian social scientist concludes that "Northeast development planning gave way to the planning of the contribution of the Northeast to the development of the Center-South, which is presented [as] masked, camouflaged by national development."¹⁵³²

A second basic aspect of "national integration" was its centripetal effect upon federal development agencies, enlisting them, as it were, increasingly to cooperate with the interests of concentrated private capital investment. Octavio Ianni mentions the National Bank of Economic Development (BNDE) and the SUDENE as agencies which developed special programs to assist private business,¹⁵³³ and the PIN, PROTERRA and PROVALE schemes were all directed, for the most part, to the provision of infrastructure, ultimately for extensive, private-capital ventures.¹⁵³⁴

Planning minister Reis Veloso's declaration in July 1971 that PROTERRA would be the "centerpiece of a new government

¹⁵³¹ (cont'd) Nordeste," Revista Economica do Nordeste, 7, No. 2 (April-June 1976), p. 225. Nilson Holanda was president of the BNB.

¹⁵³² "O planejamento do desenvolvimento do Nordeste cedeu lugar ao planejamento da contribuição do Nordeste para o desenvolvimento do Centro-Sul, que é apresentado mascarado, camuflado de desenvolvimento nacional." Gláucio Ary Dillon Soares, "Prefácio," Chaloult, p. 12. Editorials in O Estado de São Paulo (e.g., 7 March 1972, p. 3) noted the "draining" of resources from the SUDENE, and its growing "impotence".

¹⁵³³ For example, in "clarification, orientation and assistance...in capital, technology, fiscal favors, business know-how, etc." ("...esclarecimento, orientação e assistência ao empresário privado interessado em capital, tecnologia, favores fiscais, know-how empresarial, etc.") Ianni, Estado, p. 314.

¹⁵³⁴ Goodman, "The Brazilian 'Miracle,'" p. 7. Goodman adds that "the equity-related and redistributive components of these new schemes have atrophied or been abandoned entirely."

strategy for the Northeast,"¹⁵⁵⁵ underscored the increasing emphasis that the government placed on the close cooperation of its agencies with medium- and large-scale capital interests.¹⁵⁵⁶ Furthermore, the SUDENE's 34/18 incentives program had long favored large-scale capital,¹⁵⁵⁷ encouraging the introduction of capital-intensive industry in the Northeast,¹⁵⁵⁸ and therefore principally benefitting the parent firms located mostly in the Center-South.¹⁵⁵⁹ Nevertheless, as Goodman notes, the "weak locational ties" of the transplanted industries and their "expenditure leakages" lowered their overall efficiency,¹⁵⁶⁰ and thus their practical value to their parent firms. The diversion of a significant part of the SUDENE expenditures, and particularly the tax incentives funds, to other programs with higher "efficiency" standards, such as incentives programs with greater accessibility to Center-South corporate interests,¹⁵⁶¹ in effect lowered government funding to the Northeast by enhancing the concentration of capital in Brazil, and by introducing greater cooperation

¹⁵⁵⁵ PROTERRA será "a peça central de uma nova estratégia governamental para o Nordeste." Quoted in O Estado de São Paulo, 8 July 1971, p. 1.

¹⁵⁵⁶ Fishlow quotes the Minister of Agriculture as having declared that "the principal objective of PROTERRA is to create medium-sized rural enterprises capable of revitalizing regional agriculture and not the distribution of land between thirty million nordestinos," (Fishlow, "Reflections," pp. 110-111) although in retrospect PROTERRA favored large-scale acquisition of land.

¹⁵⁵⁷ Fishlow, "Brazilian Size Distribution," p. 400.

¹⁵⁵⁸ Tyler, Brazilian Industrial, p. 28.

¹⁵⁵⁹ Goodman, "Brazilian Economic 'Miracle,'" p. 6.

¹⁵⁶⁰ Goodman, "Brazilian Economic 'Miracle,'" p. 6.

¹⁵⁶¹ Carvalho, p. 221.

between government, development agencies and the large-scale capital interests of the Center-South and abroad. A significant deterioration in the distributional dimensions of federal expenditure policy for the Northeast, blamed by one opposition-party deputy from the state of Pernambuco on the highly-concentrated investment pattern that had been maintained,¹⁵² was evident. The magazine Veja noted in 1981 that "the Northeasterners, who remember the drought of 1877 and all the great droughts of this century, have forgotten the acronyms [of programs] created for their redemption in the past decade."¹⁵³

E. A Summary of Politics and Regional Development Policies during the Geisel and Figueiredo Presidencies

The formation of Brazilian public policy after 1973 represents a fusion of patterns established during the previous three military presidencies, and as such is considerably less amenable to a comparative analysis of authoritarianism and development. The most overt characteristics of military authoritarianism have been modified since the end of the Médici presidency, although aspects of that period persist, as evidenced by the current

¹⁵² Jarbas Vasconcelos is quoted in O Estado de São Paulo, 7 December 1971, p. 21.

¹⁵³ "Os nordestinos, que se lembram da seca de 1877 e de todos as grandes estiagens deste século, esqueceram as siglas criadas na década passada para sua redenção." Veja, 18 March 1981, pp. 52-53.

war against crime in the major Brazilian cities, and the liberal use of "death squads" ("esquadrões de morte")¹⁵⁹⁴ to terrorize the poor. The centralization and growth of the state apparatus, accelerated during the Médici administration, developed its own momentum and, recent moves to the contrary notwithstanding,¹⁵⁹⁵ has led to a buildup of the state ("estatização"), and the attendant problems of competition and arbitration between particular state agencies. Federal expenditures for the development of the Northeast region have tended to follow the "national integration" path established in the Médici period, again, largely the result of the momentum of the policy orientation, and not a reflection of its overall success. The SUDENE has once again been revitalized, at least temporarily, in the aftermath of one of the worst droughts of the twentieth century in 1980-1981,¹⁵⁹⁶ suggesting the possibility that overall policy patterns may be on the verge of another transformation, although the corruption long associated with drought-relief efforts has also returned.¹⁵⁹⁷ The pervasive and lasting character of the authoritarianism that was institutionally defined during the

¹⁵⁹⁴ See Veja, 7 January 1981, pp. 14-22. The cover of the issue is entitled "The Civil War in Rio" ("A Guerra Civil no Rio"), and discusses a situation that led to the brutal murder by death squads of 2,006 criminal suspects in 1981 in one slum district alone, while noting that the Revolution of 1930 resulted in less than 500 deaths. P. 15.

¹⁵⁹⁵ Such as the Figueiredo government's announced intention to sell about 100 of the 564 state-owned corporations to the private sector in the near future. Latin America Weekly Report, WR-81-29 (24 July 1981), pp. 2-3.

¹⁵⁹⁶ Veja, 18 March 1981, pp. 44-57.

¹⁵⁹⁷ Veja, 16 December 1981, p. 28.

Médici period'''' strengthens the contention that its implications for regional development are particularly significant.

The single most important economic condition to impose itself upon Brazil in the last decade has unquestionably been the world-wide escalation in oil prices, beginning in October of 1973. The relation between the oil crisis and expenditure policy in Brazil is not altogether clear, however. Hirschman argued in the early 1960s that "while substitution may be possible among projects within the Center-South or within the Northeast, public spending in the Northeast tends to come on top of, rather than in lieu of, spending in the Center-South."'''' The capital-intensive and highly technological character of the most dynamic sectors of Brazilian industry in the early 1970s, based primarily in the Center-South, meant that the Brazilian economy was particularly vulnerable to rising energy prices, particularly given Brazil's own critical dearth of petroleum reserves.''''' This contributed to the rapid escalation of the foreign debt, and ultimately placed limits on the importation of technology, which probably had a recessionary influence on the economy of the Center-South, if not the

'''' See Latin America Weekly Report, WR-81-08 (20 February 1981), p. 7, for the strong public reaction of the three military ministers to the recent identification of torturers (by their victims) from the Médici period.

'''' Hirschman, Journeys, p. 37.

'''' Baer, Brazilian, p. 129. Flynn notes that in 1974 45% of the energy consumed in Brazil was derived from oil, with the country producing only 180,000 barrels of the 900,000 that it consumed every day. Flynn, Brazil, p. 476.

national economy. Geisel explained somewhat apologetically on a trip to the Northeast in 1977 that

the resources that the Northeast has received might seem small to many Northeasterners, and they certainly are if compared to the problems that exist here. Nevertheless, if an analysis of the national sector is made, [and] if the problem is not merely considered in its absolute sense, but if the relation of the Northeast to other regions of the country is seen, it will be concluded that it was here that the federal government made its greatest effort.¹⁶⁰¹

Although it has been argued that "most Brazilians have not significantly improved their standard of living in the years since 1974,"¹⁶⁰² it remains unclear to what extent post-1973 constraints upon Brazilian public expenditures can be attributed to the rising oil prices over that period. This further complicates the analysis of the relation between authoritarianism and development in the post-1973 period. It is, in fact, because of the indeterminate effects of the oil crisis, and the growing complexity of the system which resulted from the fusion and extension of varying pre-1973 administrative patterns, that the Geisel and Figueiredo periods are but briefly summarized in this work. While they

¹⁶⁰¹ "...os recursos que o Nordeste tem recebido a muitos nordestinos podem parecer pouco, e certamente o são, se comparados aos problemas que aqui existem. Todavia, se se fizer a análise no quadro nacional, se não se considerar apenas o problema no sentido absoluto, mas se se olhar a relatividade do Nordeste com as demais regiões do País, concluir-se-á que foi aqui que o governo federal fez o seu maior esforço. "Geisel em João Pessoa: Continuamos o Trabalho que se Desenvolve desde o Governo Castelo Branco," Interior, 3, No. 21 (November/December 1977), pp. 8-9.

¹⁶⁰² Hewlett, p. 82.

are both clearly authoritarian periods, they represent an amalgam of different currents, or, as Flynn has entitled his chapter on the Geisel period, "the contradictions of authoritarian control."

General Ernesto Geisel assumed the presidency in March 1974 after a relatively calm selection process, in which he had received the support of Médici, with whom he had maintained cordial relations.¹⁰⁰³ He had nevertheless been much closer in his career to Castelo Branco's political camp,¹⁰⁰⁴ and his administration depended heavily upon former castelistas, such as General Golbery do Couto e Silva, the new chief of the Civilian Household (Casa Civil),¹⁰⁰⁵ Geisel, moreover, was one of the founders of the ESG.¹⁰⁰⁶ He had nevertheless managed to establish something of a reputation for pragmatic nationalism from his days as president of Petrobrás, the Brazilian Petroleum Company.¹⁰⁰⁷ The new administration moved to break with the overt authoritarianism of the Médici period, relaxing censorship and encouraging a more open political process.¹⁰⁰⁸ The congressional elections of 1974 resulted in a resounding

¹⁰⁰³ Flynn, Brazil, p. 472.

¹⁰⁰⁴ Flynn, Brazil, p. 480.

¹⁰⁰⁵ Golbery, as noted in Chapter 3, was closely associated with the ESG, had been a close friend of Castelo Branco (and chief of his Military Household), and was a former president of Dow Chemicals of Brazil. Flynn, Brazil, p. 474. Pang calls him the "superministro" of the Geisel cabinet. Eul-Soo Pang, "Brazil's Pragmatic Nationalism", Current History, 68, No. 401 (January 1975), p. 6.

¹⁰⁰⁶ Pang, "Brazil's," p. 5.

¹⁰⁰⁷ Pang, "Brazil's," p. 6.

¹⁰⁰⁸ Hewlett, p. 79. This process was referred to as "decompressão", or "distensão" ("decompression" or "relaxation").

defeat for the government party, however, thus jeopardizing Geisel's political stability from the standpoint of the officer corps, and subsequently dampening his enthusiasm for liberalization of the political processes.''' A congressional inquiry into the role of foreign capital in the Brazilian economy, conducted in early 1975, '' further weakened Geisel's political support, given his recently-acquired reputation as a nationalist (following his tenure as president of Petrobras), which conflicted to some degree with his credentials as a founder of the ESG and a trustworthy castelista. Rumors of division within the military abounded.''' Geisel perhaps reluctantly maintained AI-5 throughout his presidency, and indignantly closed the Congress for a month in 1976 for refusing to approve a government-sponsored judicial reform measure. Nevertheless, his administration did, in fact, "open" the Brazilian political process to greater popular participation within ill-defined and unstable limits.

The lack of definition of these limits, and their almost random enforcement, were an integral part of the overt authoritarianism of the Médici period, a reflection of

'' Candido Mendes explains "decompressão" as proof that "the regime is growing in strength and is in fact preparing the way for its own institutionalization." Mendes, "The Post-1964 Brazilian Regime: Outward Redemocratization and Inner Institutionalization," Government and Opposition, 15, No. 1 (Winter 1980), p. 51.

'' The report concluded that nearly fifty percent of Brazilian industry was controlled from abroad. Flynn, Brazil, 492.

'' Robert M. Levine, "Brazil: The Aftermath of 'Decompression,'" Current History, 70, No. 413 (February 1976), p. 53.

a powerful bureaucracy which had literally taken on a momentum of its own. Thus, although the use of discretionary presidential powers was still very much in evidence during Geisel's term,¹⁶¹² policy formation actually became less coherent because of what Abranches views as the simultaneous growth of centralization and segmentation within the bureaucracy.¹⁶¹³ This was reflected in the acute competition between highly centralized agencies--perhaps reminiscent of what Linz calls "limited, but not responsible, pluralism," but nevertheless requiring frequent presidential arbitration. In cases where such arbitration was not forthcoming for whatever reasons, paralysis of the policy making apparatus ensued,¹⁶¹⁴ and in some cases certain agencies acted with impunity. In 1976, Geisel's openly expressed distaste for torture was flaunted by a police unit in São Paulo, when it arrested and tortured to death a well-known and respected city journalist, Vladimir Herzog, provoking the outrage of the general public.¹⁶¹⁵

The Geisel administration shifted the regime's primary policy making agency from the CMN to the Council for

¹⁶¹² Sérgio Henrique Hudson de Abranches, "The Divided Leviathan: State and Economic Policy Formation in Authoritarian Brazil," Ph.D. Dissertation, Cornell University, 1978, pp. 148-149. Flynn, Brazil, p. 494.

