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Rubens Ricupero

DIPLOMACY IN THE
CONSTRUCTION OF BRAZIL
1750–2023

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FUNDAÇÃO ALEXANDRE DE GUSMÃO
BRASIL

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RUBENS RICUPERO

DIPLOMACY IN THE CONSTRUCTION OF BRAZIL

1750–2023



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The Itamaraty Palace in Rio de Janeiro, where Brazilian diplomatic decisions were made for most of the 20th century.



Carlos, devote yourself to Brazil, along with me. Despite all the skepticism, despite all the pessimism, [...] be naive, be foolish, but believe that sacrifice is beautiful [...]. We have to give Brazil what it lacks and has therefore not lived so far, we have to give Brazil a soul and for that every sacrifice is great. And it gives us happiness. [...] it is in Brazil that I happen to live and now I think only of Brazil...

[Letter from Mário de Andrade to Carlos Drummond de Andrade,
from São Paulo, dated November 10, 1924,
in *A lição do amigo: cartas de Mário de Andrade a
Carlos Drummond de Andrade*].

Preface

Why Did I Write Diplomacy in the Construction of Brazil?

I wrote this book because I was unable to find the text I was looking for in bookstores. I started teaching the history of Brazilian diplomatic relations almost 40 years ago. I needed a compendium for myself and my students that would help me to teach the evolution of foreign policy as an inseparable thread in the fabric of national history, and them to learn it. I wanted a work that would accompany the evolution of foreign policy combined with everything else that was happening at the time as an integral and non-segregated part of collective life.

Had I found what I was looking for, I would not have concerned myself with writing it. The problem was that, at the time, such a text was not to be found. Previous general works on Brazilian history devoted marginal attention to international events and foreign policy, at most a few paragraphs or sparse footnotes. The outside world did not exist. The focus was on internal factors, as if the history of a country constituted a sufficient, self-enclosed whole, as if national events unfolded in a perfect vacuum.

Later, certain collective works, starting with *História geral da civilização brasileira* [General History of Brazilian Civilization], organized by Sérgio Buarque de Holanda, began to entrust specialists with writing separate chapters on the international relations of specific periods. There was, however, no unity or continuity between these chapters, which reflected individual tastes and idiosyncrasies and focused on sometimes secondary aspects of Brazilian history; together they gave the impression of an incomplete narrative, without internal coherence or cohesion.

On the other hand, the rare diplomatic histories that existed—two or three, if that, almost all of them decades old—made the opposite mistake. They isolated diplomacy from the political, social, economic, and demographic factors that conditioned it and gave it meaning. The results were dry descriptions of relations between embassies and foreign ministries, treaties and negotiations, in which the listing of dates,

the mention of the names of rivers and mountain ranges chosen as borders appeared to the reader as alien to their own historical experience. These narratives lacked the heartbeat of life, the human profile of the characters who shaped diplomacy.

Though still faintly, I was already preoccupied with the same question that Jacques Le Goff tried to answer in the year of his death: “[The question remains] namely, whether history is a unified, continuous whole or whether it is broken up instead into segments of greater or lesser length. To put the question another way: does history really need to be divided into periods?”¹ The answer seemed to me to stem from the question itself: just like life, history is a seamless robe, a continuum in space and time, a perennial river that flows, spreads and breaches its banks, mixing clear and murky, calm and turbulent waters.

It is only for the sake of organizing information that the subject of history writ large is customarily broken down into pieces, each with its own label: “political history,” “economic history,” “history of ideas,” “diplomatic history.” For the same reason, pieces of time are separated: “Colony,” “Independence,” “Second Reign,” “First Republic,” in the case of Brazil. In fact, as Father Manuel Bernardes said in the title of one of his books, all these pieces are nothing more than a loaf of bread broken into small pieces.

I thus had no choice but to assemble for myself the course I wanted to teach and which I had not been able to find in any compendium. Instead of spending three quarters of the curriculum on the colonial period, I preferred to start with the most recent. I used images, films and documentaries to evoke the men, objects and ideas of the proximate past with movement, color and sound: Silvio Tendler’s *The JK Years*, Luiz Alberto Pereira’s *Jânio in 24 Frames*, the BBC series on the 20th century. I wrote scripts for the lessons, prepared worksheets, collected maps and graphs.

Of the books I consulted, the one that came closest to the ideal and helped me the most was Carlos Delgado de Carvalho’s *História diplomática do Brasil* [Diplomatic History of Brazil], which was sold out at the time and circulating only in battered and worn copies. Delgado had, like me, been a teacher at the Rio Branco Institute and had previously gone through the same experience as my own, forced to create his own course. His book, unplanned, was born from the notes taken in class by his students, which were later collated and systematized.

The idea of organizing a book based on my course came from this precedent and had to wait decades, until my retirement allowed me to return to my old files, save what was usable and start on what was missing (which was almost everything). Like its model, this volume resembles the teacher who strives to give clear and, if possible, interesting lessons. Perhaps it will have the advantage of being the work of a single author, with a narrative whose unity flows from the same perspective, without the benefits, but also without the heterogeneity, of compiling works by various specialists.

Being the work of a teacher, imprinted with a personal vision of the world and its history, does not mean that rigor and objectivity have been sacrificed, at least not consciously. My intention has been to stand on firm ground and make use of the safest possible guides to the political and economic history of Brazil, comparative perspectives with Latin American countries and the United States, and relevant figures and statistics. I have attempted to do this without abusing notes, bibliographies, or the apparatus of university erudition.

The book's ambition is to engage in dialogue with students and with those who are interested in Brazilian history and are curious about the way in which the country has related to, and been influenced by, the outside world. It owes a great deal to the works that preceded it, to pioneering syntheses by Hélio Viana, Delgado de Carvalho, Renato de Almeida, Araújo Jorge, to the previously mentioned *História geral da civilização brasileira* [General History of Brazilian Civilization], to more recent works by José Honório Rodrigues and Ricardo Seitenfus, by Amado Cervo and Clodoaldo Bueno, to the five-volume *História do Brasil nação* [History of Brazil as a Nation], coordinated by Lilia Moritz Schwarcz, and to Fernando de Mello Barreto's monumental series dedicated to the "successors of the Baron."

In the area of the evolution of the Brazilian economy, the author let himself be guided above all by the work organized by Marcelo de Paiva Abreu, *A ordem do progresso: dois séculos de política econômica no Brasil* [The Order of Progress: Two Centuries of Economic Policy in Brazil], in its 1990 and 2014 versions, wherein there is much to be learned and understood beyond the field of economics.

From the outset, I pursued no thesis or conclusion to prove *a priori*. The title itself and the observations on the role of foreign policy in the construction of the values of the Brazilian people arose spontaneously

from the inner logic of the narrative and imposed themselves by force of evidence. I have attempted to avoid any tone of systematic apology for certain old stories, and made an effort to understand and value the rationales and perspectives of the other—of Brazil's neighbors, partners and sometimes adversaries—assuming, where appropriate, the share of responsibility and guilt that corresponds to us in conflicts and wars, especially in the River Plate region.

Having said that, I will not try to conceal the fact that this is an inside look, from someone whose personal identity, deep and irreducible, is shaped by a lifetime devoted to Itamaraty^I and Brazilian diplomacy. In order to illustrate how my life story was grafted onto the secular trunk of Brazilian diplomacy, I would here like to transcribe the beginning of an essay I wrote in 2006, “Guimarães Rosa, examinador de cultura” [Guimarães Rosa, examiner of culture],² in which I recounted João Guimarães Rosa's entrance exam in contrast to my own:

“When my mother died, my brothers found among her papers all the letters I had written to her since I left São Paulo to take the Itamaraty entrance exam. They were carefully stored inside a green leather folder, a gift from one of my brothers, on which she had engraved ‘My diplomat son’ in gold letters. The first of the letters, which I had completely forgotten about, was dated from Rio de Janeiro, September 9, 1958.

In it, I reported on the first eliminatory test, in Portuguese, the results of which were not yet known, but which would decimate the candidates, reducing them from 116 to just over 20. In the letter, I also recorded, dazzled, my discovery of the fascinating world of Itamaraty and diplomacy. At the inexperienced age of 21, having grown up in one of the poorest corners of the working-class Brás neighborhood of the 1940s and 1950s, between the Caetano Pinto and Carneiro Leão streets, next to the Gasômetro,^{II} I had never been exposed to such a majestic and imposing setting.

The exam had taken place on a Saturday, starting at 10 o'clock in the morning, in the noble hall of the neoclassical library, with all the glass doors opening onto the lake where the swans glided. Against the backdrop of a row of imperial palm trees, the thoughtful students were inspired by the sweetness of the pink mansion of the old palace of the Counts of

I Itamaraty, the name usually given to the Ministry of Foreign Affairs in Brazil, comes from the old Itamaraty Palace in Rio de Janeiro, which hosted the services of the Brazilian diplomatic institution from the early 20th century to its transfer to Brasília in the early 1970s.

II Street gas production and distribution facilities of the former British company San Paulo Gas Company.

Itamaraty. The morning was clear and bright, but not too hot, as a light breeze was blowing.

This ideal physical setting outside was harmoniously complemented by the attentive care we received in the magnificent interior of the library built by Otávio Mangabeira.^{III} Being used to the massification of the entrance exams to the Law School of São Paulo, at that time of the early expansion of public universities, and to the impersonality and bureaucratic distance of contacts with the secretariat of the Arcades or the Faculty of Philosophy on Maria Antonia Street, I never expected the young diplomats in charge of supervising the exams to treat us as almost colleagues, peer-to-peer, as if the exam was no more than an unimportant formality and we were already assured of admission.

My enchantment reached its peak when, at one point, ushers in white gloves and uniforms with gold buttons served us coffee in elegant gold-rimmed cups bearing the arms of the Republic. It was love at first sight, never to be denied throughout all the years I would spend in the coziness of Itamaraty.”

This is precisely why I wrote this book: out of love for an institution, for a tradition created by those who preceded us, for the moral values they left us, for a way of being and living, which merges and confounds with the greater love for “Brazilians in their desire to have a foreign policy,”^{IV} to paraphrase Antonio Candido.³ I am not ashamed to confess this love and I hope that the reader will not accuse me of having, as a result of it, exaggerated the contribution of diplomacy to the construction of a Brazil that is still far from the “intense dream” of our national anthem.