¹⁶¹³ Abranches, p. 151. Flynn's chapter on the Geisel period is aptly called "The Contradictions of Authoritarian Control."

¹⁶¹⁴ Abranches, p. 151.

¹⁶¹⁵ Flynn, Brazil, p. 496. Herzog was said to have important connections with the Geisel administration, and Flynn suggests that his death reflected the active resistance of the anti-distensão forces, including ranking members of Médici's staff. P. 497. Also, Levine, "Brazil," pp. 55-56.

Economic Development (Conselho de Desenvolvimento Econômico, or CDE), with some input from the newly-reorganized Planning Secretariat (SEPLAN). This reduced the power of the Finance Minister, and correspondingly increased the direct intervention of the president in the economic policy making process.¹⁶¹⁶ According to Abranches¹⁶¹⁷ this further centralized the system, intensifying the competition between agencies for presidential attention and scarce resources, and encouraging the formation of blocs, or "alliances" between certain agencies for mutual benefit.¹⁶¹⁸ Furthermore, it required the president to act increasingly as a broker, which in turn removed him from what might have been a more innovative role, particularly in areas that did not represent powerful bargaining interests, such as the Northeast.

President Geisel moved only very gradually to reverse the general Northeast development policies of the previous administration, arguing that a consistent pattern had been maintained in the region since Castelo Branco's presidency. Paradoxically he described his duty as being, above all, to reduce the regional disequilibria [within this pattern?].¹⁶¹⁹ Nevertheless, the national economic situation deteriorated after 1974, depriving the government of many of its options in the region.¹⁶²⁰

¹⁶¹⁶ Abranches, p. 149.

¹⁶¹⁷ Abranches, p. 150.

¹⁶¹⁸ "Geisel em João Pessoa: Continuamos o Trabalho que se Desenvolve desde o Governo Castelo Branco," Interior, 3, No. 21 (November/December 1977), p. 8.

¹⁶¹⁹ Gary Wynia notes that although Brazil "recovered from

The Second National Development Plan (PND II), covering the period 1974-1979, marginally increased predicted expenditures for regional development programs from about 5.9 percent in the first National Development Plan to 9.5 percent,¹⁶²⁰ taking the first tentative steps toward reversing the agricultural/interregional foci of the Médici program by increasing the attention paid to Brazilian cities, particularly their internal organization. Nevertheless, as one report noted, "the Center-South, naturally, continued being regarded as the nucleus of development of the country."¹⁶²¹ Northeast development was now openly regarded from the standpoint of creating development "poles" in the region, including the establishment of a petrochemical complex in Bahia, and a mineral-petrochemical network from Maceió to Salvador, with total predicted federal investments in the region during 1975-1979 at Cr\$100 billion (US\$13.45 billion), Cr\$10 billion for special programs and Cr\$11 billion for regional

¹⁶¹⁹ (cont'd) recessions in 1974 and 1975 with an increase of 5.9 percent in per capita gross national product in 1976, growth came at the expense of a 46 percent rate of inflation. Moreover, the country's foreign debt, affected in part by the rise in the cost of imported petroleum from \$276 million in 1972 to \$3 billion (American billion) in 1975, rose to \$29 billion in 1976, the highest of the Third World countries. Such an astronomical debt burden could not help but increase Brazil's vulnerability to the predatory operations of the multinational firms and financial institutions that covet its raw materials." Wynia, The Politics of Latin American Development (London: Cambridge Univ. Press, 1978), pp. 234-235.

¹⁶²⁰ Maimon, et al., p. 13.

¹⁶²¹ "O Centro-Sul, naturalmente, continua sendo encarado como o núcleo do desenvolvimento do País." Maimon, et al., p. 13.

fiscal incentives.¹⁶²²

Geisel's presidency produced a moderate resumption of regional-level programs. The Program for the Development of Agroindustry in the Northeast was approved in May 1974, the Program for the Development of Integrated Areas of the Northeast (POLONORDESTE) in October 1974, and the Special Program for Support of the Development of the Semi-Arid Region of the Northeast (Projeto Sertanejo) in August of 1976, all by presidential decree.¹⁶²³ SEPLAN assumed the role of coordinating all development programs, and the function of coordinator of Northeast regional development programs was retained by the SUDENE.¹⁶²⁴ Carvalho contends that in practice, however, the limitations imposed upon the SUDENE meant that its ability to coordinate regional programs was steadily eroded.¹⁶²⁵ The highly centralized planning process, moreover, emanated from Brasília and likewise tended to usurp the authority of the SUDENE by sidestepping its regional coordination function in the direct implementation of specific programs.¹⁶²⁶

¹⁶²² Maimon, et al., p. 14.

¹⁶²³ Carvalho, pp. 227-228.

¹⁶²⁴ Carvalho, p. 228.

¹⁶²⁵ Carvalho, pp. 228-229. He observes, for example, that the bureaucratic regulations that were strictly observed for the SUDENE meant that it took almost two years for the POLONORDESTE to begin functioning. Carvalho, p. 229. He also argues that the outdated organizational structure of the SUDENE inhibited its coordination of both POLONORDESTE and Projeto Sertanejo. Carvalho, p. 232.

¹⁶²⁶ Osmundo E. Rebouças, "Política Fiscal e Disparidades Regionais no Brasil," Revista Pernambucana de Desenvolvimento, 7, No. 1 (January/June 1980), p. 48.

The two primary regional development programs introduced during the Geisel period retained the agricultural bias that had been typical of Médici's "national integration" policies, although the Geisel administration periodically expressed interest in the problems of urban development. POLONORDESTE, described by the Ministry of the Interior as "a Brazilian innovation in the field of agricultural planning,"¹⁶²⁷ was intended to combine economic measures such as the provision of rural credit with sub-programs in education, health, practical instruction in conservation, technology, etc.¹⁶²⁸ Similar in form to its sister project, Polamazônia, POLONORDESTE was primarily a program for provision of rural credit, including credit for agricultural cooperatives, the financial aspects of which were handled by the BNB. About 8.1 percent of the credit assistance reached agricultural cooperatives.¹⁶²⁹ The program planned economically to "dynamize" specific rural areas in the region, including the humid valleys, the humid plateaus (serras), costal plains, and the "pre-Amazon", the transition area between the sertão and the Amazon in the state of Maranhão.¹⁶³⁰ Projeto Sertanejo, a federal response to the drought of 1975, was directed to the sertão, where it

¹⁶²⁷ "O POLONORDESTE é uma inovação brasileira no campo da planificação agropecuária." Interior, 5, No. 21 (November/December 1977), p. 20.

¹⁶²⁸ Interior, 5, No. 29 (November/December 1979), p. 8.

¹⁶²⁹ Camillo Calazans de Magalhães, Desenvolvimento do Nordeste e a Ação do BNB (Fortaleza, Brazil: BNB, 1979), pp. 34-35.

¹⁶³⁰ José Lins Albuquerque, "A SUDENE e o desenvolvimento do Nordeste," Interior, 3, No. 21 (November/December 1977), p. 20.

was intended to reinforce rural production units in the hopes of making them more resistant to the effects of drought.¹⁶³¹ The program functioned in close cooperation with the DNOCS, particularly in its irrigation projects,¹⁶³² and by 1977 had adopted twenty "nuclei" across the sertão, with the potential beneficiaries of the program said to number about 200,000 farmers.¹⁶³³ The program appears to have fallen far short of its potential application over the years, however, and by 1980, according to one report, did not use even ten percent of its "theoretically" allocated resources.¹⁶³⁴ Aside from smaller sectoral programs, such as the Program for the Interiorization of Health and Sanitation Action in the Northeast (Programa de Interiorização das Ações de Saúde e Saneamento no Nordeste), implemented in 1976,¹⁶³⁵ relatively little was added to development policy for the Northeast after 1974.

The Figueiredo presidency has presented even more of an enigma to observers of political change in Brazil. General João Baptista de Figueiredo had "hard-line" authoritarian credentials prior to assuming the presidency,¹⁶³⁶ and his appointment of Delfim Netto to the cabinet further

¹⁶³¹ Interior, 5, No. 29 (November/December 1979), p. 8. It was originally intended to focus its efforts on properties of between 10 and 100 hectares.

¹⁶³² Interior, 2, No. 13 (September/October 1976), p. 35.

¹⁶³³ Interior, 3, No. 21 (November/December 1977), p. 6.

¹⁶³⁴ Veja, 18 March 1981, p. 54.

¹⁶³⁵ Interior, 3, No. 21 (November/December 1977), pp. 23-24.

¹⁶³⁶ As a former director of the SNI and a close associate of Médici.

substantiated this image.¹⁶³⁷ Nevertheless, his administration moved quickly to restore a number of civil liberties, reestablishing habeas corpus, decreeing a qualified political amnesty, eliminating most of the cassações, and committing itself to "the upgrading of income redistribution as a national priority," along with the restoration of the multiparty political system.¹⁶³⁸ Four incidents have had a particularly formative effect upon the subsequent abertura, or "opening", of the political process since 1979. First, the public testimony in early 1981 of a torture victim from the Médici period, Inês Etienne Romeu, who recounted the names of her torturers and the location of her ordeal to the press,¹⁶³⁹ sparking a strong response from the three military ministers on 10 February 1981. They declared dramatically that the process of abertura was threatened by "revenge".¹⁶⁴⁰ This apparently reinforced a general feeling of institutional solidarity and indignation

¹⁶³⁷ "In 1979, President Figueiredo, by appointing Antônio Delfim Netto as Minister of Planning, reestablished the system that had prevailed from 1964 to 1974 of vesting control of the economy in a single czar." Thomas G. Sanders, "Brazil in 1980: The Emerging Political Model," Authoritarian Capitalism, ed. Bruneau and Faucher, p. 216.

¹⁶³⁸ Peter McDonough, Power and Ideology in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1981), p. 233.

¹⁶³⁹ Romeu identified military personnel who had been involved with the interrogation of her group of ten detainees in a small house in Petrópolis, near Rio de Janeiro. She was the only prisoner to survive the ordeal. Diário de Pernambuco, 11 February 1981, p. A-13. Latin America Weekly Report, WR-81-08 (20 February 1981), p. 7.

¹⁶⁴⁰ "Revanchismo Ameaça Abertura," Diário de Pernambuco, 11 February 1981, A-1.

within the more authoritarian ranks of the military.'¹⁶⁴¹ Second, the premature detonation of two large bombs at the site of a May Day folk music concert in Rio de Janeiro, resulting in the death of one member of the notorious military intelligence unit DOI-CODI (and serious injury to another), incriminated officers in the First Military Region, and led to the condemnation by Figueiredo himself of the attempted provocation.'¹⁶⁴² This time the overall effect appears to have created further division among authoritarian officers, however.'¹⁶⁴³ The third incident was the summary firing in mid-1981 of General Golbery do Couto e Silva, who had been retained by Figueiredo as head of the Civilian Household, and who was thought to be more influential in matters of policy than Delfim Netto.'¹⁶⁴⁴ The decision, which reflected the economic chaos of the country, is thought to have represented a victory for Delfim Netto in his attempts to curtail social welfare spending, '¹⁶⁴⁵ particularly given the appointment of João Leitão de Abreu, known as a more authoritarian figure from the Médici years, as his replacement. Finally, Figueiredo's hospitalization for

¹⁶⁴¹ Latin America Weekly Report, WR-81-08 (20 February 1981), p. 7.

¹⁶⁴² Robert M. Levine, "Brazil: The Dimensions of Democratization," Current History, 81, No. 472 (February 1982), pp. 60-61. The intelligence officers were thought to be planting the bombs in order to provoke opposition to the regime and thereby provide the rationale for another authoritarian golpe.

¹⁶⁴³ Levine, "Brazil: Dimensions," p. 61.

¹⁶⁴⁴ Personal interview with official of the Planning Secretariat, State of Sergipe, 1981.

¹⁶⁴⁵ Levine, "Brazil: Dimensions," p. 61.

heart irregularities on 19 September 1981 resulted in his replacement for eight weeks by the civilian Vice-President Aureliano Chaves, who apparently acted with extreme deference to Figueiredo's wishes during the period,¹⁶⁴⁶ and appears to have calmed the fears of many officers regarding the possible "democratization" of the country. The Figueiredo presidency has thus made undeniable progress in "opening" the country's political processes, although as Cândido Mendes observed prior to 1979, the authoritarian institutions are extensive, leading one to imagine that the present relaxation of political repression is more of a temporary truce than a permanent progression toward representative government.¹⁶⁴⁷

Federal policies of Northeast regional development during the Figueiredo period have been significantly conditioned by the strategic presence of Delfim Netto as Minister of Planning, and the occurrence of one of the worst droughts of the century in 1980 and 1981. Delfim Netto has long displayed a preference for programs that directly contribute to the concentration of capital in the Center-South, as noted previously in this chapter, although the gravity of the drought has tended to override what Veja recently described as Delfim Netto's belief that "it is bad business to invest short-term federal money, that could yield much more in other places, in the Northeast, where the

¹⁶⁴⁶ Veja, 18 November 1981, p. 20.

¹⁶⁴⁷ Mendes, p. 52.

profitability is less." "While it is early yet to draw firm conclusions regarding the effects of this most recent drought upon federal expenditures in the region, Brazil's immense foreign debt, which contributed to the severe cutbacks in the 1982 federal budget," "continues to limit federal policy options in general.