Rubens Ricupero

São Paulo, June 23, 2017

III The building attached to the Itamaraty Palace in Rio de Janeiro that housed the library was built during the administration of Minister Otávio Mangabeira, between 1928 and 1930.

IV The context of Antonio Candido's expression in the introduction to *Formação da literatura brasileira* is: “In this respect, it could be said that the present book constitutes (adapting the title of Benda's well-known study) a ‘history of Brazilians in their desire to have a literature.’ This is a valid criterion for those who adopt a historical orientation, sensitive to the articulations and dynamics of works over time, but it in no way implies the exclusivism of claiming that this is the only way to study them.”

Antonio Candido himself, as one can see, adapted Julien Benda's expression in the title of *Esquisse d'une histoire des français dans leur volonté d'être une nation* [Outline of a History of the French in their Desire to Be a Nation].—Ed.

Notes

- 1 Jacques Le Goff, *Must We Divide History into Periods?* trans. M. B. DeBevoise (Columbia University Press, 2014), 10.
- 2 Rubens Ricupero, “Guimarães Rosa, examinador de cultura,” in “João Guimarães Rosa,” special issue, *Cadernos de Literatura Brasileira*, no. 20–21, Instituto Moreira Salles (December 2006): 66–75.
- 3 Antonio Candido de Mello e Souza, *Formação da literatura brasileira (momentos decisivos)*, 9th ed. (Itatiaia, 2000), 1:25.



José Maria da Silva Paranhos Junior, Baron of Rio Branco, in his office in Paris: an exponent of knowledge diplomacy and soft power methods, he secured for Brazil vast territorial plots and considerable natural wealth.

Introduction

On arriving at Itamaraty one morning to see his patient, the doctor attending to José Maria da Silva Paranhos Junior, otherwise known as the Baron of Rio Branco, found him lying on a huge map unfolded on the carpet, looking like he had barely slept. Embarrassed, the Baron got up, explaining: “Last night, I thought to examine more closely the details of a map that I had unfolded on the floor and I happened to fall asleep on it.”¹

The episode, narrated by Álvaro Lins, helps to explain the success of diplomacy in the negotiation of Brazil’s national borders. It was by having literally fallen asleep studying old forgotten maps, by spending years scouring dusty archives in search of misplaced old records, that diplomats with a vocation for research prepared for future victories at the negotiating table.

Thanks to this “diplomacy of knowledge” and soft power methods such as negotiation, a country without great military or economic power like Brazil was able to seize a territory of continental vastness and considerable natural wealth. Had Brazilian statesmen opted to measure forces militarily with the successors of Spain in South America, or had they contented themselves with the meager legal titles of the Treaty of Tordesillas, the country would probably never have come close to such an asset.

The Contribution of Diplomacy

Few countries owe as much to diplomacy as Brazil, and not just in terms of territory. Foreign relations played a decisive role in many of the main stages of Brazil’s historical evolution. With its successes and failures, diplomacy profoundly marked Brazilian independence, the end of slave trafficking, the country’s insertion into the world through trade, the migratory flows (voluntary or otherwise) that constituted its population, the consolidation of a union threatened by instability in the River Plate region, the industrialization and the economic development.

The preface of a recent work on the evolution of US foreign policy notes that, more than simply telling the story of American diplomacy, the book

intended to describe how diplomacy had helped shape the unmistakable history and identity of the nation, its values and its institutions.² With all necessary alterations, that statement applies to this book's intention with regard to Brazil.

The diplomatic experience of Brazil often contrasts with that of the United States on fundamental issues. In territorial expansion, in the greater or lesser success of foreign trade, in the conviction about the quality of their respective political institutions, Americans and Brazilians have experienced different, even opposite situations. Positive or negative, these experiences left their marks on each country, in terms of values and ideas, in ways that that persist to this day.

For starters, as a means of expanding its borders, the purchase of territory and wars of conquest far exceed instances of negotiation and arbitration in the American case, while the opposite is true for Brazil. Early expansionism generated in the United States the ideology of "Manifest Destiny," a current of opinion that preached the occupation of all of North America by the Americans, including Canada and Mexico, as a byproduct of their presumed racial and civilizational superiority. In the periods preceding and following the Mexican-American War (1846–1848) and the Spanish-American War (1898), popular passion in favor of expansion by arms overwhelmed public opinion, with very few critics and opponents (one of them, significantly, was Abraham Lincoln). There is a certain irony in the contrast between a republic with an imperial vocation, in the American case, and an empire in name only in the Brazilian one, with no appetite (or resources) for adventures of territorial conquest.

The extraordinary pressure of demographic explosion, one of the driving forces behind American territorial expansion, helped to create equal dynamism in the United States economy. To alleviate that pressure, the country sought relief in the energetic opening of foreign markets. Despite being protectionist in its defense of domestic industry, the United States has always been extremely aggressive in its foreign trade policy. Success in increasing and diversifying exports consolidated in the minds of Americans the belief in international trade as a central element of prosperity.

Brazil, on the other hand, has had a much more disappointing experience with foreign trade. Exports were not very dynamic for much of the 19th century, both in terms of value and diversification. The privileges

snatched away by the British in the “unequal treaties” of 1810, discussed further below, and renewed with the country’s independence, fueled persistent resentment and bitterness. The loss of autonomy to set import tariffs resulting from those treaties caused constant difficulty in financing government spending. The cumulative result of so much disappointment imprinted on the Brazilian collective subconscious an attitude of distrust towards trade agreements that persists to this day.

In the exceptional nature of their systems of government and political institutions, the position of the two countries is similar in some respects and opposed in others. From the beginning, Americans considered themselves a distinct people, chosen by God to bring the benefits of democracy and freedom to the world, the biblical “city built on a hill.” The first democratic and relatively egalitarian republic of the modern era, the United States has never entirely freed itself from a messianism and external activism. The sincerity of this belief has not prevented the country from sometimes using it as a convenient ideological mask to conceal selfish objectives. Interventionism, whether well-founded or not, has become a frequent feature of Yankee diplomatic behavior.

In Brazil, the stability of the country’s parliamentary monarchy in the 1800s inspired a similar feeling of superiority in relation to the more turbulent South American republics. This presumed superiority did not prevent the monarchical regime from being seen by its neighbors as a strange presence on a continent of republics that, while imperfect, were more in tune with 19th-century ideals of progress. This isolation deepened over time as slavery gradually disappeared elsewhere in the region but persisted in Brazil as further proof of the anachronism of a system of government that was not exportable to the Americas.

The statesmen of the Brazilian monarchy, less out of pacifism than awareness of their fragility, were circumspect in their desire to influence the institutions of foreign countries. They only resigned themselves to intervening in Uruguay and, to a more limited extent, the Argentina of Juan Manuel de Rosas with a defensive purpose: trying to put an end to the endless civil wars that were contaminating the border areas of Rio Grande do Sul and threatening the unity of the Brazilian Empire. Apart from these examples, limited in scope and time, obedience to the principle of non-intervention prevailed in Brazilian diplomatic practice. It is only in

very recent times that a feeling of Latin American identity and ideological affinity has motivated some departures from the traditional position, and most of these have been controversial.

The Prestige of Diplomacy in Brazil

In Argentina, Venezuela and most of Brazil's other Hispanic neighbors, the diplomatic tradition has never been held in high esteem, and resentment towards the diplomatic past is widespread. Diplomacy is thought to have lost at the negotiating table what weapons would have won on the battlefield. In this respect, the distance that separates these societies from that of Brazil is remarkable; the country beholds, or used to behold, the practice of diplomacy and its executive body, known as Itamaraty, with respect and admiration with few parallels in the rest of the world.

Much of this prestige is credited to the successes and pedagogical work of the Baron of Rio Branco. However, before him and at least since the last quarter of the 19th century, after the interventions in the River Plate region and during the War of the Triple Alliance, approval of foreign policy had already become almost unanimous. There was a widespread perception that, in proportional terms, the diplomatic sector of government contributed much more to Brazil than other institutions, and in fact sometimes compensated for deficiencies in the fragile Brazilian state.

The Territory

Of all its contributions to Brazilian history, the role of diplomacy in the definition of its national territory stands out first and foremost. The peaceful acceptance and legal consolidation of Brazil's expansion beyond the Tordesillas line was, in essence, a product of the energy and perseverance with which foreign policy was systematically devoted to the issue until the first decade of the 20th century. "Territory is power," a judgment attributed to the Baron, may be a rhetorical overstatement. Territory is, however, most certainly the condition that makes possible not only power but sovereignty itself. Drawing a line on the ground that defines where one country's jurisdiction begins and another's ends is the inaugural act of that country's relationship with the world. Its importance should not be underestimated. It is no wonder that wars in the past and present have almost always originated in territorial disputes.

As with any founding act, the way in which the delimitation of territory is carried out can determine the future nature of the country's behavior towards its neighbors. Russia, for example, a country that has had an imperial tradition for centuries, still finds it extremely difficult to maintain relations of friendship and trust with the nations it once dominated (Poland, the Baltic countries, Ukraine, Georgia). Poorly resolved or unresolved disputes fuel perpetual antagonisms, such as those between India and Pakistan or China and India. The likelihood of disagreement grows with the number of neighbors a country has.

One of the particularities that has weighed on the definition of Brazil's diplomatic character is precisely the fact that it borders, today, 10 other countries (compare this to the United States, Canada, Australia, with few neighbors or none at all). At one point, Brazil had as many as 11 neighbors, when Ecuador still disputed Amazonian borderlands with Peru. These neighbors belong to heterogeneous cultural and political universes, ranging from French Guiana to Uruguay, from Suriname to Bolivia, from Peru to former English Guiana, to name a few. It is no small feat to have managed to establish mutually accepted borders with all of them as a result of negotiation, transaction, and arbitration. None of these boundaries were the result of a war of conquest. The non-violent nature of this delimitation explains why Brazil now faces no serious grievances, instances of non-conformity or major open disputes.

The peaceful definition of its territory saved Brazil from being held hostage to border disputes that would have sterilized a large part of its capacity for diplomatic initiative. Not only its peaceful nature but also its sense of opportunity to resolve all outstanding issues relatively quickly created the conditions for developing diplomacy aimed not at containing damage or resolving conflicts but at building concrete foundations for cooperation and trade. To do this, diplomacy needs to be aimed at well understood external realities, and correctly interpret the world and its opportunities. Conversely, diplomacy also needs to explain its country to the world, make it admired, worthy of attracting political support, receiving capital, immigrants, and technology.

The Idea of a Country

The starting point, then, is invariably an idea of the country one wants to project. General Charles de Gaulle was famous for having conceived "a

certain idea of France,” for him inseparable from greatness and glory. For Brazil, thanks in the first place to the Baron of Rio Branco but also with the help of other diplomats, statesmen, and thinkers, the idea of Brazil gradually emerged to represent a country satisfied with its territorial status, at peace with its neighbors, confident in international law and negotiated solutions, committed to seeing itself recognized as a constructive force of moderation and balance at the service of creating a more democratic and egalitarian, more balanced and peaceful international system.

Every idea of a country is the result of an ideological construction. As Leonardo da Vinci said about painting, it is “*una cosa mentale*,” that is, a work of the spirit. Some of the elements that go into its composition may be chosen to disguise interests or simply be born out of a complacent idealization of the collective ego. Even when that exaggeration is obvious, the choice of qualities that individuals attribute to their own people is not a matter of indifference. Whether or not these ideas correspond to the objective truth, it is better *to see* oneself as peaceful, obedient to international law, moderate and willing to compromise in relations with others, than to imagine oneself as bellicose and conquering, proud of one’s ability to submit and dominate, elated by military glory.

Awareness of one’s own international personality shapes the way in which each country wishes to insert itself into the world. It is based on a realistic or unrealistic estimate of national potential and aims to achieve concrete economic or political interests. On the other hand, a country’s vision of the world must also be open to close re-examination regarding the real value of these interests in terms of costs and benefits. On some occasions, such considerations can even lead a country to abandon definitively what once seemed vital and unavoidable. At the time of the great maritime discoveries, for example, the English gave up their centuries-long struggle to dominate part of France. They abandoned Calais and went on to build the naval power that would bring them greater and more lasting success. Similar frustrations, after military defeats, convinced the Swiss to give up their dream of conquering the rich plain of Lombardy, and the Swedes to give up their project of dominating the Baltic. Since then, these peoples have taken the first steps on the road that would lead them to neutrality and to concentrating their efforts on the pursuit of prosperity, rather than glory.

The Evolution of Brazilian Diplomacy

Something similar occurred in the evolution of first Portuguese, then Brazilian diplomacy on the issue that long dominated much of the international relationship in the south of the continent. Well before there was any thought of an independent Brazil, Portugal asserted its desire to dominate the north bank of the River Plate with the foundation, opposite Buenos Aires, of Colônia do Santíssimo Sacramento (1680). The settlement would go on to become a bone of contention and the cause of countless conflicts with Spain, almost always unfavorable to the Lusitanians. It took 70 years before Lisbon apparently resigned itself, with the Treaty of Madrid (1750), to exchange Colônia for Missões do Alto Uruguai.

The withdrawal did not last long, however, and the exchange was undone. Similar tensions would rise to the surface when Brazil, after countless adventures, later achieved its longed-for independence, but frustrated the equally legitimate desire of the Uruguayans for independence by annexing the Cisplatina Province.¹ More unrealistic even than Portugal's obstinacy over Colônia, the Brazilian incorporation of Cisplatina would not last 10 years. The episode ended with a military stalemate, in essence a defeat for Brazil, and Uruguayan independence (1828). With this, the mirage of a "natural border" on the River Plate was gone forever. Still, this was not the end of Brazil's conflictive relationship with its southern neighbors, which had been inaugurated in the distant colonial past. After 1850, episodes of military conflict would sporadically reappear, for different reasons, in the form of interventions in Uruguay and, somewhat less so, in Argentina. These culminated in the crisis of 1864, the trigger for the catastrophic War of the Triple Alliance (1864–1870).

This phase of interventions would end in the last quarter of the 19th century, when the prosperity brought by the export of meat and grains, massive European immigration and English capital would transform Argentina and Uruguay into more modern and stable nations than Brazil at the time. Even so, the resentments of a long history of conflict, military emulation and the issues of exploiting the Platine rivers kept rivalries alive. General staffs of the armed forces on both sides of the border would continue to take seriously the potential for war; indeed, Brazil's arms race

¹ Cisplatina Province (Província Cisplatina) was the name given by the Portuguese and their successors to the annexed territory of what would in the future become the Oriental Republic of Uruguay.

with the Argentines would carry on uninterrupted, from the development of battleships in Rio Branco's time^{II} to more recent secret nuclear programs.

Sown in the distant 1680s, these antagonisms would only die out three centuries later, in the late 1980s and early 1990s, with the creation of MERCOSUR and the awareness of a community of destiny. As in the English, Swiss and Swedish examples, the transition from conflict to cooperation, the shift from the objective of territorial expansion to that of commercial integration, took centuries—a nod to French historian Fernand Braudel's long-term cycles of history.

The Purpose of This Book

Understanding the how and perhaps even the why of the slow maturation of this and other themes is the main ambition of this book. Its emphasis will lie on the forest, not the trees, on an overview of long periods without straying too far into the details. It will address diplomacy and foreign policy as fundamental elements in the construction of Brazil, just like domestic and economic policy. In most works on Brazilian history, the evolution of diplomacy is confined almost to footnotes or, in the best of cases, sparse paragraphs dissociated from the central axis of the grand narrative in question. Not so here. My intention, at least, is to try to insert the thread of diplomacy into the seamless web of national life, from which it is, in fact, inseparable.

History in general, but foreign affairs even more so, consists of permanent dialogue and tension between the country and the world. In the Brazilian case, the particular histories of independence and the abolition of the slave trade, for example, are part of a bigger picture. In the first case, the emancipation of Brazil and Latin America in general was part of the larger context of the dissolution of the *ancien régime*, which convulsed the political and social structures of Europe. In the second case, the triumphant Great Britain of the Industrial Revolution attempted to impose, in the name of ethical and humanitarian considerations, new standards of work incompatible with slave labor, even on pre-industrialized economies such as Brazil at the time.

II The specific issue was a naval race between Brazil and Argentina to build ironclad battleships, the cause of persistent rivalry between the two countries for many decades.

Whenever possible and appropriate, this study will adopt a comparative perspective with international histories that share analogies and affinities with the Brazilian example. This applies above all to Latin American countries that experienced similar and simultaneous processes, such as the liquidation of the commercial monopolies of the metropolises or the conquest and consolidation of independence. The essentially identical experiences of diverse peoples across the continent in the same period of time reveals how, in these examples, the deep currents of the transformations coming from outside counted for more than the internal factors.

We as Brazilians have much more in common with the historical experience of our Hispanic neighbors than the books of yesteryear would have us believe. The end of our colonial pacts with Portugal and Spain, the consequent birth of new nations at the beginning of the 19th century, and even the effects of the Cold War on domestic and foreign policy in the second half of the 20th century followed strikingly similar patterns. To avoid the mistake of treating developments that belong to a general trend as specifically Brazilian phenomena, we will pay special attention to the external, demographic, economic and ideological forces that drove major global changes.

Starting Point

Where to begin the story of Brazilian diplomacy? The logical answer would seem to be: at independence. After all, a country only acquires the status of an autonomous subject in international relations when it becomes independent. Before that, as Paulo Roberto de Almeida wrote, certain external decisions may be taken *in* the country, but they do not belong *to* the country;³ in other words, they correspond to the colonial metropolis, not to its dependency.

Depending on the case, however, the antecedents of diplomacy can be more or less remote. In Peru, according to former Peruvian Minister of Foreign Affairs Carlos García-Bedoya, there was already a pre-Columbian civilization organized in the form of an imperial state two or three hundred years before the arrival of the Spanish. This state, that of the Incas, maintained certain relations with its neighbors that were characteristic of international life.⁴

For those writing from the perspective of Brazil, the United States and other “new countries,” the most distant antecedent lies in the expansion of Europe and the West initiated by the great maritime voyages of discovery at the end of the 15th century. As British historian Charles R. Boxer explained in his prologue to *The Portuguese Seaborne Empire*:

[...] the most striking feature of the history of human society prior to the Portuguese and Spanish voyages of discovery was the dispersion and isolation of the different branches of mankind.

These branches were unaware of the existence of the more distant ones, or in case they had received any notion of them, it was almost always reduced to vague, fragmentary and sometimes even mythological knowledge.

It was the Portuguese pioneers and the Castilian *conquistadores* [...] who linked up, for better and for worse, the widely sundered branches of the great human family. It was they who first made Humanity conscious, however dimly, of its essential unity.⁵

Maritime expansion had another immediate effect: it made vast regions of the world available for the domination and enjoyment of the West. The process of unifying our planet’s territorial space and intensifying relations between peoples and cultures, today known as globalization, is the result of this exercise by Western peoples, for better or worse. This process advanced inexorably in the Americas, Australia and New Zealand through conquest, colonization and direct exploitation, where it also involved the marginalization or extermination of pre-existing populations. In Asia, the Middle East, and Africa, where it was confronted with vast populations and unified cultures, the process asserted itself through other forms of dominion: colonialism, imperialism, political, economic and cultural domination, which are more superficially implemented.

The Origins

Brazil originates from this first draft of globalization, which is why external factors have always been crucial and often even decisive in its evolution. In such situations, isolation is not even conceivable as a hypothesis, since the very existence of the country is nothing more than an offshoot of the expansion of the West.

Brazil's very name expresses this history. Instead of fleeting religiously-inspired names—Vera Cruz, Santa Cruz—the name ultimately adopted for the newly discovered territory was instead borrowed from a primary export commodity, brazilwood, an almost unique example in the world. Brazilwood was the first in a series of products—sugar, gold, diamonds, cocoa, rubber, cotton, coffee—that made that territory's economic system viable. The plantation system based on slavery and oriented towards foreign markets was a form of economic exploitation adapted to conditions where land and natural resources were abundant, but labor was in short supply. In this way, Brazil, like its neighbors, entered history through trade and as part of the system of mercantile capitalism of the Age of Discovery.

These first 300 years or more of colonization did not constitute an international life of its own. Instead, as García-Bedoya suggested, this period represented a kind of storehouse, a repository of situations, facts, processes that contained aspects of foreign relations and development potential that would only acquire a certain autonomy after independence.⁶

Many diplomatic histories of American nations begin with the rupture of the colonial link. Had it been possible, I would have preferred to follow the same path, concentrating this narrative on the phase of Brazilian history whose close relationship with today's events could help the reader better understand the chain of cause-and-effect that brought us to this point.