The Geisel and Figueiredo administrations have, in some important regards, been limited by the policy patterns established during the Médici period. One of these is the accelerated growth and centralization of the state apparatus, and the close working relationship of federal bureaucracy with the representatives of concentrated private capital. Another is the tendency to avoid establishing regional development programs per se. It is true that the repressive aspects of authoritarianism have been progressively modified over the past few years. Peter McDonough contends that

after the Médici presidency, the authoritarian system began to unwind. The incumbents were committed to progress with order, not to a thoroughgoing totalitarianism. Beyond the torture, the censorship, the harassment of the potential opposition, the downward pressure on wages and the ubiquitous restrictions on popular initiative, the major step that remained to be taken in the direction of total control was mass mobilization under the aegis of a single party. But the logic of Brazilian authoritarianism does not require such mobilization, and the regime settled for a public

" "O ministro Delfim Netto acredita que é mau negócio aplicar no nordeste, onde a rentabilidade é menor, um dinheiro federal que anda curto e que pode render muito mais em outros lugares." Veja, 18 March 1981, p. 54.

" " Veja, 9 September 1981, pp. 94-95.

relations promotion of a stern yet populist image for its presidents.¹⁶⁵⁰

The implications for the Northeast are not clear, however. The recent development of a huge mineral complex in the Amazon region, Carajás, has dominated the attention of the federal government, particularly because of its potential for alleviating the balance-of-payments crisis. Figueiredo is said last year to have cut off the pleas of a Northeastern businessman for higher federal expenditures in the region with the terse reply, "if I had more money for public works, I would spend it on Carajás."¹⁶⁵¹

F. Federal Public Expenditures in the Northeast: A Review of the Estimates

The federal program of "national integration", embraced in lieu of a comprehensive Northeast regional development policy after 1968, has had the practical effect of concealing the amount of total federal expenditures for the region.¹⁶⁵² When combined with the rapid growth since 1965 of federal transfer payments (through a number of programs)

¹⁶⁵⁰ McDonough, Power, p. 232.

¹⁶⁵¹ "Se eu tivesse mais dinheiro para obras públicas, aplicaria em Carajás." Veja, 18 March 1981, p. 53.

¹⁶⁵² Baer notes that "there exist no data on the geographical distribution of federal government expenditures." He adds that "special estimates were made for the Northeast," i.e., Albuquerque and Cavalcanti (to which we will turn in a moment). Baer, Brazilian, p. 207n.

to the state and local governments, the proliferation since 1968 of public corporations (empresas públicas), and the persistence of interregional "autarchies" such as CODEVASF, in charge of the development of the São Francisco River basin, the problem of determining exact federal expenditures for the Northeast is truly monumental. This is, in itself, a profound comment on the state of regional development. A senior official with the SUDENE in Recife advised me in 1981 that the absence of regionalized data, which seriously hinders some aspects of the planning process, was probably a political issue, and as such might change with the abertura.¹⁶⁵³ An economist with the BNB in Fortaleza, when advised about my search for regional expenditure data, expressed great interest in the project. He was currently engaged in the same general pursuit, and having found it "almost impossible" ("quase impossível"), advised me that I might be able to complete my research using the regional autarchies, the transfer payments and "some" of the public corporations.¹⁶⁵⁴ It was only later that an important work, Desenvolvimento Regional no Brasil, published by the IPEA (Federal Institute for Economic and Social Planning) in 1976, came to my attention. Roberto Cavalcanti de Albuquerque and Clóvis de Vasconcelo Cavalcanti have provided comprehensive estimates of government expenditures

¹⁶⁵³ Personal interview with senior official of the SUDENE, Recife, 1981.

¹⁶⁵⁴ Personal interview, BNB, Fortaleza, 1981. He added that the federal government claims that it currently spends three cruzeiros for every one that it takes from the Northeast, but that this was untrue.

in the Northeast through 1974, allowing for a comparison of the federal regional expenditures of the first three, and in my view formative, military presidencies. This section will present that data and briefly review it in an attempt to explore the hypothesis that increasing authoritarianism after 1964 is related to decreasing federal expenditures for the development of the Northeast.

Federal transfer payments, while ambiguous in their direct effects on the development of the Northeast, constitute an important item in post-1964 federal expenditures, as indicated in Table 5.9. I have added two columns, one of which converts the payments into US dollars, and the other of which compares the transfer payments to the Northeast with the gross national product of Brazil. According to Rebouças, federal transfer payments have a "clearly regional character," because they serve to reimburse the states and municípios for the regional deficiencies in the tax system.¹ Fishlow notes, however, that flagrant waste has been associated with transfer payments, and there is also the negative effect generated by the continuing control of the funds by the federal government, particularly given its sporadic fiscal policies and lack of sympathy with local priorities.² Transfer payments are thought to have increased substantially the

¹ Osmundo E. Rebouças, "Política Fiscal e Disparidades Regionais no Brasil," Revista Pernambucana de Desenvolvimento, 7, No. 1 (January/June 1980), pp. 57-58.

² Fishlow, "Reflections," p. 110. Stories regarding the misuse of these funds, particularly in the early 1970s, were common in the Northeast.

TABLE 5.9

Estimated Intergovernmental Transfers to
Northeast Brazil, 1960-1974

YEAR	Intergov. Transfers(A)		(A)/Fed. Tax Receipts in NE (%)	(A)/State & Mun. Tax Receipts in NE (%)	(A)/GDP of NE (%)	(A)/GNP of Brazil** (%)
	Cr\$ million	US\$ million*				
1960	1.5	7.9	12.82	5.86	0.46	.055
1961	3.5	12.5	21.08	8.60	0.76	.087
1962	7.2	18.5	29.03	11.86	0.95	.110
1963	14.9	25.8	21.17	11.89	1.03	.126
1964	21.3	16.8	20.00	8.20	0.72	.093
1965	47.8	25.2	26.09	11.18	0.88	.131
1966	108.3	48.8	38.04	17.42	1.42	.204
1967	270.2	100.4	82.25	27.74	2.59	.382
1968	535.9	154.4	73.52	35.72	3.77	.542
1969	700.7	170.5	68.64	34.11	3.81	.531
1970	931.3	201.6	98.26	37.34	4.07	.451
1971	1,241.3	234.7	69.16	37.01	4.00	.452
1972	1,693.9	272.3	69.51	39.01	4.21	.471
1973	2,079.8	337.6	65.74	33.23	3.99	.421
1974	3,030.0	407.8	67.47	34.21	4.21	.425

*Conversion to US\$ based on the year-end official exchange rates, as reported in Anuário Estatístico.

**Column added to table. Based on GNP as reported in Anuário Estatístico.

Source: Albuquerque and Cavalcanti, p. 124.

dependence of local governments on the federal government after 1966, tending to limit local development options by tying them to current expenditures for pre-specified items.¹⁶³⁷ Although Chaloult argues that the transfer funds did have some effect on the regional redistribution of income,¹⁶³⁸ he adds that this effect is primarily an attempt by the federal government--by the state--to "exercise its

¹⁶³⁷ Chaloult, pp. 78-79, p. 73.

¹⁶³⁸ Chaloult, p. 75.

role of legitimation." "It is noteworthy that the federal transfer payments constitute the only regional expenditure item that has risen steadily since 1966, although even here variance by presidential period is evident, with the Costa e Silva administration showing the most enthusiasm for the mechanism.

Fiscal incentives, quantified in Table 5.10, likewise represent a major source of federal expenditures for the Northeast, and one that also makes a dubious contribution to the distributional dimensions of regional development (as explained in chapter 4), mostly because of its effect of contributing to the concentration of national capital, and industry's poor performance in job creation." "Albuquerque and Cavalcanti do not even include the PIN and PROTERRA incentives in the table itself, ostensibly because of the limited effect of those programs in the Northeast. They add that the consideration of fiscal incentives is made "even though they are destined for the financing of private investments." "Furtado refers to the proliferation of incentives schemes as primarily an attempt by post-1964 governments "to link the purchasing power of the upper

"...os fundos representam uma das alternativas usadas pelo Estado para exercer o seu papel de legitimação." Chaloult, p. 77.

"By 1970, after years of rapid industrial growth, only 8.7 percent of the labor force was engaged in industry. For the entire period 1949-1974 manufacturing employment increased by only 4.4 percent annually, absorbing only a minor part of a large labor surplus." Tyler, Brazilian Industrial, p. 24.

"...ainda que se destinam ao financiamento de investimentos privados...." Albuquerque and Cavalcanti, p. 125.

TABLE 5.10

Resources Released from the Fiscal Incentives Programs, 1963-1974

YEAR	(A) Resources Released (Cr\$millions)	(A)/Fed. Tax Receipts in NE(%)	(A)/State, Municipal Tax Recpts. in NE(%)	(A)/ GDP of NE (%)	(A)/ GNP of Brazil (%)**
1963	0.1	0.21	0.08	0.01	.001
1964	3.4	3.19	1.31	0.12	.015
1965	8.0	4.37	1.87	0.15	.022
1966	39.0	13.70	6.27	0.51	.073
1967	157.0	47.79	16.12	1.51	.222
1968	315.8	43.33	21.05	2.22	.319
1969	484.3	47.44	23.57	2.64	.367
1970	711.2	68.16	28.51	3.11	.344
1971	889.2*	49.54	26.51	2.86	.324
1972	867.2*	35.59	19.97	2.15	.241
1973	751.7*	23.76	12.01	1.44	.152
1974	1,300.5*	28.96	14.68	1.81	.182

*Not including the resources for PIN and PROTERRA in the region: 1971, Cr\$ 0.3 billion; 1972, Cr\$ 1.0 billion; 1973, Cr\$ 1.3 billion; 1974, Cr\$ 1.6 billion.

**Column added.

Source: Albuquerque and Cavalcanti, p. 125.

middle class to the most dynamic flow of income, the flow of profits." This is supported by data presented by Nilson Holanda, which shows that fifty percent of the final income produced by industrial incentives investments in the Northeast is directly transferred to the Center-South. Furthermore, the concentration of fiscal incentives investments within the Northeast in 1971 was such that two states, Pernambuco and Bahia, absorbed 73.7 percent of the

Furtado, "The Post-1964 Brazilian 'Model' of Development," Studies in Comparative International Development, 8, No. 2 (Summer 1973), pp. 126-127.

Holanda, O Desenvolvimento do Nordeste e a Açã da SUDENE e BNB (Brasília: BNB, 1978), p. 18.

total investments for the region.''' It is significant that Delfim Netto frequently praised the fiscal incentives programs during the Médici presidency, especially for their "anti-inflationary" and developmental attributes.'''

The most important source of funding for the Northeast has long been the federal development programs, and Albuquerque and Cavalcanti have broken down these estimated data so that net federal expenditures (federal expenditures minus federal tax receipts) for the Northeast programs are evident, as shown in Table 5.11. The results of these estimates appear to support the hypothesis that levels of military authoritarianism and effective federal expenditures for Northeast regional development are inversely related after 1964. Column "C", the net federal program expenditures in the Northeast between 1960 and 1974, shows a sharp decrease in the balance of funding minus federal tax receipts after 1968, the year in which AI-5 was decreed, with the exceptions of 1970 and 1971, major drought years for the Northeast.''' By 1973, the net federal program expenditures were actually negative, although it should be recalled that transfer payments, which were derived largely from indirect taxes, increased steadily over the period.'''

'' O Estado de São Paulo, 6 July 1971, p. 52.

'' O Estado de São Paulo, 12 May 1971, p. 26.

'' Chaloult observes that the federal government spent an exceptionally large amount of money on emergency "labor fronts" for drought victims, but that "it is obvious that this type of expenditure has very little multiplier effect in economic terms." ("É óbvio que esse tipo de gasto tem pouquíssimos efeitos multiplicadores em termos econômicos.") Chaloult, p. 63.

'' Albuquerque and Cavalcanti have only deducted the

TABLE 5.11

Gross and Net Federal Program Expenditures in the
Brazilian Northeast, 1960-1974

YEAR	(A) Fed. Expend. in NE (Cr\$ mil.)	(B) Fed. Tax Rec'ts. of NE (Cr\$ mil.)	(C) Net Fed. Exps. (A-B) (Cr\$ mil.)	A/ GDP of NE (%)	B/ GDP of NE (%)	C/ GDP of NE (%)	A/ GNP of Bra- zil (%)*	C/ GNP of Bra- zil (%)*
1960	24.0	11.7	12.3	7.38	3.59	3.78	0.88	.45
1961	30.3	16.6	13.7	7.27	3.98	3.29	0.75	.34
1962	66.7	24.8	41.9	8.77	3.26	5.51	1.02	.64
1963	112.4	47.8	64.6	7.74	3.29	4.45	0.95	.54
1964	149.8	106.5	43.3	5.08	3.61	1.47	0.65	.19
1965	271.7	183.2	88.5	4.98	3.36	1.62	0.75	.24
1966	487.2	284.7	202.5	6.38	3.73	2.65	0.92	.38
1967	833.2	328.5	504.7	8.00	3.15	4.85	1.18	.71
1968	1019.6	728.9	290.7	7.17	5.12	2.05	1.03	.29
1969	1214.6	1030.9	193.7	6.61	6.56	1.05	0.92	.15
1970	2188.7	1043.4	1145.3	9.56	4.56	5.00	1.06	.55
1971	2184.6	1794.9	393.8	7.04	5.78	1.26	0.80	.14
1972	2581.5	2436.8	144.7	6.41	6.05	0.36	0.72	.04
1973	3071.3	3163.5	(92.2)	5.90	6.07	(.17)	0.62	(.02)
1974	4204.7	4490.9	(286.2)	5.84	6.23	(.39)	0.59	(.04)

*Columns added.

Source: Albuquerque and Cavalcanti, p. 123.

Column 7 in the table, which has been added, also supports the hypothesis: The percent figures dropped significantly in 1964, and then rose significantly until 1968, when they again began a steady decline, except for 1970--and by this indicator, the drought relief programs did not represent a major exception to this post-1968 trend. By the end of the Médici period, the percent figures of gross federal program expenditures for the Northeast divided by the GNP had reached a new low.

 (cont'd) direct federal tax receipts for the Northeast from the total direct federal program expenditures.