It so happens, however, that a specific feature of Brazil makes independence an ill-advised place to start. Namely, the formation of the territory and the expansion that led it to its current borders had already been practically completed and more or less accepted (although not definitely) before the end of the colonial regime. It is therefore necessary to go back to several decades before emancipation to understand precisely how that territory was defined.

The Portuguese Background

The way in which the territory of Brazil was first established had such lasting implications for the independent country's foreign relations that it justifies considering, at the very least, the issues of territorial development that took place during the colonial period. This narrative therefore starts from the early days of the occupation and expansion of what is now Brazil and considers the preparations and consequences of the Treaty of Madrid

(1750), more than 70 years before formal independence, as an emblematic example of colonial-era diplomacy.

An additional benefit of this starting point is that it will serve to highlight some of the characteristic qualities of first Portuguese and then Brazilian diplomacy, and demonstrate some of the ways in which the latter inherited attributes of the former.

Salvador de Madariaga observed that the Portuguese had been the only people in ancient Roman Iberia to prove capable of resisting Castilian centralism, even surpassing Catalonia, a much more prosperous and powerful region in the Middle Ages. What made it possible for the Portuguese to prevail where the Catalans, Basques, Galicians, and others would succumb? It certainly was not their military strength, which was always modest, or their economic resources, which were usually precarious.

It was diplomacy that gave Lisbon, through its alliance with the English, the chance to survive in Europe's power game. The variety used by the Lusitanians consisted of the "diplomacy of weakness," i.e. the ability to compensate for military inferiority with other forms of power, including the search for alliances and the influence of intangible factors, such as knowledge, intellectual argument, careful preparation of negotiations and the ability to negotiate from unfavorable positions.

The Portuguese knew intuitively what Professor Joseph Nye once taught his students at Harvard University's Kennedy School of Government: that in addition to the hard power of military or economic coercion, there is the soft power of persuasion and negotiation. Among the varieties of soft power, smart or clever power stands out, the intelligent power born of knowledge, of intellectual and cultural preparation.

The Continuity of Knowledge Diplomacy

The Baron of Rio Branco, the founder of the foreign policy of modern Brazil, was no exception when it came to appreciating and valuing historical, cartographic and geographical knowledge. His father, the Viscount of Rio Branco, had already distinguished himself at an earlier stage in the development of Brazilian doctrine regarding its national borders. So too had Duarte da Ponte Ribeiro, the most eminent of the Brazilian Empire's diplomats in that field. Nor should we forget that Francisco Adolfo de Varnhagen and Joaquim Caetano da Silva, "the two greatest researchers

that Brazil produced in the 19th century,” in the authoritative opinion of José Honório Rodrigues, were also professional diplomats.

The current map of Brazil represents the most notable outcome of the production of knowledge aimed at a diplomatic objective in the country’s history. Approximately two-thirds of the national territory would be outside current borders if diplomats had not completed the work of those who altered, on the ground, the narrow initial boundaries set in Tordesillas.

This was a collective work par excellence, joining together over several centuries both men of action—*bandeirantes*,^{III} missionaries, soldiers, explorers—and diplomats with an intellectual vocation, who directed the preparation of cartographic arguments and created the legal rationales and doctrines to support negotiations over what would become Brazil’s borders.

It is therefore appropriate that this history of Brazilian diplomacy begin with a chapter on the formation and definition of Brazil’s national territory, at a time when the seeds of what would one day give the country its unmistakable diplomatic style were already present.

Notes

- 1 Álvaro Lins, *Rio Branco* (José Olympio, 1945), 2:622.
- 2 David M. Kennedy, “Introduction,” in George C. Herring, *From Colony to Superpower: U.S. Foreign Relations since 1776*. (Oxford University Press, 2008), 8.
- 3 Paulo Roberto de Almeida, *Formação da diplomacia econômica no Brasil: as relações econômicas internacionais no Império* (SENAC, 2001), 26.
- 4 Carlos García-Bedoya, “Lección inaugural,” mimeographed text, attached to *Boletín Informativo* (Lima), no. 1984 (April 26, 1979): 9.
- 5 Charles R. Boxer, *The Portuguese Seaborne Empire 1415–1825* (Carcenet, 1991), 1–2.
- 6 García-Bedoya, “Lección inaugural,” 9.

III Explorers from São Paulo who penetrated the uncharted interior of the colony in search of gold, precious stones, and Indigenous people to enslave.

Part I

The Territory (1680–1808)

“On the north she had a weak neighbor; on the south, another weak neighbor; on the east, fish, and on the west, fish.”¹ This picturesque description of the privileged security situation of the United States, made more than a century ago by French Ambassador Jules Jusserand, explains the country’s success in expanding its territory without facing strong resistance.

As in the case of Brazil, expansion in the US started from a narrow strip along the Atlantic that was then continually extended westwards. The similarities between the two experiences, however, practically end there. Everything or almost everything else in the history of territorial expansion in the US and Brazil is different, starting with the methods used and the degree of opposition encountered.

In North America, the initial opportunity came from the fact that European powers often preferred to sell their colonial possessions rather than risk armed conflict. Acquisitions in exchange for monetary compensation began with Spain, which ceded Florida. Then it was the turn of Napoleon’s France, which, obsessed with the cost of endless wars, opted to receive the equivalent of US\$ 250 million today for the colossal region of Louisiana. This transaction represented, according to American historians, the “greatest real estate bargain in history,” as it included land from more than a dozen future states between the Mississippi River and the Rocky Mountains. Later, Russia would sell the remote and seemingly worthless frozen territory of Alaska. The number and magnitude of territorial purchases are a unique feature of North American history. The only relatively comparable example in Brazilian history would be the acquisition of Acre, which was partly completed by financial compensation.

Mexico illustrates the fate of those that refused to sell. Their resistance to ceding Texas to the US led to two wars and ultimately resulted in the loss of a huge part of their national territory (Texas, California, Arizona, New Mexico, etc.). Whether by forced sales or armed conquest (Mexican

territories, Puerto Rico, the Philippines, Hawaii, and the Pacific islands), the explanatory factor for American success was military and economic power, not diplomacy.

Meanwhile, in South America, Portugal found its possessions surrounded by those of the Spanish, a hegemonic world power at the beginning of the colonial period and, even afterwards, more powerful militarily and economically than its minor Iberian adversary. The fact that this force disparity did not prevent the Portuguese from expanding into the Amazon region and what is now the Brazilian Midwest was due to a combination of geographical and economic factors that neutralized Castilian superiority in these areas. In the River Plate basin, where these mitigating factors did not exist, Spain's natural supremacy managed to contain the Lusitanian advance.

Besides their methods of expansion and the nature of the obstacles, one of the main differences between the territorial formation processes in Brazil and the United States lies in the period in which they took place. Apart from the late case of Acre, the expansion of Brazilian territory occurred from start to finish during the colonial phase, lasting until the beginning of the 19th century and practically concluded by the time Brazil achieved independence in 1822. In fact, were it not for the compensation of Acre (1903), Brazil would be smaller today than it was then; in 1828, the country lost control of the Cisplatina Province, which it had inherited from the Portuguese.

By contrast, the 13 English colonies in North America that became the United States only started to expand after independence in 1776. This was around the same time as the Luso-Brazilian advance was coming to an end. What is more, US expansion continued until recently, with the incorporation of the last island territories in the Pacific (Hawaii did not officially become a state until 1959).

Even more decisive than the timing of these processes were differences between the political and social characteristics of the North American republic and a colonial metropole like Portugal in the 17th and 18th centuries.

American expansion was driven by the strong demographic pressure of farmers eager for new soil. President Thomas Jefferson and his party, then called the Republicans, and later President Andrew Jackson both

imagined that the nation would grow from an agrarian model based on small- and medium-sized property. The conquest of virgin lands in the hands of native peoples and of nominal French or Spanish sovereignty became a highly popular goal, united the citizens with their government and was sanctioned through democratic elections. Doctrines such as Manifest Destiny offered arguments of racial and civilizational superiority to justify the dispossession of Indians and Mexicans.

In the Brazilian case, the process was led instead by an absolutist regime and a colonial metropole. For the Portuguese monarchy, the limiting factor was not land, which was available in such abundance that it was far beyond its capacity to use it. For a long time, it was the lack of labor, of “arms for farming,” that inhibited the progress of agriculture, and that was used to justify the slave trade. When the slavery regime became untenable, the solution was found in stimulating and sometimes financing European immigration. As Luiz Felipe de Alencastro observed, the labor force in Brazil until recently had always come from abroad, whether through the slave trade or immigration.²

Demographic pressure for land would only emerge in Rio Grande do Sul in the 20th century, when the successful immigration of, especially, Italian and German communities led to a sharp increase in the population and a division of land into smallholdings in areas of colonization. The combination of these factors created population surpluses that would extend the agricultural frontier, at first from Rio Grande to the west of Santa Catarina and Paraná, spilling over into present-day Mato Grosso do Sul and across the border with Paraguay.

It took a long time for this pattern of settlement to effectively approach Brazil’s far western frontier: it was only in the 1970s, two and a half centuries after the Cuiabá gold rush,¹ that the states of Mato Grosso and Rondônia would once again receive settlers from other regions, attracted by the low cost of agricultural land and incentives provided by the military regime that ruled Brazil at the time. Brazil did not produce similar ideologies of Manifest Destiny or territorial expansion at a time when they were spreading across North America because it had absolutely no need to do so.

¹ The Cuiabá gold rush took place during the first half of the 18th century and was responsible for the first settlements and economic exploitation in the territory of present-day Mato Grosso, Goiás, and Rondônia.