Albuquerque and Cavalçanti combine all three levels of "expenditure" in what is perhaps the most important part of their work for the purposes of this dissertation. Table 5.12 shows the combined estimated effects of net federal expenditures, fiscal incentives released and federal transfer payments. The data includes federal tax receipts from the Northeast (as subtracted from program expenditures in column 1), and employs two other direct measures of the federal expenditures in the Northeast, transfer payments and fiscal incentives. The results are, again, apparently supportive of the hypothesis. The most revealing data are in columns 5 and 6, where the net combined expenditure estimates are divided by the regional GDP and the Brazilian GNP. In both series, the percentages drop significantly after 1967 and, except for 1970 (and 1971, for column 5), the federal development effort steadily decreased as the Medici regime completed the institutionalization of authoritarianism in Brazil.

One final category in which the government might be said to be aiding the development of the region is the provision of bank credit, as illustrated in Table 5.13. The data for public and private banks has not been separated for this table. The results do not appear to support the hypothesis, with total loans rising sharply after 1969;

Consideration of fiscal incentives is made with the understanding that they are qualified public expenditures; transfer payments likewise can be regarded as federal public expenditures in some respects only.

A possible explanation is the lowered regional GDP the year following the drought.

TABLE 5.12

Combined Estimated Effects of Net Federal Expenditures
and Tax Incentives for the Brazilian Northeast,
1960-1974

YEAR	(A) Net Fed. Program Expend's (Cr\$ millions)	(B) Federal Transfer Payments (Cr\$ millions)	(C) Federal Incent- ives (Cr\$ millions)	(D)= A+B+C	(D)/ GDP of NE (%)	(D)/ GNP of Brazil (%)*
1960	12.3	1.5	---	13.8	4.24	0.51
1961	13.7	3.5	---	17.2	3.73	0.43
1962	41.9	7.2	---	49.1	6.45	0.75
1963	65.6	14.9	0.1	79.6	5.48	0.67
1964	43.3	21.3	3.4	68.0	2.31	0.30
1965	88.5	47.8	8.0	144.3	2.65	0.40
1966	202.5	108.3	39.0	349.8	4.58	0.66
1967	504.7	270.2	157.0	931.9	8.95	1.32
1968	290.7	535.9	315.9	1,142.4	8.03	1.15
1969	193.7	700.7	484.3	1,378.7	7.50	1.04
1970	1,145.3	931.3	711.2	2,787.8	12.18	1.35
1971	393.8	1,241.3	889.2	2,524.3	8.13	0.92
1972	144.7	1,693.9	867.2	2,705.8	6.72	0.75
1973	(92.2)	2,079.8	751.7	2,739.3	5.26	0.56
1974	(286.2)	3,030.0	1,300.5	4,044.3	5.62	0.57

*Column added to table.

Source: Albuquerque and Cavalcanti, p. 126.

rapidly increasing beyond total deposits,¹⁶⁷⁰ although some qualifications should be noted. First, the total amount of rural credit conceded during the period is not evident in the data, although Chaloult argues that the Southeast has been consistently favored over the Northeast in this regard.¹⁶⁷¹ Second, loans to the public sector dropped significantly in Brazil after 1968, with 90 percent of bank

¹⁶⁷⁰ Chaloult notes that, with respect to total loans divided by total deposits, the Northeast by 1973 was in a more favorable position than was the Southeast. Chaloult, p. 88.

¹⁶⁷¹ Chaloult, p. 94.

TABLE 5.13

Provision of Public and Private Bank Credit
in Northeast Brazil, 1960-1974

YEAR	(A)	(B)	A-B	- A-B	A-B/	A-B/
	Total Loans (Cr\$ millions)	Total Deposits (Cr\$ millions)	(Cr\$, mil- lions)	(US\$, mil- lions)*	GDP of NE (%)	GNP of Brazil (%)*
1960	60.3	52.3	8.0	42.1	2.5	0.29
1961	86.5	78.8	7.7	27.6	1.7	0.19
1962	150.8	146.0	4.8	12.3	0.6	0.07
1963	277.2	249.9	27.3	47.2	1.9	0.23
1964	516.2	472.9	43.3	33.5	1.5	0.19
1965	900.0	956.3	(56.3)	(29.6)	---	---
1966	1,211.4	1,509.3	(297.9)	(134.2)	---	---
1967	2,087.6	2,071.3	16.3	6.1	0.2	0.02
1968	3,117.9	2,192.6	925.3	266.7	6.5	0.94
1969	4,191.9	3,631.4	560.5	136.4	3.1	0.42
1970	5,802.2	4,505.7	1,296.5	280.6	5.7	0.63
1971	7,937.5	5,223.2	2,714.3	513.1	8.7	0.99
1972	11,264.5	6,372.0	4,892.5	786.6	12.1	1.36
1973	16,560.2	9,075.6	7,484.6	1,215.0	14.4	1.52
1974	25,851.5	13,821.8	12,029.7	1,619.1	16.7	1.69

*Column added to table.

Source: Albuquerque and Cavalcanti, p. 127.

loans going to the private sector in 1970.¹⁶⁷² Although this does not in itself confirm that the increased loans to the Northeast were of minimal contribution of the regional development effort, it does raise the question of what kinds of private enterprises received loans in the Northeast, and what relation these enterprises can be said to have had with, for example, regional employment data.

The data on formation of fixed capital in the public sector, which includes fixed capital formation of public enterprises (empresas públicas), have been left out of this

¹⁶⁷² Chaloult, p. 82.

study for two reasons: first, state corporations act almost autonomously in the accumulation of capital, and despite Evans's contention that "state enterprises played key roles in breaking through bottlenecks that local capital was unable to tackle and foreign capital was unwilling to embark on independently,"¹⁶⁷³ state corporations in the Northeast have been associated primarily with capital intensive industrial ventures in the region,¹⁶⁷⁴ and as such have apparently contributed primarily to the concentration of capital in the hands of multinational and Center-South industrial interests.¹⁶⁷⁵ Second, state corporations frequently act like private investors (albeit, they are more willing to take financial risks), and hence tend to use short-term "profitability" criteria as the basis of investments.¹⁶⁷⁶ It is therefore somewhat surprising that

¹⁶⁷³ Evans, Dependent, p. 278. He adds that "the growth of the state sector was the most substantial structural change in the ownership of industry during the period of the 'miracle'."

¹⁶⁷⁴ Baer and Figueroa note that state enterprises are usually formed in capital-intensive industries, and often favor multinational suppliers over domestic industry. Werner Baer and Adolfo Figueroa, "State Enterprise and the Distribution of Income: Brazil and Peru," Authoritarian Capitalism, ed. Bruneau and Faucher, pp. 66-68.

¹⁶⁷⁵ This argument is based on the structure and performance of subsidized industry in the Northeast, as presented in Chapter 4. A president of the Northeast Development Bank recently noted, moreover, that the crucial employment and income distribution problems of the region will not be resolved by such industrialization. Camillo Calazans de Magalhães, Desenvolvimento do Nordeste e a Ação do BNB (Fortaleza, Ceará: BNB: 1979), p. 18.

¹⁶⁷⁶ Furtado notes that "the Brazilian economy constitutes an interesting example of how far a country can go in the process of industrialization without abandoning its main features of underdevelopment...." Furtado, "Post-1964. Brazilian Model," p. 115.

the current government of President Figueiredo is presently selling a number of state corporations to the private sector in a program familiarly (for Canadians, at least) called privatização.¹⁶⁷⁷

The analysis of federal expenditure estimates for Northeast regional development does not reveal unambiguous support for the hypothesis, although it does substantiate, at the very least, that the overtly authoritarian administration of General Médici increasingly limited direct public expenditures for the promotion of development in the Northeast. It seems likely, moreover, that such a step effectively removed the development of the Northeast as a national priority. Although this would seem to run counter to the traditional concern of the Brazilian military with national and Northeast regional development, it may be explained, as argued above, by the facility with which an increasingly centralized bureaucracy in a repressive state might be coopted by multinational and Center-South industrial interests. The role of Finance Minister Delfim Netto, of São Paulo, figures prominently in this explanation. The following section will examine data that relates to the measurement of development in the Northeast over time, in an attempt to identify a statistical relation between federal development expenditures and actual levels of development.

¹⁶⁷⁷ Veja, 27 January 1982, p. 89.

G. A Statistical Analysis of the Development of the Northeast

Celso Furtado has observed that "the most significant feature of the Brazilian 'model' is its structural tendency to exclude the mass of the population from the benefits of accumulation and technical progress."¹⁶⁷ It is, unfortunately, difficult to isolate reliable, longitudinal and broadly comparative indicators of economic and social change in the region. Furthermore, the interpretation of such indicators in conjunction with federal expenditure patterns presents certain methodological problems, as Wilkie is careful to note:

...discussion of per capita social change may be quite informative, but it is extremely limited by the nature of the data as well as by our understanding of its meaning.... Since it is our purpose here to avoid this type of problem and to relate to social change the total influence of the politics of modernization, it is preferable to avoid calculating costs of social change.¹⁶⁸

The inference of a direct causal relation between specific expenditures and individual development indicators is problematic at best. Even a relatively generalized indicator such as distribution of income has been interpreted from varying perspectives for the Northeast.¹⁶⁹

¹⁶⁷ Furtado, "Post-1964 Brazilian 'Model,'" p. 127.

¹⁶⁸ Wilkie, The Mexican Revolution: Federal Expenditure and Social Change since 1910 (Berkeley: Univ. of California Press, 1970), p. 259.

¹⁶⁹ E.g., Goodman interprets the concentration of incomes in Northeast Brazil as pointing "unequivocally towards the

Other indicators, including health and literacy data, have either been unavailable or of questionable validity.¹⁶³¹ It is, however, useful to establish some development standard by which to evaluate the relative efficacy of federal government expenditures in the region.¹⁶³²

The development index that was derived for this purpose was drawn from seven variables selected from a much greater number of data available in the IBGE publication Anuário Estatístico in its yearly editions published between 1960 and 1980.¹⁶³³ Forty-four variables across a nineteen-year period, 1960-1978, were tabulated for twenty-six federal states and territories, equalling 21,736 raw data scores (including missing data). The variables were then arranged in an SPSS data file.¹⁶³⁴

¹⁶³¹(cont'd) pronounced deterioration in the equality of personal income distribution, the major parameter of social welfare" (Goodman, "Brazilian Economic 'Miracle,'" p. 16), while Fields, commenting on Brazilian income data for the same period, argues that the absolute widening of income differentials nevertheless accompanied a period of general growth in which every income class benefitted. Gary S. Fields, "Who Benefits from Economic Development?--A Reexamination of Brazilian Growth in the 1960's," American Economic Review, 67 (1977), pp. 577-578.

¹⁶³² Total physicians per state was dropped as a datum from the Anuário Estatístico in the late 1960s, and the variability of literacy standards complicates the use of that indicator. Nevertheless, a government sample survey in 1973 determined that 45.6 percent of the Northeastern population was illiterate, as opposed to 20 percent in the Southeast. Chaloult, p. 18.

¹⁶³³ A work which has derived a comparative statistical analysis through sample survey data of Brazilian and Mexican attitudes is: Joseph A. Kahl, The Measurement of Modernism: A Study of Values in Brazil and Mexico (Austin: Univ. of Texas Press, 1968). This is not a longitudinal survey.

¹⁶³⁴ Consistent appearance in the AE was an important criterion of selection.

¹⁶³⁴ Norman Nie, et al. Statistical Package for the Social Sciences, 2nd Edition (New York: McGraw-Hill Book Company,

so that per capita variables could be computed. All of the variables involved are listed in Table 5.14. A number of difficulties were encountered in ordering the data, including the fact that changes had taken place in the federal units over time, with the state of Guanabara having been absorbed into the state of Rio de Janeiro in 1975. Many of the variables for the Federal District (Brasília) are very atypical. Distorted data for agriculture from the North (Amazon region) were the norm because of the very limited gross production of most crops in that region, which compounds the slightest error in the estimate of, for example, hectares planted. These problems were dealt with by removing those cases and variables that presented "outliers", including the states of Rio de Janeiro, Guanabara and the Federal District. Table 5.16 shows the mean, standard deviation and number of cases for the data after omission of these cases.

The derivation of a numerical index for the purpose of increasing our understanding of historical development periods can be problematic if the choice of data to be included (the separate variables) is not determined by a variety of interrelated criteria. Wilkie's use of the only available longitudinal census data touching upon the "standard of living" for his Poverty Index¹⁶³³ raises the question of the degree to which such separate variables

¹⁶³³ (cont'd) 1975).

¹⁶³⁴ James W. Wilkie, The Mexican Revolution: Federal Expenditure and Social Change since 1910 (Berkeley: Univ. of California Press, 1970), p. 205.

TABLE 5.14

Variables Used in the Derivation of the Development Index

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1. Raw Data: Population; capital municipio population; area; desquites; motor vehicles; passenger vehicles registered; auto gasoline consumed; diesel fuel consumed; illuminating kerosine consumed; electric energy consumed; cement consumed; telephones; telephones in capital municipios; hospital beds; registered voters; votes cast in municipal state and federal elections; arrests; movie tickets sold; total road extension; municipal road extension; paved road extension; deaths in capital municipios; infant deaths in capital municipios; primary students enrolled; secondary students enrolled; primary teachers; secondary teachers; minimum salaries in capital municipios; rice produced; area of rice cultivated; beans produced; area of beans cultivated; manioc produced; area of manioc cultivated; sugar cane produced; area of sugar cane cultivated; cotton(arboreal+herbacious) produced; area of cotton cultivated; coffee produced; area of coffee cultivated; corn produced; area of corn cultivated.
2. Computed Variables: Desquites p.c.(per capita); vehicles p.c.; passenger vehicles p.c.; auto gas consumed p.c.; diesel fuel consumed p.c.; identification cards issued p.c.; illuminating kerosine consumed p.c.; electric energy consumed p.c.; cement consumed p.c.; telephones p.c.; telephones in capital municipios p.c.; rural telephones p.c.; hospital beds p.c.; registered voters p.c.; votes cast p.c.; voter turnout; arrests p.c.; movie tickets sold p.c.; road extension/state area; paved road extension p.c.; municipal road extension p.c.; deaths in capital municipio p.c.; infant deaths in capital municipio p.c.; primary+secondary students p.c.; primary+secondary teachers p.c.; rice produced p.h. (per hectare); beans p.h.; beans p.c.; manioc p.h.; manioc p.c.; sugar p.h.; sugar p.c.; cotton p.h.; cotton p.c.; coffee p.h.; coffee p.c.; corn p.h.; corn p.c.
-

TABLE 5.15

Derivation of Per Capita and Per Hectare Variables

VARIABLE	Formula for Derivation
Desquites p.c.=	Desquites(total)/p*
Vehicles p.c.=	Vehicles(00's)/p*
Passenger Vehicles p.c.=	Pass. Veh's(00's)/p*
Professional I.D. Cards p.c.=	I.D.'s(000's)/p*
Auto Gasoline Consumed p.c.=	Gas(million litres)/p*
Hospital Beds p.c.=	Beds(00's)/p*
Primary+Secondary Teachers p.c.=	Teachers(00's)/p*
Primary+Secondary Students p.c.=	Students(000's)/p*
Registered Voters p.c.=	Voters(000's)/p*
Telephones p.c.=	Telephones(00's)/p*
Diesel Fuel Consumed p.c.=	Fuel(00,000 litres)/p*
Kerosine Consumed p.c.=	Fuel(00,000 litres)/p*
Cement Consumed p.c.=	Cement(000 tons)/p*
Cement Produced p.c.=	Cement(000 tons)/p*
Arrests p.c.=	Arrests(total)/p*
Movie Tickets Sold p.c.=	Tickets(0,000's)/p*
Electricity Consumed p.c.=	Elect.(million watts)/p*
Municipal Road Extension p.c.=	Mun.Roads(00 k's)/pc*
Deaths in Capital p.c.=	Deaths(total)/pc*
Infant Deaths in Capital p.c.=	Deaths(total)/pc*
Voter Turnout=	Votes/Registered Voters
Votes p.c.	Votes(000's)/p*
Telephones in Capital p.c.	Telephones(00's)/pc*
Rural Telephones p.c.	Tel-Telcap/(p*-pc*/10)
Rice Produced p.c.	Rice(000 tons)/p*
Rice per hectare	Rice/Area Cult.(00 h's)
Beans p.c.	Beans(000 tons)/p*
Beans p.h.	Beans/Area Cult.(00 h's)
Manioc p.c.	Manioc(000 tons)/p*
Manioc p.h.	Man./Area Cult.(00 h's)
Sugar p.c.	Sugar(000 tons)/p*
Sugar p.h.	Sugar/Area Cult.(00 h's)
Corn p.c.	Corn(000 tons)/p*
Corn p.h.	Corn/Area Cult.(00 h's)
Cotton p.c.	Cotton(000 tons)/p*
Cotton p.h.	Cot./Area Cult.(00 h's)
Coffee p.c.	Coffee(000 tons)/p*
Coffee p.h.	Cof./Area Cult.(00 h's)

*p=State population (0,000's)

*pc=Population of state capital(000's)

*h=hectare

TABLE 5.16

Mean, Standard Deviation and Number of Cases
for the Computed Variables

VARIABLE	Mean	Standard Deviation	Cases
Desquites p.c.	0.52	0.59	345
Vehicles p.c.	2.42	2.37	344
Passenger Vehicles p.c.	1.87	2.06	344
Identification Cards Issued p.c.	0.19	0.16	410
Auto Gasoline Consumed p.c.	0.65	0.48	435
Hospital Beds p.c.	0.28	0.13	390
Primary+Secondary Teachers p.c.	0.70	0.34	414
Primary+Secondary Students p.c.	1.69	0.54	431
Registered Voters p.c.	2.67	0.84	239
Telephones p.c.	0.92	1.06	345
Diesel Fuel Consumed p.c.	6.80	7.12	437
Kerosine Consumed p.c.	0.65	0.39	429
Cement Consumed p.c.	0.56	0.54	434
Cement Produced p.c.	0.59	0.79	437
Arrests p.c.	5.87	7.81	404
Movie Tickets Sold p.c.	2.46	1.64	206
Electricity Consumed p.c.	2.07	2.53	437
Municipal Road Extension p.c.	0.78	0.94	389
Deaths in Capital p.c.	10.99	3.62	346
Infant Deaths in Capital p.c.	3.65	1.90	300
Voter Turnout	0.75	0.08	191
Votes p.c.	2.00	0.77	215
Telephones in Capital p.c.	0.32	0.28	345
Rural Telephones p.c.	0.43	0.71	345
Rice Produced p.c.	0.89	1.43	386
Rice per hectare	0.15	0.07	386
Beans p.c.	0.25	0.21	386
Beans p.h.	0.07	0.03	371
Manioc p.c.	3.76	2.05	386
Manioc p.h.	1.43	0.51	384
Sugar p.c.	7.21	10.62	395
Sugar p.h.	4.20	3.72	394
Corn p.c.	1.11	1.25	395
Corn p.h.	0.11	0.11	395
Cotton p.c.	0.19	0.24	395
Cotton p.h.	0.05	0.04	283
Coffee p.c.	0.20	0.59	394
Coffee p.h.	0.09	0.08	304

could be said to be measuring different aspects of a larger characteristic which is referred to as "poverty". The dilemma of creating such an index centers upon choosing variables which have some logical and statistical relation (i.e., all describe some aspect of "development"), while not manifesting so much similarity over time that they are, in fact, reflecting only a limited aspect of the condition ("poverty", or "development", etc.). Wilkie contends that the variables that he selected (on the criteria of logic and availability) describe the "poverty" of rural Mexico, although the dearth of statistical analysis in the work, particularly in the establishment of a statistical relation between the variables, has led to certain problems.¹ One of the benefits of the Brazilian data is the greater number of variables from which to choose.

Factor analysis was chosen as a technique for identifying which variables might be said to represent similar patterns of change over time, with the data for most of the states of Brazil considered together because of the comparative value of the larger number of cases (the Northeast is thus being considered on an index derived from national data), and because the larger number of cases enhances the technique itself. While some analysts caution against the use of factor analysis on per capita data, it

¹ Wilkie notes, for example, that the tendency not to wear shoes (implied in two of his variables) correlates highly with age, rather than socio-economic status, as revealed in a statistical comparison by Oscar Lewis. Wilkie, pp. 206-207.

has been suggested that such a measurement is appropriate in cases where relative deprivation is being tested.¹⁶⁸ The use of factor analysis provides the ability to select variables that are not too highly correlated with each other, while tending to evince relatively similar patterns of change over time.

The initial factor runs indicated two things. First, a number of variables that had been logically assumed to have had some bearing on a common pattern of change, e.g., illuminating kerosine consumed per capita, in fact appear to have been influenced over time by secondary conditions (refinery regulations, technological change, etc.?) which made them unsuitable for consideration in an index.¹⁶⁹ Second, the variables were distributed across several factors. There was more than one basic pattern with which variables could be identified, in other words. By limiting the number of factors, and "dumping" variables with consistently low factor loadings, the number of variables being considered for the index was further reduced. An examination of the correlation coefficients of these variables showed that some of them that were loading within the same factors had correlations that were so high that they were merely indicating the same thing (vehicles and gasoline consumption, for example).

¹⁶⁸ Eric M. Uslaner, "The Pitfalls of Per Capita," American Journal of Political Science, 20, No. 1 (February 1976), pp. 131-132.

Seven variables were selected for the final factor analysis, five from one factor that might be considered as a "modernization" measure, and two from something closer to a distributional measure. The first group describes aspects of modern societies, including the presence of motor vehicles, the use of cement as a building material, the consumption of electricity, the availability of hospital beds and the enrollment of children in primary and secondary education. Deaths per capita in the capital município represents something closer to a quality-of-life measurement, although it is also an indirect measurement of health care. Manioc production per hectare is a measurement of agricultural productivity in reference to a crop that is usually not exported, and which often serves as a dietary staple. Table 5.17 presents the Varimax rotation¹ of the factor matrix for the two factors. Standard scores were then computed for these selected variables and averaged for each variable, for each state, for each year.

Each of the variables selected for the final index has both a statistical and logical basis for its selection. Vehicles per capita, for example, was chosen because of its relatively high factor loading in the initial factor runs, the important role that motor vehicles play in Brazilian industry and society, and the utility that an increased number of vehicles can have in transforming such basic

¹ The varimax orthogonal rotation of the factor matrix maximizes the variance between the loadings in each factor, thereby providing greater ability to distinguish between the separate factors.

TABLE 5.17

Varimax Rotated Factor Loadings for Eight Selected Variables of the Development Index

VARIABLE	Factor 1	Factor 2
Vehicles per capita	.91832	.12153
Hospital beds per capita	.72485	.34372
Primary+Secondary Students p.c.	.71249	-.00851
Cement Consumption per capita	.83969	-.01293
Electricity Consumption p.c.	.90870	.06581
Deaths in capital município p.c.	-.10955	-.74078
Manioc production per hectare	.00646	.84451

sectors as agricultural marketing. Although passenger vehicles had a higher loading for all Brazilian states, it was felt that the use of passenger vehicles per capita in the index might tend to lower the scores of the Northeast states inordinately, given the extensive use of varying forms of collective transport commonly used in that region. Hospital beds per capita represented the only unambiguously health-related variable over the period for which relatively complete data was available in Anuário Estatístico. Cement consumption per capita is commonly regarded as a measurement of urbanization. In the case of Brazil, the production of cement has long been a viable and often locally-owned industry, and cement consumption correlates moderately well with cement production (.72585) in this data base. It also correlates relatively highly with such variables as telephones per capita, automobile gasoline consumption per capita, passenger vehicles per capita and electricity consumption per capita. It therefore seems to be measuring "modernization".

Two variables were chosen primarily because of their low correlations with the other variables and their logical relation to a broader conceptualization of development.

Deaths in the capital município per capita has low correlations with all of the other variables except infant deaths in the capital (.90475), and was chosen in hopes of reflecting the quality of life in the major regional cities. When the total number of factors is limited to two, this variable loads (negatively) with manioc production per hectare in the second factor, although the two have a very low correlation (-.30137). This is predictable, because the latter variable is primarily a reflection of agricultural (and rural) development. Manioc, or cassava, is an important food source in virtually every state in Brazil, and is commonly consumed in the area in which it is produced. The high production of manioc throughout Brazil, even in the states of the Amazon region, "" made it much more reliable than other agricultural variables.

The development index is comprised, then, of seven variables converted to standard scores. The scores for the seven variables have been averaged, "" and these state

 "" Wagley notes that it is the "staff of life" in the Amazon. Charles Wagley, An Introduction to Brazil (New York: Columbia Univ. Press, 1971), p. 59.

"" They were added and the sum was then divided by seven, with one exception. Deaths in capital municípios per capita represents a negative value (as indicated by the factor loading in factor 2), since increases in "modernization" or improved distribution would ostensibly indicate lower deaths, as indicated by the correlation matrix of the variables in Table 5.18. The standard score of this variable was therefore subtracted from the total, rather than added.

TABLE 5.18

Correlation Matrix of the Seven Index Variables

	1	2	3	4	5	6	7
Vehicles pc(1)	1.000	.688	.556	.729	.832	-.156	.126
HospBeds pc(2)	.688	1.000	.599	.402	.553	-.201	.277
Students pc(3)	.556	.599	1.000	.392	.468	-.189	-.111
CementCon pc(4)	.729	.402	.392	1.000	.852	-.082	.078
ElectCon pc(5)	.832	.553	.468	.852	1.000	-.147	.102
DeathsCap pc(6)	-.156	-.201	-.189	-.082	-.147	1.000	-.301
ManiocProd ph(7)	.126	.277	-.111	.078	.102	-.301	1.000

averages across the nineteen years were then averaged for the Northeastern states for each year. Table 5.18 indicates the strength of the correlations between the index variables. The highest correlations are between what might be called the "modernization" variables. The results of the Northeast average state scores are compared with those for the state of São Paulo in Table 5.19. Standard scores represent a standardization of the various data, a lower score representing a lower overall performance in the various indicators. The third column in the table shows the difference in index scores over time between the state of São Paulo and the Northeast. After 1969 this difference increased dramatically.

Figures 5.1 and 5.2 provide a graphic image of the results of the Development Index over time, and their relation to the estimated net federal expenditures for the Northeast divided by the gross national product. Figure 5.1 shows a "flattening" of the average Northeast score after 1968, with the exception of 1972, an exception that is

TABLE 5.19

The Development Index for the Northeastern and
São Paulo States, 1960-1978

YEAR	(A) Northeast Score	(B) São Paulo Score	B-A
1960	-1.054	0.820	1.874
1961	-0.922	1.049	1.971
1962	-0.868	1.012	1.880
1963	-0.715	1.331	2.046
1964	-0.740	1.015	1.755
1965	-0.722	1.018	1.740
1966	-0.644	1.248	1.892
1967	-0.582	1.326	1.908
1968	-0.496	1.405	1.901
1969	-0.469	1.353	1.822
1970	-0.428	1.942	2.370
1971	-0.399	2.195	2.594
1972	-0.258	2.534	2.792
1973	-0.294	2.216	2.510
1974	-0.322	2.010	2.332
1975	-0.204	2.888	3.092
1976	-0.094	2.869	2.963
1977	-0.019	2.938	2.957
1978	0.075	3.137	3.062

possibly the reflection of the massive infusion of emergency funds in the wake of the drought of 1970. The curve for Maranhão is considerably more variable than that of the Northeast, but it manifests a definite decline after 1972. By 1974, the score for Maranhão was not much higher than it was for 1963. The score for São Paulo, in contrast, grew markedly after 1969, and although it fell to some extent in 1973 and 1974, the probable result of the weakening economy after 1972 and the oil crisis of 1973, it climbed sharply again in 1975, a year in which the average Northeast score and the score for Maranhão recovered only slightly.