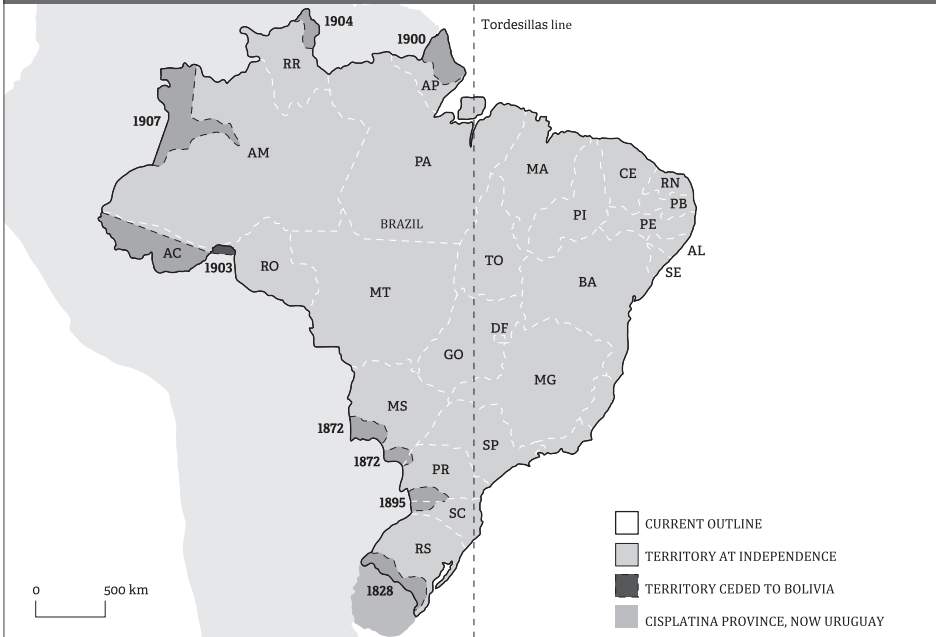
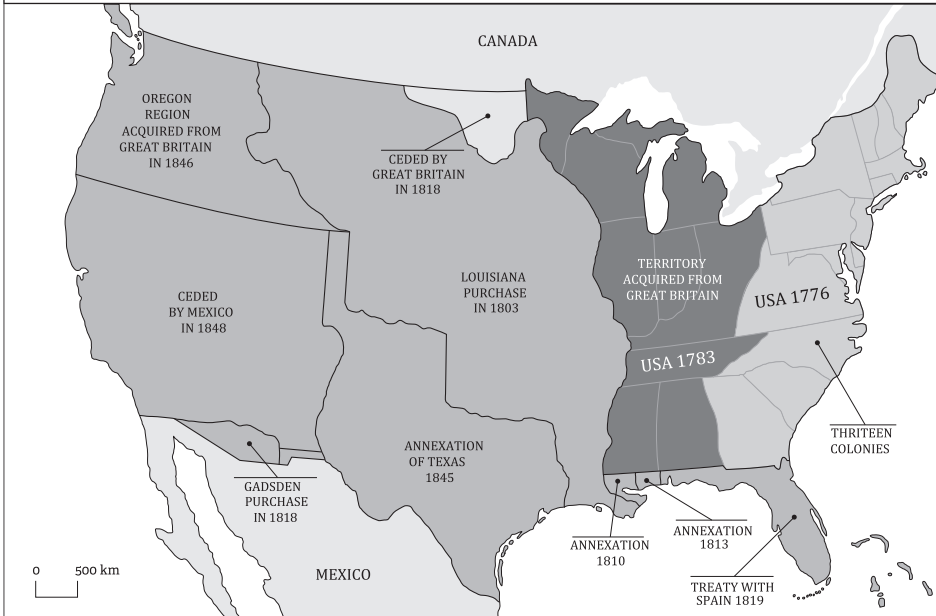
It was not land, then, but precious metals—the mercantilist obsession—that drove the inland incursions of the Portuguese, who dreamed of reproducing the good fortune of their Castilian rivals in the discovery of El Dorado de Potosí. Even still, the work of the Portuguese Crown, although aided by private agents such as the *bandeirantes*, was not aimed at colonizing and developing the potential of these new lands. Focused on exploiting the gold veins until their exhaustion, mining proved incapable of generating sustainable development in its surroundings. Fleeting prosperity soon faded, leaving to posterity the imperishable artistic heritage of the Baroque of Minas Gerais.

Once the reserves of precious metals and stones in Minas Gerais started to become exhausted at the end of the 18th century, there was even a partial return of the surplus population back to their departure points in the east and southeast. Some remnants of the gold rushes settled in old mining areas, vegetating in subsistence agriculture and livestock farming. These communities lingered in Goiás and Mato Grosso until the foundation of Brasília in 1960 and a resumption of the process of expansion in the agricultural frontier that lasted almost to the present day.

Reversing the direction of migratory currents, many settlers returned to their original points of departure. They sought opportunities in the opening of coffee plantations in the Province of Rio de Janeiro in the first half of the 19th century or, later, in the colonization of virgin lands in the west of the Province of São Paulo, as French geographer Pierre Monbeig showed in *Pioneiros e fazendeiros de São Paulo* [Pioneers and farmers of São Paulo].³ Both examples show that it was not land that was lacking in Brazil (northern Paraná had to wait until the 1930s and 1940s to be occupied, while the Pontal do Paranapanema region in São Paulo remained empty until 1950 or so).

On only one or two occasions in Brazilian history has the lure of wealth triggered migratory flows to areas beyond the country's borders: the search for gold and diamonds in the 18th century and, at the end of the 19th century and beginning of the 20th century, the rubber cycle that transplanted northeasterners to Bolivian lands in Acre. In every other the other migratory movement, the economic hubs that attracted new settlers—tied to coffee, cocoa, São Paulo industry, soy, cotton and cattle—were located within the traditional borders in areas that had never been in

TERRITORIES OF BRAZIL AND THE UNITED STATES AFTER INDEPENDENCE



Brazil's current territory is practically the same as it was in the year of Independence (1822), while the territory of the United States expanded considerably after the American Independence (1776)]. Pierre Monbeig, *Pioneiros e fazendeiros de São Paulo* (Hucitec, 1984).

dispute. The large scale use for agricultural production of the previously underestimated Cerrado soils in the south of Piauí and Maranhão, in Tocantins, and in the west of Bahia illustrates how the phenomenon has continued right before our eyes.

Despite all that has been said and written about “Brazilian expansionism,” the exaggerations of its fame are obvious. Any comparison with what happened in North America is inappropriate. Unless one considers the real expansionism of the Portuguese in the first centuries of the colony, except for Acre, the territory of today’s Brazil had already been stabilized by the turn of the 19th century. The expansion that has taken place since then has been within borders that had been basically outlined since the colonial-era Treaty of Madrid (1750).

Territorial Formation in the Colony

The astronomical line defined by the Treaty of Tordesillas (1494) was never physically demarcated and lost its importance in the period of the Iberian Union (1580–1640). The temporary eclipse of Portuguese autonomy during this 60-year period of rule by three Castilian kings—Felipe II, III and IV—did not in theory mean the formal annexation of Portuguese territory and its absorption by Spain. Theoretically, the two kingdoms retained separate legal personalities and the division established by Tordesillas remained in force. In practice, however, the need to separate possessions belonging to the same owner was limited.

At this time, the sitting kings of Portugal and Spain showed greater tolerance for the entry and residence of nationals from each other’s domains in the Americas than had previously been the case. The presence of Portuguese traders, often New Christians (Jews converted by coercion or decree), increased in Buenos Aires and even in distant Lima. The situation remained precarious and could change at any time, however, as historian Alice Piffer Canabrava has shown.⁴

The most important feature of the international context was the steady decline of Spain, whose hegemony came to an end amid the Thirty Years’ War (1618–1648). This slow but inexorable decline precipitated a fall in silver production in Potosí, the Portuguese Restoration (1640), and the Spanish War of Succession (1702–1714).

Portugal and Brazil between 1640 and 1750

During the second half of the 17th century, the Portuguese economy depended on the re-export of sugar and tobacco from Brazil, as well as the export of salt, wine and fruit from the metropole. The value of these goods, however, was not enough to balance Portuguese imports of cereals, fabrics and manufactured goods. Deficits deepened with falling prices and repeated crises in the sugar economy, pressured by competition from sugar from the British and French Antilles.

To make matters worse, Portugal and Brazil began to suffer from a monetary squeeze resulting from declining silver production in the Bolivian highlands. In the era of mercantilist capitalism, the currency in circulation depended on precious metals. In this case, much of the currency came from Potosí, home of the fabulous silver mines and, in the mid-1600s, the largest urban center in the Americas, with around 160,000 inhabitants.

Starting in 1630, the lode began to show signs of rapid depletion. The Spanish cracked down harshly on Portuguese smuggling in Lima and especially in the River Plate region (first in Buenos Aires and later in Colônia do Sacramento). They even brought the Inquisition to bear on Lusitanian merchants, many of whom were New Christians accused of being Judaizers.

To combat the acute currency shortage, the Portuguese tried to follow a well-established mercantilist recipe of preventing the outflow of precious metals. They could do this either by stimulating local manufacture or by organizing large-scale smuggling through the establishment of Colônia do Sacramento, across the River Plate from Buenos Aires. The most effective measure, however, was an intensification of the search for gold in Brazil, which resulted in the discovery of the first deposits in Minas Gerais. The mines soon led to a spectacular recovery of the Portuguese economy, triggering a gold rush that attracted thousands of people from Portugal and other Brazilian regions, as well as an increase in the African slave trade.

The gold rush was the first time in more than 200 years since the beginning of Brazil's colonization that a significant portion of the coastal population moved inland, on a much larger scale than the slow and shallow penetration that accompanied the earlier advance of cattle into the São Francisco River valley. The demographic growth resulting from the discovery of the mines raised Brazil's population in the mid-18th

century to 1.5 million inhabitants, half of whom were concentrated in Pernambuco, Bahia and Rio de Janeiro.

Brazilian gold provided the kingdom with the means to balance its trade with the rest of Europe, and enriched the Crown, the Church and the Court so much so that, throughout his long reign (1706–1750), the Portuguese King Dom^{II} João V did not once need to summon his Court to request funds. Modeled on the French rule of Louis XIV, Lusitanian absolutism had reached its apogee, and the king could fairly say: “My grandfather feared and owed; my father owed; I neither fear nor owe!”

This newfound prosperity was reflected in international negotiations, too. The most convincing proof of Portugal’s increase in relative power, in Charles Boxer’s opinion, came in 1750, with the recognition in the Treaty of Madrid of border claims derived from an only recently completed expansion of Portuguese colonial territory.⁵ The economy therefore helped to create the favorable climate in which cartographers and diplomats could act.