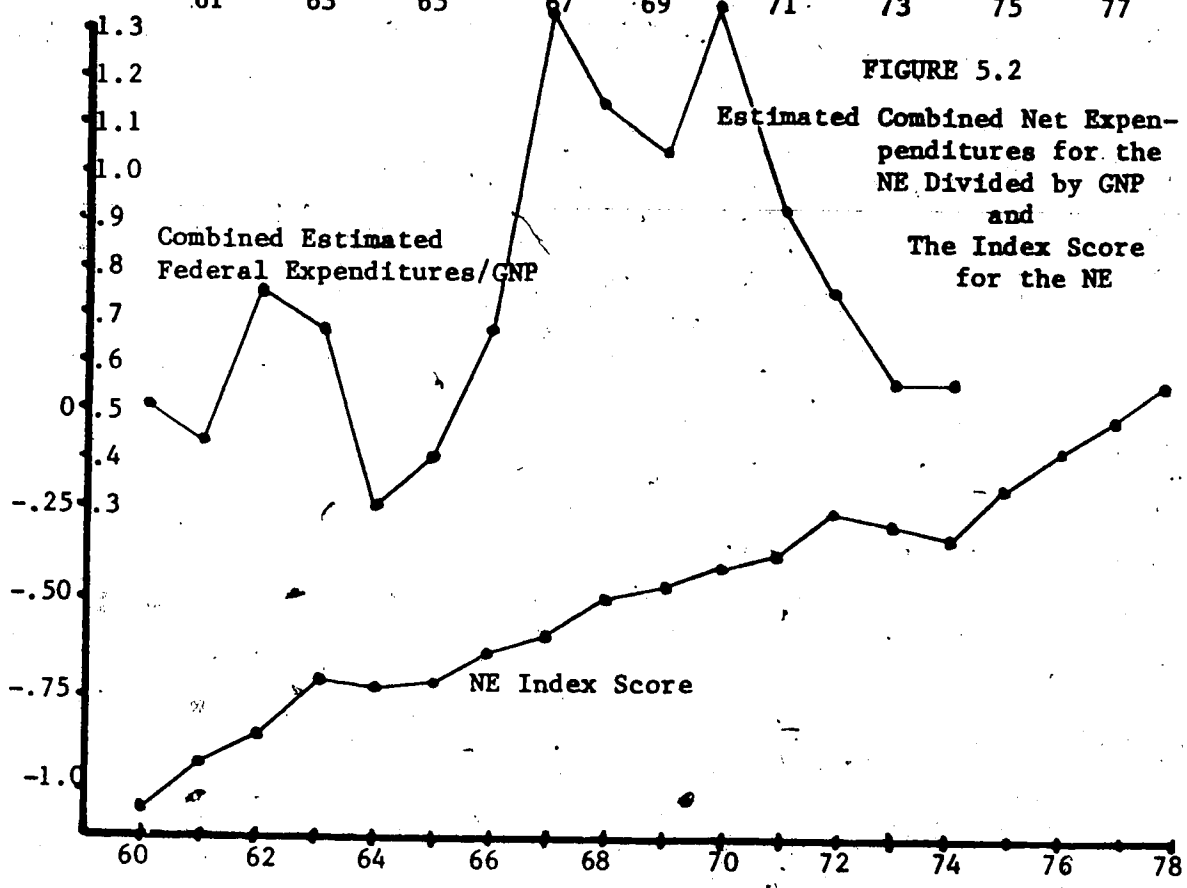
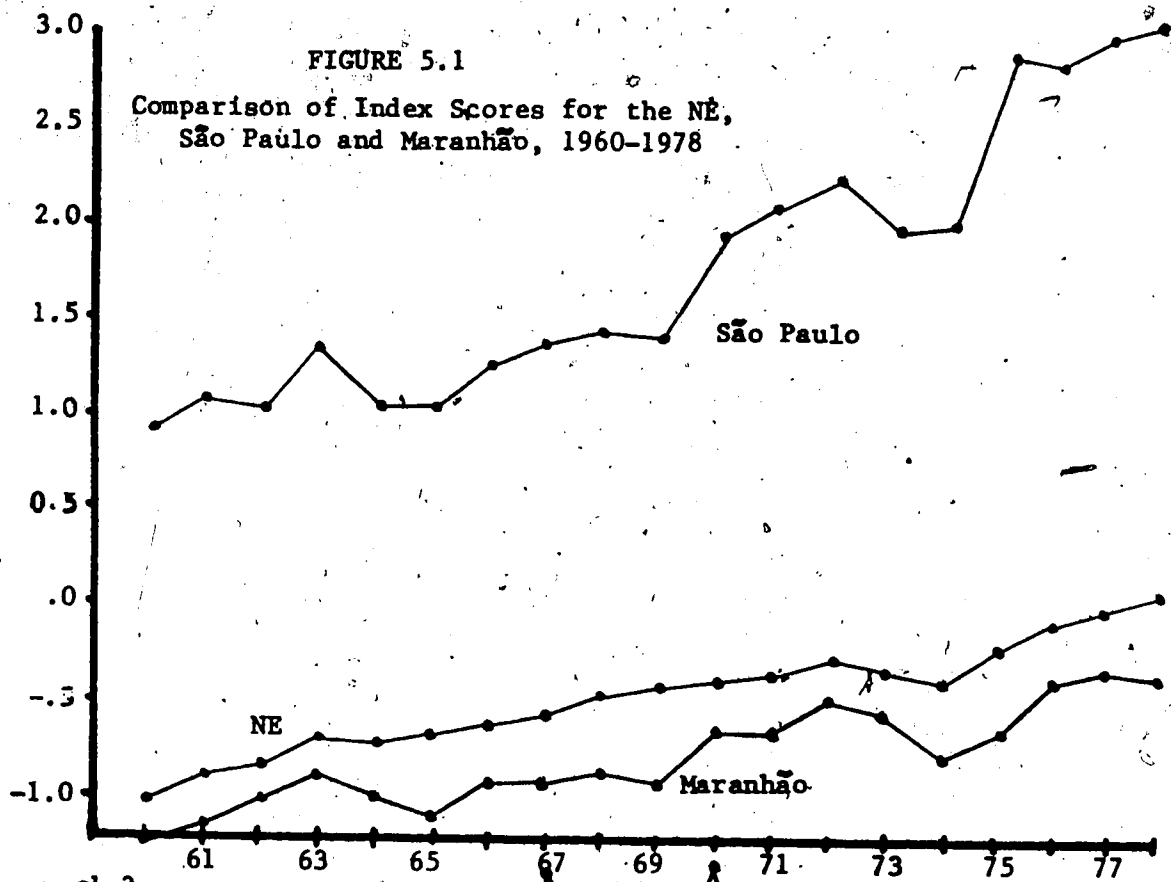


Figure 5.2 demonstrates the magnitude in the drop in estimated net federal expenditures divided by GNP after 1967. If the extraordinarily high emergency expenditures for the drought of 1970 are disregarded, the government expenditures for the Northeast decline precipitously after 1967. The Northeast curve "flattens" moderately beginning one year later (1968), adopting a more gradual increase (with the exception of 1972) until 1975, a year after the end of the Médici period. In examining the two lines in Figure 5.2, it appears that there might be a one-year lag between expenditures and their reflection in development scores. This is substantiated by further data analysis.

A Pearson Correlation was run to determine the relationship between the estimated combined net federal expenditures for the Northeast and the performance of the Northeast on the index. The correlation was done in such a way as to check for the effects of lags for one to ten years by yearly incrementals. Hence, yearly expenditure data (1960-1974) was correlated with yearly development scores (1960-1978) in a one-to-one correspondence (except for the

This is not an unreasonable recommendation, since a great deal of the emergency funds, including over half of the expenditures of the SUDENE for that year, was spent on temporary "labor fronts," which served as relatively unproductive and short-lived public works projects.

Government agencies in Brazil frequently argue that a lengthy hiatus is required for the effects of their programs to bear fruit. One source argued that 20 to 30 years would be required for the "takeoff" (demarragem) to occur. BNB, Perspectivas de Desenvolvimento do Nordeste até 1980

(Fortaleza, Brazil: BNB, n.d., [circa 1973]), pp. 14-15. The relative absence of infrastructural programs for regional development during the Médici period undermines this claim, however.

four years in which expenditure data was not available. The first lag correlated the two sets of data after shifting expenditure data by one year (1960 expenditures with 1961 index score, 1961 expenditures with 1962 index score, etc.). The second lag moved the expenditure data forward another year (1960 expenditures with 1962 index score, 1961 expenditures with 1963 index score, etc.). Eleven correlations were produced, each one shifting the expenditure data one year later against the development index scores, as indicated in Table 5.20. A moderate correlation of .61672 was found when the expenditure data was lagged by one year. By squaring the correlation, it is calculated that the combined net federal expenditures divided by GNP "explain" about 38 percent of the variance in the development index scores, allowing for the conclusion that there is some significance in the relation between lowering expenditures and the subsequent development pattern in the Northeast.

The shortcomings of the index include its relative insensitivity to urban vs. rural data (most of the data is statewide, and the rare municipio-level data refers only to the capital, disallowing the possibility of determining accurate rural figures for any of the states), the manioc production per hectare data being the only "rural" measurement. Furthermore, the inability of the index to detect the effects of concentrated development poles within the Northeast raises another problem. As Goodman observes,

TABLE 5.20

Pearson's R:
 Estimated Combined Federal Expenditures in the Northeast
 Divided by GNP (1960-1974) Correlated with the Northeast
 Score on the Development Index (1960-1978), with Lag

EXPENDITURES LAGGED BY YEARS	Pearson's R	Significance
0	.40243	.068
1	.61672	.007
2	.36229	.092
3	.21174	.224
4	.12481	.329
5	.21723	.218
6	.21384	.222
7	.39749	.071
8	.48809	.032
9	.29417	.144
10	.13651	.314

insights into the nature and evolution of the centre-periphery dependency relations would be especially helpful when examining the regional impact of recent expansion. The fundamental characteristic of this process in the Northeast is the selective integration of certain urban sectors and restricted social groups in isolated regional centres into the production system dominated by São Paulo and Rio de Janeiro. Such cities as Recife, Salvador and Fortaleza essentially have become the production outposts and commercial entrepôts of this dynamic central core region.'''

By examining the index score for the state of Maranhão, an impoverished Northeastern state far from the regional development poles, '' in its relation to the São Paulo score, in Table 5.21, some compensation for this factor may

'' Goodman, "Brazilian Economic 'Miracle,'" p. 2.

'' As well as being largely outside the drought polygon.

be assumed to have been achieved. As the table indicates, there is relatively little difference between the average Northeast scores and the Maranhão scores except for the consistently lower score of the latter and the tendency for it to vary more from year to year. This makes sense if we assume that a relatively small state might be much more sensitive to particular climatic conditions, or to variation in particular federal development programs. If we consider the one-year lag, Maranhão fared poorly during the Médici period, although its worst period (relative to São Paulo) came in 1975, ostensibly reflecting the accumulated effects of the policies of the previous presidency.

The index is primarily a measurement of growth, one of the ostensible goals of military governments in Brazil, and hence represents an attempt to test for the "success" of the regime by its own standards. About half of the indicators measure something like "middle-class" prosperity. This is intentional. The relative absence of such prosperity in the Northeast during the Médici regime, and even afterwards, if lag is considered, supports the comments of Schmitter, who noted of the Médici administration that "there is, unfortunately, no evidence of a concerted regime effort to correct...growing disparities in regional and class income."¹

¹ Schmitter, "Portugalization," p. 204. This contradicts, moreover, the promise in the first National Development Plan that "Brazil will carry out, in the period [1972-1974], one of the largest regional development programs in the world." ("O Brasil realizará, no período, umas dos maiores programas de desenvolvimento regional em

TABLE 5.21

The Development Index for Maranhão
São Paulo States, 1960-1978

YEAR	(A) Maranhão. Score	(B) São Paulo Score	B-A
1960	-1.262	0.820	2.082
1961	-1.217	1.049	2.266
1962	-1.042	1.012	2.054
1963	-0.902	1.331	2.233
1964	-1.022	1.015	2.037
1965	-1.185	1.018	2.203
1966	-0.922	1.248	2.170
1967	-0.923	1.326	2.249
1968	-0.884	1.405	2.289
1969	-0.935	1.353	2.288
1970	-0.635	1.942	2.577
1971	-0.660	2.195	2.855
1972	-0.491	2.534	3.025
1973	-0.586	2.216	2.802
1974	-0.814	2.010	2.824
1975	-0.679	2.888	3.567
1976	-0.408	2.869	3.277
1977	-0.317	2.938	3.255
1978	-0.341	3.137	3.478

Nevertheless, further research in this area would be of benefit in clarifying the relation between expenditures and development in the Northeast.

H. Conclusion

The expenditure policy of the Médici presidency does appear to substantiate the hypothesis that military authoritarianism and federal expenditures for Northeast

 " (cont'd) todo o mundo.") I PND, p. xi.

development are inversely related after 1964. This chapter has summarized some of the salient political and economic issues of the Médici period, and has offered an analysis of the Médici administration's performance in the development of the Northeast. Five major points have been discussed: the heightened military authoritarianism of the period; the consequent centralization of economic policy making in the hands of the "technocrats"; the federal policy of "national integration", and its effects upon Northeast regional policy; the relative decline in federal spending for the development of the Northeast during the period, as indicated by the estimated combined federal expenditures; and the relative performance of the Northeast on the Development Index, 1960-1978, particularly in its substantiation of the relation between federal spending and actual development in the region. The analysis of these points calls into question Médici's affirmation in 1971, in apparent response for his earlier call for change in the region, that "the Northeast is beginning to change." The record of the more authoritarian Médici administration for Northeast development expenditures was a poor one, even in comparison with the two previous military presidencies.

The heightened military authoritarianism of the Médici period stemmed primarily from the campaign to maintain military unity while pursuing a highly concentrated and "internationalized" development pattern. The threat to the

"....o Nordeste está começando a mudar." Povo, p. 23.

military hierarchy of the authoritarian nationalist junior officers, who had supported the presidential candidacy of General Albuquerque Lima, was apparently diffused by appealing to their authoritarian sentiments, while virtually disregarding the implications of their economic nationalism. Furthermore, although the rapid economic growth of the period was used by the regime as its primary legitimating cause célèbre, its overall political legitimacy was eventually eroded by the widespread political repression that it practiced. As Cardoso observes, "even those people most disposed to accept the facts of life as if they were moral rules and to believe that the politics of princes necessarily implies the exercise of violence have difficulty in recognizing torture and kidnapping as legitimate means in the defense of established order."¹⁶⁷

The centralization of economic policy making during the period was the product both of heightened authoritarianism and the concentrated development pattern that it defended. It contributed, in turn, to the growing influence of the "technocrats" in economic policy making,¹⁶⁸ which signified in turn that the Center-South and multinational industrial elite, as frequently supported in many respects by Antonio

¹⁶⁷ Cardoso, "On the Characterization," p. 34.
¹⁶⁸ Abranches concludes in reference to the 1970s that "although in the broader context of the system of domination there is a clear political predominance of a bureaucratic-military axis located at the center of the political directorate, the state technico-bureaucracy has attained a substantial degree of relative autonomy for policy decisions vis-à-vis the military corporation." Abranches, p. 164.

Delfim Netto, would gain increasing control over the direction and flow of federal expenditures, largely through the National Monetary Council. The Brazilian "miracle", the rapid growth of the economy between 1969 and 1973, further reinforced the influence of the "technocrats" despite the phenomenon's concentrated form and the rapid expansion of Brazil's foreign debt that it precipitated. On the other hand, Médici's concern with the National Security Council and questions of national security gradually removed him from the crucial role as director of the bureaucracy. Hence it is argued that Médici's selection as president was ultimately "a victory for Delfim Netto and the 'miracle', for a strategy which, while it might talk of tighter controls in dealing with foreign interests, ... in reality geared Brazil's economy intimately, and in a relation of increased dependency, to the international capitalist system."''''

The federal policy of "national integration" effectively undercut Northeast development efforts by channeling expenditures to "interregional" programs, such as the Trans-Amazon Highway Project, which represented a boon to multinational and Center-South capital investment. Regional development agencies such as the SUDENE were rendered ineffective, except for the brief period of the 1970-1971 drought in the Northeast. The remaining expenditures for the region were directed toward capital-intensive agricultural enterprise and production

'''' Flynn, Brazil, p. 454.

(agricultural and industrial) for export, which did little to address the problems of the region. The Center-South had come to be regarded officially as the "nucleus" of Brazilian development.

An examination of the estimated federal expenditures for the Northeast between 1960 and 1974, as derived by Albuquerque and Cavalcanti, generally supports the hypothesis that military authoritarianism and federal expenditures for Northeast regional development are inversely related after 1964. Net federal program expenditures, for example, dropped significantly in 1964 and, with the exception of the 1970-71 drought, fell continually and dramatically between 1968 and 1974, the periods of highest military authoritarianism after the golpe. The estimated combined net expenditures for the region divided by the GNP likewise fell during those two periods. Nevertheless, the two periods do not evince unambiguous support for the hypothesis. Federal transfer payments to Northeastern state and local governments generally rose, as did most gross expenditures, over the period.

The performance of the Northeastern states on the Development Index, a measure consisting of variables (converted to standard scores) chosen by factor analysis from basic development data obtained from the Anuário Estatístico, largely supports the conclusion that the Médici period was one of lower federal development efforts in the

region. An examination of Figure 5.1 shows a "flattening" of the Northeast's performance on the Development Index after 1968, and, except for a brief period between 1972 and 1973 (probably the result of massive anti-drought expenditures in 1970 and 1971), this pattern persists until after 1974. The Pearson Correlation between estimated combined federal expenditures for the region divided by GNP (1960-1974) and the Northeast scores on the Development Index (1960-1978) yields a moderate .61672 when a one-year lag is allowed, indicating some relation between lower relative expenditures and the "flattened" development curve. The policies of the Médici administration apparently did contribute to a general period after 1969 in which the development of the Northeast faltered.

The irony of the findings is twofold. First, the Brazilian "miracle" appears to have been a veritable hardship for the country's most impoverished region, the development of which is widely regarded as a pressing national priority. Second, the most militaristic of the post-1964 Brazilian governments became oblivious to the traditional Brazilian military concerns with national and Northeast regional development in its blind pursuit of the National Security Doctrine, the ideological justification of intensified authoritarianism. A large number of nationalistic junior officers during this period in which military unity was stressed apparently had their attention diverted, and consequently their resistance to the highly

"internationalized" and concentrated growth pattern effectively diffused. Hence, as with Greek tragic irony, this case may represent a drama which is better understood by an audience than by many of the leading protagonists themselves.

VI: AUTHORITARIANISM AND DEVELOPMENT: CONCLUSIONS

Brazilian military authoritarianism has exerted both centripetal and centrifugal effects on the process of Northeast regional development since 1964. The centralization of economic policy making, of the bureaucracy itself, which has tended to undercut the autonomy of public "autarchies" such as the SUDENE, has drawn regional development policy toward the center, limiting the options of agencies to effect an independent process of change in the region. That very process of economic centralization, however, has been shown to be highly conducive to cooptation by Center-South and multinational corporate interests. Thus the centralization of regional policies, under the banner of "national integration", has also exerted a centrifugal effect on the Northeast regional development process, exacerbating the disparities between the Northeast and Center-South, and further "marginalizing" the great majority of the nordestinos. Military authoritarianism has contributed to a national pattern in which the Northeast remains caught in a development eddy, slowly, helplessly orbiting the economic heart of the country, held in check by centrifugal and centripetal currents.

This dissertation has attempted to explain some of the political and ideological origins of these currents, particularly insofar as they have some bearing upon the

primary hypothesis, that military authoritarianism and federal expenditures for Northeast regional development are inversely related after 1964. Chapter 1 is an overview of the salient theoretical approaches that touch upon the study of public policy, ideology and comparative development. It introduces a number of the problems involved in the analysis of Brazilian federal expenditures for Northeast development, particularly in the period following the military golpe of 1964 when a military authoritarian dictatorship assumed control of national politics. It also summarizes the theoretical implications of certain systemic tendencies that are more far-reaching and pervasive in scope. The economic system of Brazil, for example, manifests a striking dependence upon the activities of multinational corporations. The concentrated and capital-intensive pattern of "dependent development" manifested by the country has been considered from several "dependency" perspectives, including those proposed by Cardoso and Evans and, in a recent Brazilian work, the "internal colonialism" arguments of Yves Chaloult. The frontier expansion experienced during the Médici period likewise suggests a broad spectrum of theoretical orientations, including the literature of statism, nationalism, federalism and authoritarianism in Brazil, not to mention that touching upon the formative influence of the frontier upon national development. By introducing the Wilkie study of post-Revolutionary Mexico, Chapter 1 outlines the ways in which that methodology has,

and has not, been applied to this study. Finally, the chapter provides an overview of the methodology of comparative public policy analysis as explained by Richard Simeon and others.

Chapter 2 reviews the history of the Brazilian military establishment in substantiating the contention that the military in Brazil has an unusually strong commitment to regional and national development. Attention is also directed to the formulation in the post-war period of a military authoritarian ideology of Brazilian national development. A summary of the history of increasing military involvement in national politics is provided to clarify these arguments. The golpe of 1964 is thought to be the result of these ideological and political forces, particularly in the extent to which post-1964 military governments embraced the National Security Doctrine.

Chapter 3 explores the ideological implications of the golpe, and the ideological character of military government in Brazil between 1964 and 1968. It discusses two important arguments that relate to the general hypothesis. First, it substantiates the contention that the Brazilian military officer corps manifested a distinctive ideological orientation by 1964, as demonstrated both by the teachings of the Escola Superior de Guerra and the views of its primary military opposition, the "linha dura". Second, it stresses both the developmental and authoritarian aspects of Brazilian military ideology, underscoring the centralizing

impulse of Brazilian military authoritarianism after the golpe. The presidencies of Castelo Branco, Costa e Silva and Médici are analyzed based on their contributions to this centralizing authoritarian aspect.

Chapter 4 summarizes the historical condition of underdevelopment in the Brazilian Northeast in establishing the importance of the problem to the wider process of Brazilian national development. The historical spectre of periodic climatic disaster, the drought of the sertão, is balanced against the more important influence of regional socio-economic conditions, the relative economic status of the region in the national context, and the effects of federal development programs, which have been functioning in the region since before the turn of the century. The increasing breakdown of Brazilian federalism after 1930 is an important theme of this chapter, and one which provides an important perspective on the centralizing policies of the post-1964 military administrations.

Chapter 5 represents the core of this work. It offers an analysis of the policy performance of the most authoritarian and most "military" of the post-1964 presidencies, the administration of General Emílio Garrastazú Médici, in examining the primary hypothesis. This presidential period is useful in exploring the dimensions and effects of military authoritarianism in Brazil, particularly in its further centralization of the national bureaucracy, which led in turn to the cooptation of regional

development priorities by multinational and Center-South capital interests. The "technocrats," of which Antônio Delfim Netto is a key example, effectively took charge of areas which had nevertheless represented high military priorities, such as national and regional development. The military hierarchy, on the other hand, became increasingly involved in extending the authoritarian political control of the regime in its attempt to unify and consolidate the support of the officer corps, and effectively lost sight of its own development goals. This chapter presents the estimated federal expenditure data for the Northeast between 1960 and 1974. It also presents the findings of a Development Index which was derived in order to substantiate the conclusions of the expenditure data. The index scores for the Northeast demonstrate that there is statistical support for the hypothesis that military authoritarianism and federal expenditures for Northeast regional development are inversely related after 1964.

This work is primarily an exploration of the origins and ideological implications of Brazilian military authoritarianism. The historical affinity of the Brazilian military establishment for technical achievement¹⁷⁰ and the support that it has given to the national and regional development efforts, have long contributed to its image as

¹⁷⁰ Baer notes, for example, that "the armed forces have had an active interest in the country's industrialization dating back to the nineteenth century...." Werner Baer, The Brazilian Economy: Its Growth and Development (Columbus, Ohio: Grid Publishing, 1979), pp. 158-159.

an agency of national development. This view has persisted after 1964 for various reasons. The backgrounds and experiences of the tenentes, many of whom were involved with national politics after the golpe, provided one indication of the plausibility of the thesis that the Northeast region would again find favor in federal policy making. The authoritarian nationalism of the junior officers, especially evident after 1967, and the performance as Minister of the Interior of their presidential candidate of 1968, General Albuquerque Lima, constituted another. Médici's concern with military unity, given the developmental views of many junior officers, suggested the likelihood that his numerous pledges of support for Northeast regional development would be honored. The continuing underdevelopment of that region, therefore, is a surprising facet of the national development pattern, as modified after 1964. Of particular interest is the apparent inability of a "modernizing" regime to introduce a stable and significant development process in the Northeast during a period of relative national prosperity between 1969 and 1973. This suggests the possibility that something basic to the pattern of post-1964 military authoritarianism in Brazil has neutralized it as an agent of regional, if not national, development.

It has been suggested that the emphasis of heightened military authoritarianism on the centralization of the government and politics of Brazil acted in the interests of multinational and Center-South capital. The creation of a

financial "technocratic" elite, drawn largely from the latter sector, provided an influential group which gradually coopted federal policies for regional development by imposing the criteria of economic "efficiency," particularly as the president became increasingly concerned with the mechanisms of political repression and the implementation of the National Security Doctrine. This apparent vulnerability of Brazilian military authoritarianism to cooptation by multinational and Center-South economic interests raises the question of ideology, and how it is that the Brazilian military world view accommodates the incongruities of unequal development.

The basis of the answer is the military hierarchy's willingness, as the Brazilian system became increasingly authoritarian in the late 1960s, to accede to the predominance of the technocrats in economic policy making while it turned its attention almost exclusively to the further homogenization of the national political milieu. The basis of this tacit arrangement appears to have been a mutual understanding between senior administrative officers and técnicos regarding the rules of acceptable bureaucratic conduct, 1701

1701 As Alexis de Tocqueville predicted in the nineteenth century, in hypothesizing about the nature of military government, "there would be a sort of fusion between the ways of clerks and soldiers. The administration would adopt something of the spirit of an army, and the army would take over some of the ways of civil administration. The resulting government would be methodical, well-defined, precise, and absolute; the people would become a reflection of the army, and societies would be regimented like barracks." Tocqueville, Democracy in America, 2 Vols.,

although not necessarily regarding such questions as the actual distribution of national development, which constituted a divisive subject within the officer corps itself, and hence was avoided. The military establishment was thus "blinded" to the wider economic implications of the development "model". Military unity had been elevated to the stature of a primary goal, and the open use of political repression, coupled with the apparent "efficiency" of the technocrats in economic policy formation, produced a favorable climate for controlling factionalism within the military institution. This is the tragic irony of the period.

The high economic growth rates of the "miracle" were not, of course, wholly unrelated to repression. As Flynn notes, "[Médici's] presidency was the most repressive in Brazil's history, marred by the worst excesses of torture and abuse of human rights, yet it was the period when Brazil basked most warmly in the sun of international financial and business approval as a 'stable' system safe for investment, providing sure profits in its fast-expanding, efficiently run economy."¹⁷⁰² Nevertheless, a dichotomy between economic policy and political "stability" seems to have emerged. As Cardoso explains,

it can be said that a duality exists in the

¹⁷⁰¹ (cont'd) Trans. George Lawrence, Ed. J.P. Mayer (Garden City, New York: Anchor Books, Doubleday Inc., 1969), p. 735.