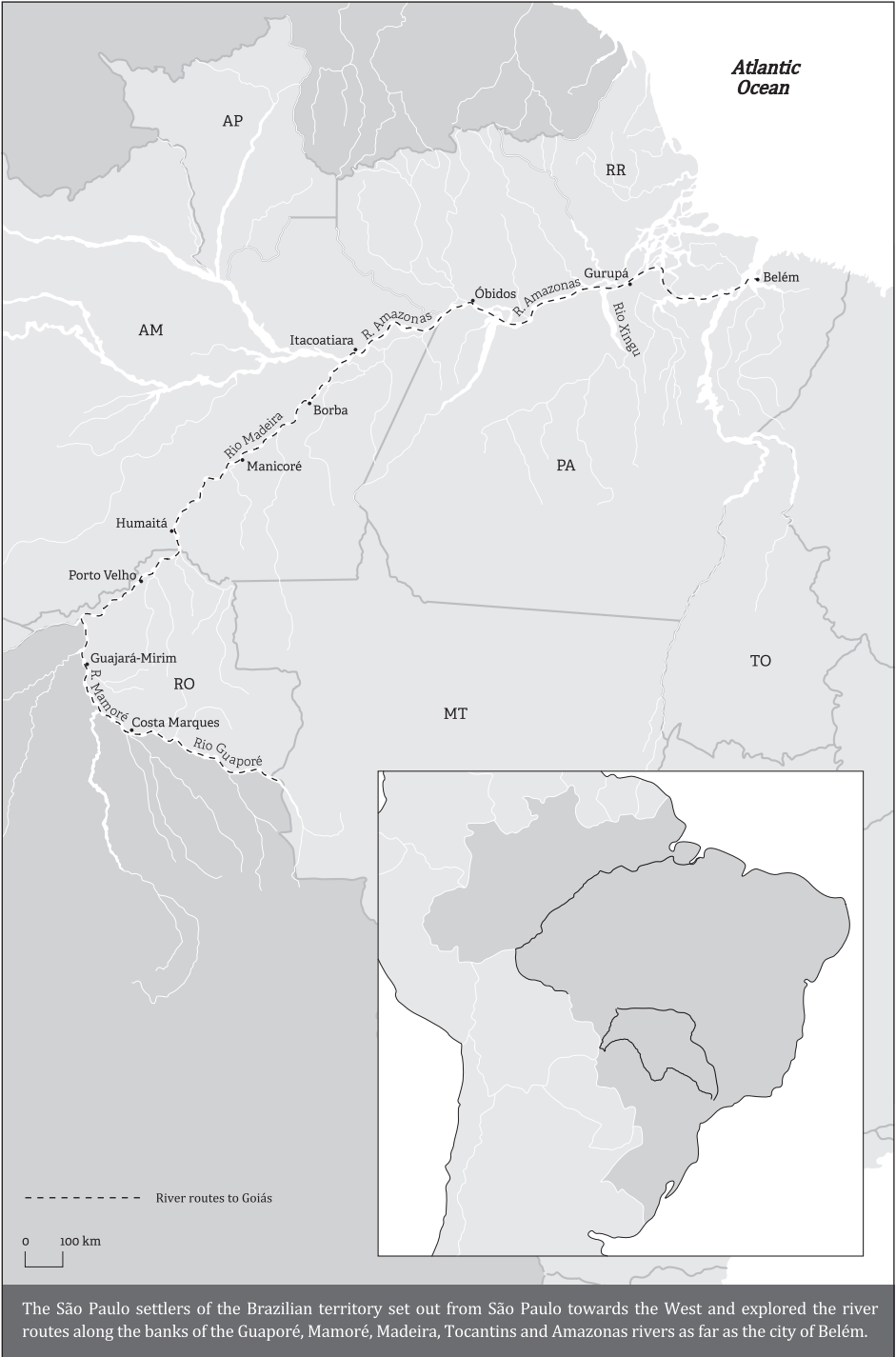
Gradual Expansion

The effective limits of Portuguese occupation in Brazil expanded gradually. From the time of its arrival in the Americas until the expulsion of the Dutch in 1654, the kingdom’s energies had been absorbed in the settlement and defense of the coast, primarily the sugar-producing Northeast. On the eve of 1600, they occupied the coastal territories between Cananeia, to the south, and Itamaracá, to the north.

It would not be until the middle of the 17th century that the Portuguese would reach the islands of Santa Catarina and Laguna, in the far south, and Belém, in the north. The Dutch capitulation (1654) and peace with Spain (1668) would free up resources and generate international conditions for systematic expansion along three axes: the Amazon, the West, and the River Plate region. It was no coincidence that the three axes of expansion coincided with Brazil’s three major river systems. The waters of the Amazon and its tributaries, the Tietê and the Paraná-Paraguay system, as well as the Guaporé, Mamoré and Madeira rivers enabled the penetration of the forests, while other river branches transported explorers to the farthest reaches into the continent.

II Dom, usually abbreviated as D. (fem. Dona), is an honorific title used in Portuguese-speaking countries to refer to royalty, nobles, clergymen, and people of rank.—Trans.





Coming from the opposite direction, from the shores of the Pacific, the Castilians had stopped at the heights of the Andes, where they found gold, silver, and dense and docile Indigenous populations, which would provide abundant labor to work in the opulent mines. What incentive could they have to tear themselves away from the fresh, temperate air to face peaks and trails over 4,000 meters above sea level and descend into the torrid, fever- and mosquito-ridden forests of the Amazon valley?

In contrast, in what is today Brazilian territory, the settlers had to become adventurers and explorers. They searched for economically viable gold deposits that were not easily located. The labor shortage provided an additional, nefarious reason to explore the interior: the capture of the region's Indigenous inhabitants, so-called red gold in the words of historians of their enslavement.^{III} The dream of silver mines to rival those of Potosí, the mirage of emerald mountains and the obsessive desire for gold fueled the expeditions to penetrate the interior, driven by the adventurous and immediate spirit that Sérgio Buarque de Holanda defined as “picking the fruit without planting the tree.”

In addition to the Andean barrier, the Castilians faced a complicated logistical situation in the Amazon. Supplies and reinforcements could only reach them from distant Quito, in the middle of the Andean highlands. For the Lusitanians, on the other hand, smooth sailing connected them easily to Belém, from where they could continue with favorable winds all the way to Lisbon. From a logistical point of view, the situation was reversed in the River Plate region. The fragility of Spanish resistance in the Amazon contrasted with its vigor in the southern regions of the continent and, in a way, anticipated a contemporary reality: even today, Hispanic Americans, with one or two exceptions (notably Peru), have only a small presence in the Amazon region.

In the Amazon and the River Plate region, the Portuguese state oversaw the planning, preparation and direction of a deliberate process of expansion, carried out with mostly official human and financial resources. In the west, however, the spontaneous initiative of private individuals, especially those from São Paulo (in Portuguese, *paulistas*), played a crucial pioneering role, as had also been the case in the discovery of Minas

III John Hemming called the Indians reduced to slavery “red gold” in his book *Ouro vermelho: a conquista dos índios brasileiros* (Edusp, 2007).

Gerais. Nevertheless, international recognition of the bandeirantes' territorial conquests came, at the decisive moment, to the diplomatic and administrative acts of the state.

The Crown did not have explicit plans for the immense area of the west until long after its exploration by the paulistas. Even then, the kingdom's plans were not of its own design. If not for the explorers, then, this territory might not have been incorporated into Brazilian patrimony at all. In fact, in October 1733, just 16 years before the signing of the Treaty of Madrid, a royal decree prohibited contact through the far west between the state of Brazil and the state of Maranhão-Pará, the two administrative regions into which present-day Brazil was then split. The adventurers, however, took no notice of the ban and explored the river routes connecting outposts on the banks of the Guaporé, Mamoré, Madeira and Tocantins rivers, as far as the Amazon, and Belém downstream. The link between Vila Bela (on the Guaporé) and Belém only became known and used between 1742 and 1750.

It was in the 20 years between 1730 and 1750 that official action took place, on the eve of the treaty negotiations. It was thus, with brand-new titles of occupation, that Portugal acquired the lands of the far west, the most important agricultural frontier in Brazil today.

The Mirage of the River Plate and the Southern Region Expansion

If in the west it was often uncoordinated ventures undertaken by bold individuals that preceded official action, in the far south it was generally up to the state to take the initiative. Concerned about Portuguese ambitions, the Castilians made two attempts to found the city of Buenos Aires; the first was unsuccessful (1535–1536) while the second came to fruition decades later (1580). In that interval, they instead settled on the banks of the Paraguay River in Asunción (1537), which earned the name “Mother of Cities,” since it was from there that Spanish expeditions set out to found Corrientes; Santa Fé; Buenos Aires, for the second time; Santa Cruz de la Sierra, and others.

Therefore, a century before the Portuguese, the Spanish Crown was firmly present in the wide estuary of the River Plate and well into the lands irrigated by its tributaries and sources. In this case, and in contrast to the situation in the Amazon, it was Spain, not Portugal, that dominated

the outlet of the river system and was able to take advantage of the easy navigation provided by the Paraná, Paraguay and Uruguay rivers and their tributaries towards the interior.

This difference in geographical position would prove decisive in the assertion of Spanish sovereignty over a large part of the southern region. The centuries-old dispute that would crystallize between the Castilians and the Portuguese in these parts stemmed from reasonable doubts about the point at which the Tordesillas demarcation line should cut the coast. Without going so far as the proponents of setting the border at the distant Bay of San Matías in Patagonia, there was no shortage of opinions that Portugal's border should reach the north bank of the River Plate, coinciding with its so-called natural limits.^{IV} This claim gave rise to a prolonged controversy between the Iberian kingdoms, which concerned the area stretching from Paranaguá, in the south of the captaincy of São Paulo, to the north bank of the River Plate. This vast area, which comprises the three southern states of present-day Brazil, together with the Republic of Uruguay, was for a long time a territory in dispute or of debatable sovereignty—what the North American historian of colonial Brazil, Dauril Alden, called “debatable land.”⁶

At first, after the second founding of Buenos Aires (1580), the Portuguese presence was felt through the development of the smuggling trade, frequently facilitated by the complicity of profit-seeking Spanish governors. Smuggling also had the support of the population, which was condemned to pay extortionate prices because of the absurd Castilian transportation system.^V In the rare moments when trade enjoyed more or less free conditions, the natural advantages of geographical contiguity and an incipient degree of complementarity in agricultural production anticipated the potential of future integration, released from the artificial obstacles imposed by the colonial metropolises.

Once illegal trade had been quashed by Spanish administrative repression, Portugal took the audacious decision, after the separation of the Crowns, to found the Colônia do Santíssimo Sacramento (1680) a

IV The “natural limits” coincided with the waters of the River Plate, thus including in the Portuguese possessions the territory that today forms Uruguay.

V The goods that supplied the Spanish colonies in South America were transported from Seville by a biannual fleet of ships to Portobelo, on the Atlantic coast of Panama. From there they were taken overland to the Pacific coast, where they were shipped to the port of Callao in Peru and then by mule back to Potosí in the Andes. This complicated journey made the price considerably higher.

mere 24 kilometers away from Buenos Aires on the opposite bank of the River Plate. The main purpose of the settlement was to attract silver from Peru through smuggling.

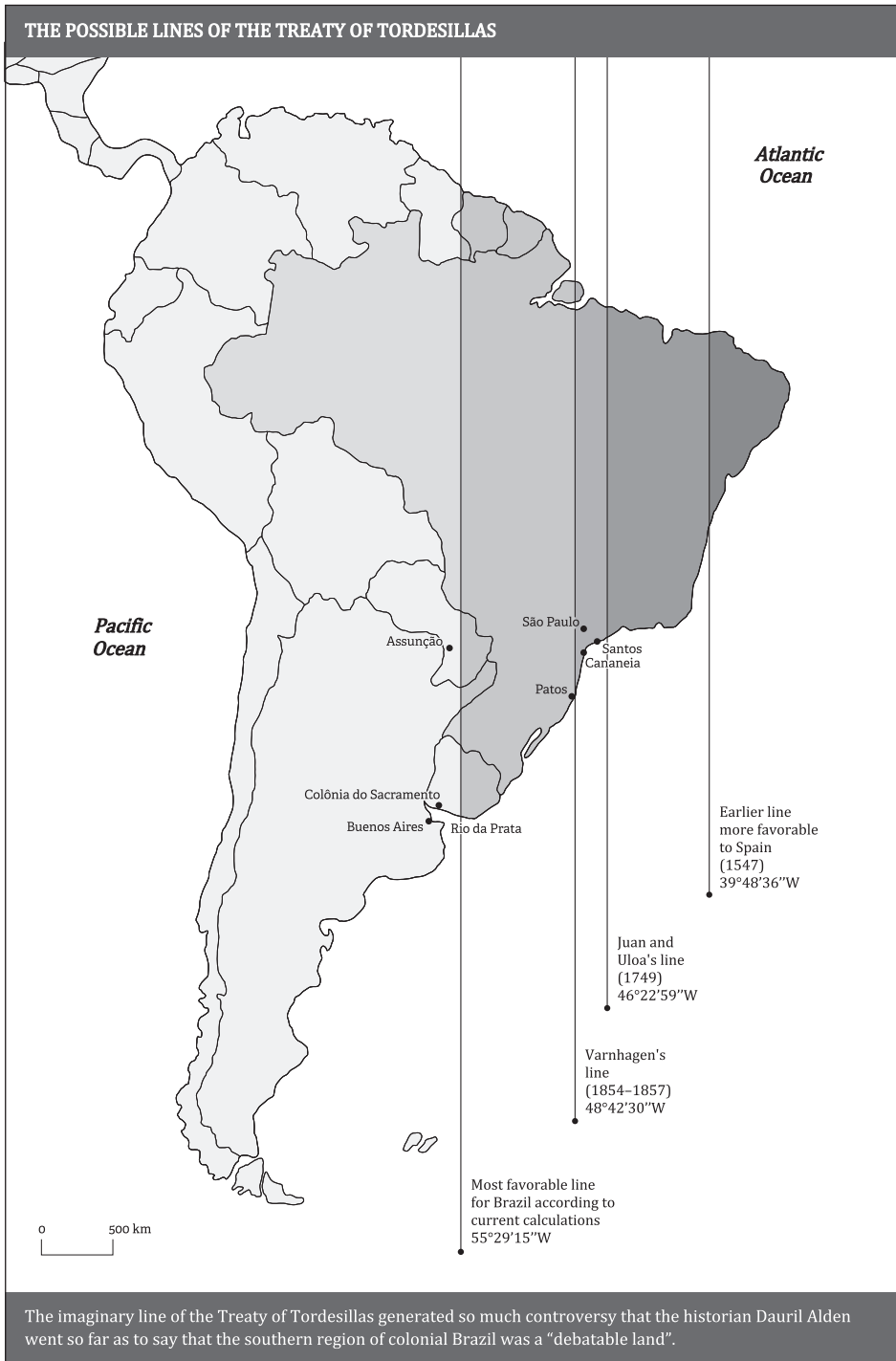
Thus, instead of reproducing on the southern coast the prudent, step-by-step advance that it had adopted on the northeastern one, the metropolitan government decided to take a huge leap, creating a spearhead hundreds of kilometers ahead of the closest Portuguese settlement and without a rearguard. The great Brazilian historian Capistrano de Abreu felt that the decision could be explained by the Crown's belief that it would only be able to sustain its alleged rights if it exercised them in the extreme.⁷

It was in essence a risky, almost reckless gamble. For it to work, Portugal would have to demonstrate its effective ability to mobilize resources capable of nullifying the advantages of Spain's already consolidated presence in the region. Lisbon would have to maintain a difficult military position, in close proximity to the main enemy base. The logistics of supporting its fortress, in turn, would require continuous settlement of the long stretch of coast between Colônia and the outposts on the southern Brazilian coast.

Yet even at the height of Portuguese power, during the reign of D. João V, the available means proved insufficient. Resource scarcity condemned the establishment to an acutely precarious defensive situation: it was only a day's sailing from the launching ground for its adversary's attacks in Buenos Aires, but seven days away from Santa Catarina and 14 from Rio de Janeiro, from where help might arrive.

Without a surplus of power to enable it to militarily reinforce Colônia in a decisive manner, Portugal was also unable to complete the foundational work of linking its trading post to higher density centers of occupation on the South Atlantic coast (at the time, extending very sparsely from Paranaguá to São Francisco). Its feeble attempt to establish itself in Montevideo failed, and the Spaniards quickly took advantage to settle and fortify the area, as well as Maldonado to the north, for themselves (1724–1726).

This is how the Castilians occupied the eastern bank of the river and cut off a direct line of communication by land between Colônia and the Brazilian coast, isolating the fortress. As historian Hélio Viana has shown, the effective Spanish settlement of a large part of the region, rather than an isolated fortress and trading post as in the Portuguese case, was



ultimately the reason for “the existence of an independent Uruguay and not of a Cisplatina Province that had become Portuguese or Brazilian in its character.”⁸

The Action of the Jesuits—Along the coast and in the estuary of the River Plate, the struggle around Colônia pitted official, military and political actors against each other. Inland, however, events were driven by a clash of interests between private actors. Decades before the founding of Sacramento, the Spanish Jesuits had exhibited the same missionary zeal in the Platine basin as their Portuguese counterparts had in Brazil, organizing religious settlements (*missões*) that were soon destroyed by private actors on the other side, the bandeirantes from São Paulo.

Abandoning these first missions in Guairá, the Jesuits moved with other survivors to the southern reaches between the Ibicuí and Jacuí-Guaíba rivers, with the apparent intention of continuing to Lagoa dos Patos and, from there, the Atlantic. This journey took place more than a century before the Portuguese founded Rio Grande de São Pedro, at the mouth of that great lagoon. Had the bandeirantes not once again attacked and destroyed the new Jesuit reductions in the area (1640), the Lusitanians would have lost access to Lagoa dos Patos and the site of the future port of Rio Grande, making the foundation of the Brazilian state of Rio Grande do Sul impossible and radically altering the fate of the entire region.

When the Jesuits retreated with the remnants of their missions to settlements on the Paraná River, on the other side of the Uruguay River, their livestock was abandoned to its fate. Over time, gigantic herds of cattle populated the countryside of the Banda Oriental^{VI} (Vaquería del Mar) and the various Vacarias in what are now Brazilian lands. In addition to smuggling, a new economic consideration—the potential for extraordinary wealth in cattle farming—began to attract the attention and interest of Spanish and Portuguese Jesuits, settlers, and officials alike.

Rightly famous for their perseverance and obstinacy, the missionaries of the Society of Jesus did not let themselves get discouraged by setbacks. A few decades after their withdrawal from the center of the future territory of Rio Grande do Sul, the priests set off again from their establishments on the Paraná River toward the east and the Atlantic, founding the mission

VI “Banda Oriental” was the name given to the territory to the east of the Uruguay River, which led to the adjective “oriental” in the official name of the Oriental Republic of Uruguay and to the custom of referring to Uruguayans as “Orientals.”

of São Francisco de Borja (1682) on the other side of the Uruguay River. This settlement was followed by six others between the Piratini and the Ijuí rivers, forming the Sete Missões do Uruguai (1706). Fewer in number than the previous outposts, and therefore more compact and contiguous, the new missions were easier to defend and enjoyed rapid prosperity thanks to the advantage of access to the immense wild herds, which reached more than a million head by the mid-18th century.

This movement of Castilian Jesuits from west to east was slowly approaching another Portuguese expansion from the north, which was gradually making its way down the coast of what is now the state of Paraná toward the island of Santa Catarina. The occupation of the island and the coast of Santa Catarina was the result of a directed colonization project aimed at settling around 4,000 families from the Azores, a goal that was never achieved but which left a strong Azorean imprint throughout the area. The southernmost point of Portuguese expansion was eventually established in an area far from Santa Catarina, the outlet (*sangradouro*) of Lagoa dos Patos, where the port of Rio Grande de São Pedro was founded (1737).

From Conflict to Negotiation—Between the final return of Colônia to the Portuguese in 1716 and the resumption of fighting in 1735, the region experienced almost 20 years of peace and prosperity that led to the consolidation of colonization. The countryside had been populated up to 120 kilometers from the fort, with ranches, plantations, windmills, and vineyards multiplying rapidly. In addition to local production, between 1726 and 1734 some 400,000 to 500,000 pieces of leather were exported from Sacramento each year, most of them coming from the Castilian side.

All this would soon be devastated by the resumption of the war, despite the fact that the Spanish were unable to occupy the fortress. Even after peace was finally restored (1737), the settlement was never rebuilt and the *estancias* around the trading post completely disappeared. Once again, a destructive and inconclusive conflict had demonstrated the settlement's logistical and strategic precariousness, and laid bare the imbalance between the costs of its maintenance and the benefits it provided, which were not only scarce but also mainly favored English merchants and their Portuguese figureheads.