¹⁷⁰² Peter Flynn, Brazil: A Political Analysis (Boulder, Colorado: Westview Press, 1979), p. 454.

Brazilian political order, which is contradictory and whose contradictions are partially and momentarily resolved by the creation of two decision making lines, the repressive-political-administrative and the political-economic. The mediation between these...remained in the hands of the Presidency, which during the Médici government was rather the expression of the "System" than of the centralized exercise of the personal authority of the leader.¹⁷⁰³

The central role of the president, the "dominant personality of the bureaucracy,"¹⁷⁰⁴ was apparently directed during this period to the authoritarian task of political repression, in part because of the practical exigencies of imposing a highly concentrated and elite-directed development model.¹⁷⁰⁵ Nevertheless, the period was, in Flynn's words, "the heyday of the middle classes and the richer members of Brazilian society, with the fruits of the

¹⁷⁰³ "...pode-se dizer que existe uma dualidade na ordem política brasileira, que é contraditória e cuja contradição resolveu-se parcial e momentaneamente pela criação de duas linhas decisórias, a político-administrativa-repressiva e a político-econômica. A arbitragem entre elas...ficou nas mãos da Presidência, que durante o governo Médici foi antes a expressão do 'Sistema', do que do exercício centralizado da autoridade pessoal do líder." Fernando Henrique Cardoso, Autoritarismo e Democratização, (Rio de Janeiro: Paz e Terra, 1975), p. 209.

¹⁷⁰⁴ Robert T. Daland, Exploring Brazilian Bureaucracy: Performance and Pathology (Washington, D.C.: Univ. Press of America, 1981), p. 57. Daland adds that "the bureaucracy can only move toward development goals when the Presidency is viable, since he is virtually the sole channel through which the bureaucracy is energized." p. 73.

¹⁷⁰⁵ As McDonough notes, "the imposition of a development model in the absence of consensus--more precisely, in the absence of hegemonic ideology--entails not only mass demobilization but also severe restraints on interelite competition. This leads to an atmosphere of suspicion and policing that is extremely costly to sustain." Peter McDonough, Power and Ideology in Brazil (Princeton, New Jersey: Princeton Univ. Press, 1981), p. 133.

economy channelled to them...."¹⁷⁰⁶ Médici's central concern with the National Security Council, a direct outgrowth of the intensified authoritarianism of the state apparatus, and ~~his~~ consequent willingness to allow economic policy making to be dominated by Delfim Netto and the National Monetary Council, in effect abrogated his role as a developmental president, despite the continuing commitment of the military institution to encouraging national and regional development.¹⁷⁰⁷ The president appears to have been involved only marginally in the decision making associated with regional development expenditures, and as Daland concludes, "there is no bureaucratic innovation, capacity to act, or development oriented performance without the President's direct support."¹⁷⁰⁸

It would be misleading to infer, however, that the representatives of concentrated industrial capital in the Center-South were simply handed the control of economic policy in Brazil. Cardoso cautions that "the relation between the social forces that benefit from the regime and

¹⁷⁰⁶ Flynn, Brazil, p. 454.

¹⁷⁰⁷ And despite the fact that, since 1964, the military qua institution had played an important part in governing the country. David Collier, "Introduction," The New Authoritarianism in Latin America, ed. Collier (Princeton, New Jersey: Princeton University Press, 1979), p. 4.

¹⁷⁰⁸ Daland, Exploring, p. 71. E.g., the governor of the Northeastern state of Pernambuco, Marco Maciel, apparently discovered recently that the development projects in his state vitally depended upon his personal relations with the president, because, according to Veja, "the prerogative of being able to speak with the president without an appointment is a passport to any ministry." ("...a prerogativa de poder falar com o presidente sem audiência marcada é um passaporte para qualquer ministério." Veja, 18 March 1981, p. 55)

the political forces that articulate it is extremely complex." "The Médici period represented an intensification of a pattern that had been evident since 1964 in which two separate systems can be said to exist, the country as a state, with its bureaucratic and repressive apparatus most apparent, and "another country (in the Center-South) in which the classes, the press, public opinion try to make themselves represent and control the instances of state decision making...." "With the intensification of the repressive state apparatus, the military hierarchy became increasingly concerned with the mobilizing aspects of nationalism, while the technocratic elite, under the direction of Delfim Netto, gradually assumed control of the economy because of their "problem-solving" role."

The ideological justification for Médici's central concern with the "repressive-political-administrative" function, the National Security Doctrine, also provided the further practical and political benefits of serving as a

"A relação entre as forças sociais que se beneficiam com o regime e as forças políticas que o articulam é extremamente complexa." Cardoso, Autoritarismo, p. 204.

"...um outro país (no Centro-Sul) no qual as classes, a imprensa, a opinião pública, tentam fazer-se representar e controlar as instâncias de decisão...." Cardoso, Autoritarismo, p. 209.

In the words of former technocrat Roberto Campos, spoken during the Médici period in a lecture before the ESG, it befell the Armed Forces to "direct and motivate" ("dirigir e motivar"), and the technocracy to "formulate and solve" ("formular e equacionar"). Campos, Instituições Políticas nos Países em Desenvolvimento, 1o. Parte (Rio de Janeiro, Brazil: Estado-Maior das Forças Armadas, ESG, 1971), p. 28

point of consensus within the officer corps,¹⁷¹² and as constituting a ready, if not always practical, answer to the increasingly complex problems of national politics, a straightforward "solution" to the problems of social organization, for example.¹⁷¹³ The moves toward the "militarization" of Brazilian society, frequently noted in connection with the Médici period, were observed by Steiner and Trubek,¹⁷¹⁴ who concluded that the "politicization of the military, and the militarization of politics were natural companion trends."¹⁷¹⁵ The National Security Doctrine also directed military attention to the Brazilian frontiers, and hence to the settlement and development of the Amazonian interior. This goal was easily exploited by concentrated capital interests, however, which soon monopolized frontier development schemes,¹⁷¹⁶ expanding Brazil's "hollow frontier" in a familiar process that is sometimes characterized on a national scale as "change without development," in which interelite cooperation leads to the manipulation and control of labor and resources, for

¹⁷¹² Edmundo Campos Coelho, Em Busca de Identidade: O Exército e a Política na Sociedade Brasileira (Rio de Janeiro, Brazil: Forense-Universitária, 1976) pp. 164-165.

¹⁷¹³ Coelho notes its general application to civilian, as well as military, organization. Coelho, p. 166.

¹⁷¹⁴ They noted that "the military has tried to impose upon political life the more austere standards and discipline of the barracks. In this process, a model for the long-term authoritarian régime--with some totalitarian trappings--is slowly emerging." Henry J. Steiner and David M. Trubek, "Brazil--All Power to the Generals," Foreign Affairs, 49, No. 3 (1971), p. 464.

¹⁷¹⁵ Steiner and Trubek, p. 474.

¹⁷¹⁶ Thomas W. Merrick and Douglas H. Graham, Population and Economic Development in Brazil; 1800 to the Present (Baltimore: Johns Hopkins Univ. Press, 1979), pp. 326-327.

the benefit of a few,¹⁷⁷ usually under the pretext of "nationalism".

The relatively recent process of industrialization in Brazil raises an interesting question that, although largely beyond the scope of this dissertation, requires some mention by way of concluding this exploration of the interaction of authoritarianism and regional development after 1964. The contention that the post-1964 military governments were catalysts of national industrial development¹⁷⁸ points to the origins of Brazilian industrial capital itself. Karl Marx, in discussing the development of mercantilism, noted that

the transformation of feudal agricultural societies into industrial ones and the corresponding industrial struggle of nations on the world market depends on an accelerated development of capital, which is not to be arrived at along the so-called natural path, but rather by means of coercive measures. It makes a tremendous difference whether national capital is gradually and slowly transformed into industrial capital, or whether this development is accelerated by means of a tax which [is imposed] through protective duties mainly upon landowners, middle and small peasants, and handicraftsmen, by way of accelerated expropriation of the independent direct producers, and through the violently accelerated accumulation and concentration of capital, in short by means of the accelerated establishment of conditions of capitalist

¹⁷⁷ Douglas A. Chalmers, "Political Groups and Authority in Brazil: Some Continuities in a Decade of Confusion and Change," Brazil in the Sixties, Ed. Riordan Roett (Nashville: Vanderbilt Univ. Press, 1972), p. 54.

¹⁷⁸ E.g., "it appears that only during the last decade has Brazil had governments in power whose primary manifest goal coincided with a genuine, highly motivated commitment toward that same goal on the part of the custodians of power. Economic development has not been an empty phrase." Daland, Exploring, p. 92. Emphasis in the original.

production.'''

The development of European industry is thought to have depended, in its initial stages, on the exploitation of the countryside--the heavy taxation of an impoverished peasantry accompanied by policies that attempted to weaken their presence in the rural areas. The logical question is thus raised as to whether or not Brazil is experiencing an analogous process of industrialization, the necessary first stage to a more comprehensive and inclusive national industrialization process.

My view is that the contemporary Brazilian situation is not analogous to those of the industrializing societies of the nineteenth century, primarily because of the prevalence of striking historical differences. The concentrated pattern of national industrial development, particularly as it occurred between 1969 and 1973, can be said to have been highly pernicious to the future of the country in general, and the Northeast in particular, largely because of the relative differences that separate twentieth-century Brazilian capitalist development from, say, nineteenth-century Japanese industrial expansion. The extensive presence of multinational corporations in the Brazilian economy, and Brazil's continuing dependence upon the export of agricultural commodities, are two such differences. The pursuit by the "technocrats" of growth of

1719 Karl Marx, *Capital*, Vol. 3, Ed. Frederick Engels (Moscow: Progress Publishers, 1977), p. 785.

GDP as an end in itself, perhaps a reflection of these two major differences, and at least partly the result of the influence of modern economic theory, is another.¹⁷²⁰ Major capital investors in the late twentieth century, moreover, have been noted for their avoidance of the kind of risk-taking that characterized such crucial nineteenth-century infrastructural developments as the building of the railroads in North America. Finally, the overwhelming economic predominance of the Center-South region and the rapid growth of a huge Brazilian foreign debt are conducive to the indefinite persistence of unequal distribution of national resources, rather than the transformation of social conditions based upon accumulated capital. President Médici sometimes appeared to be cognizant of these inherent limits to regional and sectoral growth in Brazil, declaring at one point that "the economy is doing very well, but the people are doing very badly."¹⁷²¹

This work has attempted to shed some light on that paradox, and particularly on why the political representatives of a military institution long known for its

¹⁷²⁰ Furtado notes that "the more concentrated the distribution of income, the greater the positive effect on the rate of growth of GDP. The same amount of money when consumed by rich people causes a faster rate of growth of GDP than when consumed by poor people." Celso Furtado, "The Post-1964 Brazilian 'Model' of Development," Studies in Comparative International Development, 8, No. 2 (Summer 1973), p. 124.

¹⁷²¹ As quoted in: Patrick Knight, "Luck Runs Out for the Export Trade," The Times (London), 11 March 1978, Special Supplement, p. IV; Washington Post, 27 May 1973, p. C5.

concern with the development of the country have, in effect, seemed "turned toward the past and away from the future."¹⁷²² Northeast Brazil, moreover, is a vital key to the hopes of Brazilians. Marcio Moreira Alves has observed that

all those concerned with Brazil's destiny are obsessed by the Northeast. We feel the Northeast to be a sphinx at the door of our future. Its terrible poverty is the sum of all our past economic and social scourges. It is a challenge that must be met or it will destroy the rest of the country, spelling out its failure as a historical proposition and as a viable entity. We know that half of Brazil cannot survive in relative prosperity while the other half starves to death. Therefore the region's problems are on the minds both of those who want to save the present capitalist society and those who want to change it for a socialist one.¹⁷²³

The Médici presidency offers a relatively clear example of the interaction of extreme authoritarianism and economic development. It provides a portrait, as it were, of the "authoritarian modernizing" regime, and is particularly significant in the difficulty it encountered in moving between the poles of political repression and economic policy making. Furthermore, it reflects a high water mark in Brazilian history in the association of a coherent ideology with military authoritarianism.¹⁷²⁴

¹⁷²² E. Bradford Burns, A History of Brazil (New York: Columbia Univ. Press, 1970), p. 381.

¹⁷²³ Alves, "A Grain of Mustardseed; The Awakening of the Brazilian Revolution (Garden City, New York: Anchor Books, 1973), p. 99.

¹⁷²⁴ Linz's comments regarding the non-ideological character of authoritarian regimes notwithstanding. Juan Linz, "An Authoritarian Regime: Spain," Mass Politics; Studies in Political Sociology, ed. Erik Allardt and Stein Rokkan (New

one that has been limited mostly to senior military officers but which, as the past eighteen years have demonstrated, frequently finds expression in the national political arena. Peter Flynn concludes that "too often the soldiers in their refined theorizing on geopolitics and national objectives have spoken of the people of Brazil only in the vocabulary of warfare, as though their own people were an enemy to contain and conquer, the main threat to national security. This was not always the language of the armed forces of Brazil."¹⁷²⁵ The evolution of the Brazilian military establishment is, of course, the product of a panoply of historical, political and economic factors, not the least of which was the golpe of 1964. As General cum President Castelo Branco is said to have remarked to a Northeastern governor (upon the release from detention of his predecessor), "to establish a dictatorship is easy, governor, but what is difficult is to emerge from it."¹⁷²⁶

¹⁷²⁴ (cont'd) York: Free Press, 1970), p. 255.

¹⁷²⁵ Flynn, Brazil, p. 521.

¹⁷²⁶ J.W.F. Dulles, President Castelo Branco; Brazilian Reformer (College Station, Texas: Texas A & M Univ. Press, 1980), p. 133.

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