The opinion gradually became widespread that the fortress represented a vulnerability rather than a military or economic asset. At the antipodes of the Portuguese Empire, events recalled by Charles Boxer reinforced this development. The critical situation of Goa and other Portuguese possessions in India, besieged by Indian offensives, forced the government of D. João V to make such considerable efforts that there were no resources left to support Colônia on the scale required for an effective defense.⁹

In the decades between 1720 and 1750, there was growing conviction of the need to overcome the state of constant conflict by settling the boundary dispute once and for all. The subsequent transition from a phase of discord to one of negotiation accompanied the progress of the occupation of both the far west and the southern coast, eliminating or reducing the distance between the settlements on both sides. So long as they had not touched, the Iberian colonies were no more than “neighbors in the manner of America, separated by immense deserts,” as the Count of Aranda, a Spanish statesman, put it. As the situation changed, the need to put an end to the constant friction through an agreement capable of legitimizing the territorial occupation that had taken place in the two and a half centuries since Tordesillas became increasingly urgent. The climate was finally right for consolidation in what would become the Treaty of Madrid.

The Treaty of Madrid (1750)

Júnia Ferreira Furtado describes the clash of approaches that divided Portuguese diplomats and statesmen on the eve of the negotiation of the Treaty of Madrid as “a war of cartographic images.” In her fascinating book *O mapa que inventou o Brasil* [The map that invented Brazil], she recounts in dramatic colors the night in August 1747 when a messenger, exhausted by a 10-day journey, delivered the longed-for *Carte de l’Amérique du Sud*, sent by his colleague in Paris, D. Luís da Cunha, to the Portuguese negotiator’s residence in Madrid.¹⁰

The *Carte* was the result of an insightful collaboration between D. Luís, the most notable representative of Portuguese diplomacy in the Age of Enlightenment, and the French cartographer Jean-Baptiste Bourguignon d’Anville, called the “oracle of Enlightenment geography.” The document reflected the most scientifically rigorous cartographic knowledge of the

time, and therefore clashed with the old Lusitanian tradition of deception and secrecy, which dated back to the days when revealing a nautical chart of maritime discoveries was a crime punishable by death.

The newfound partnership was made possible by precise methods of measuring longitude first introduced by French cartographers, the most advanced mapmakers of the 18th century. In his magnum opus *Alexandre de Gusmão e o Tratado de Madri* [Alexandre de Gusmão and the Treaty of Madrid],¹¹ Portuguese historian Jaime Cortesão went so far as to speak of the emergence of a true culture of longitude, dedicating the title of one of his chapters to the phenomenon. In 1720, Guillaume Delisle, the greatest French geographer of the time, presented a communiqué to the Royal Academy of Paris accompanied by atlases in which he repositioned the Tordesillas meridian. His study indicated that the Platine regions, as well as areas of expansion in the far west and the Amazon (including the North Cape, i.e. Amapá), were located outside the jurisdiction granted to Portugal by the old treaty of 1494.

The news caused quite a stir in Lisbon. Alerted by D. Luís da Cunha, the Portuguese government sent back instructions to persuade the geographer to desist from publishing his dissertation and redrawn maps. Fortunately, the Lusitanian Court did not stop at this futile attempt to suppress scientific knowledge. With more reason than Madrid to be concerned about the political implications of these scientific advances, the Court discreetly began to promote the systematic geographical and cartographic assessment of the Brazilian interior. They enlisted enlightened Jesuits (the “mathematical priests,” as they were called) and, to an even greater degree, military engineers for much of the measurement and cartographic work.

Cortesão argues that the news awakened the king and the educated classes to the study of geography and cartography. It was a sharp contrast to the corresponding lack of reaction from Spain, where no steps were taken to renew geographical and cartographic culture. “This cultural disparity would weigh [...] in the balance of the negotiations of the Treaty of Madrid, in favor of Portugal,”¹² he writes.

Perhaps the most convincing explanation for the difference in reaction lies simply in Portugal’s awareness of its power imbalance vis-à-vis its neighbor. The fact that Portuguese legal titles to the occupied lands were more dubious than Spanish rights justified Portugal seeking to enlist in

its service the power derived from knowledge, intellectual preparation, arguments stemming from science and the culture of maps. These tools of cultural power were of course not used in a Socratic way, aiming for scientific truth, but rather to serve political and strategic interests, distorting geographical facts if necessary.

At the culmination of the negotiations, the cartographic document most used in the discussions was not the map that D. Luís da Cunha had commissioned from the French cartographer d'Anville, but the so-called Mapa das Cortes [Cortes Map], drawn up in Lisbon under the supervision of Alexandre de Gusmão, secretary to D. João V. The former and more trustworthy map was set aside not because of its defects, but because of its qualities. The old tradition of manipulation and cunning felt like safer terrain for the Portuguese. These were attributes that the Santos-born intellectual Alexandre de Gusmão possessed in abundance, though when Ambassador Araújo Jorge called him the “grandfather of Brazilian diplomats” it was presumably not because of these traits.

Without qualification, Jaime Cortesão writes: “If we compare the Mapa das Cortes with a current map of South America we quickly realize that on that chart Brazil is nothing more than a caricature of reality [...] with longitude errors of up to nine degrees [...]” He concludes that “the Mapa das Cortes was deliberately distorted in longitudes for diplomatic purposes.”¹³

A more recent study (2009) by Jorge Pimentel Cintra, a professor at the Polytechnic School of the University of São Paulo, used digital analysis and mathematical cartography methods that revealed “surprising aspects of how the Mapa das Cortes was skillfully constructed.” The work “made it possible to quantify the distortions more precisely” (around 430 points) and “to identify where they were introduced and their undoubtedly deliberate nature.”¹⁴

The Negotiating Process and its Agents—The Treaty of Madrid stands out for its originality and innovation. Almost every other agreement between Portugal and Spain—before and after—were aimed at ending war, as would be the case three decades later with the Treaty of San Ildefonso (1777). Yet the Treaty of Madrid was different, and marked the culmination of a rare phase of peace between the two Iberian kingdoms. The favorable atmosphere for the accord would not have been possible

before a shift in the diplomatic climate with the death of Felipe V (1746) and the removal of Queen Isabel Farnese, his wife and an irreconcilable enemy of D. João V. The inexpressive Ferdinand VI had ascended the Spanish throne and was married to Dona Maria Bárbara de Bragança a Portuguese *infanta* (daughter of the king) with a strong personality. In Portugal, D. João V's heir José had himself been married to the Spanish *infanta*, Dona Maria Ana Vitoria. The resulting rapprochement became known as "the exchange of *infantas*."

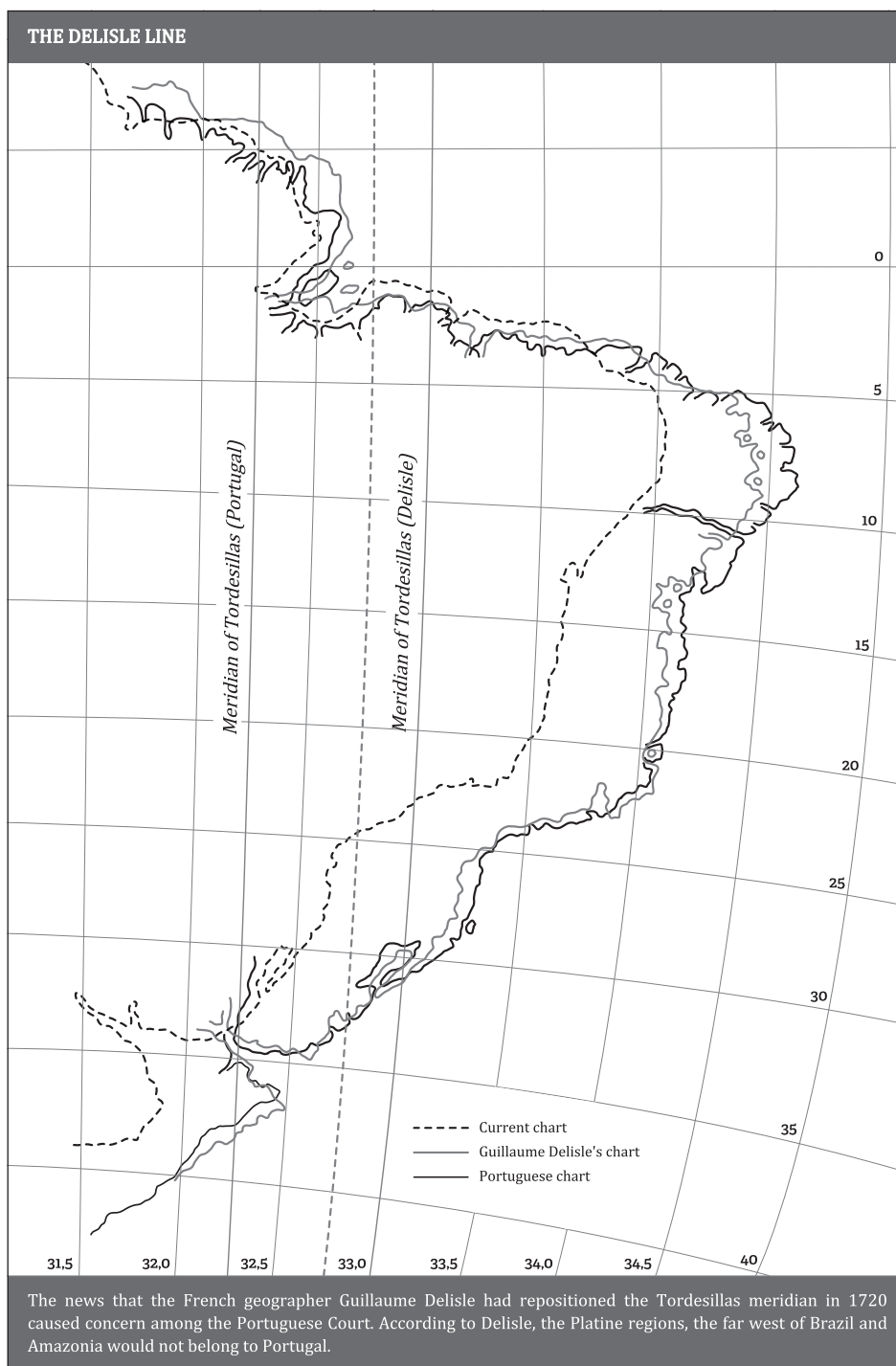
Facilitated in part by this environment of family and dynastic friendship, the negotiation of the Treaty of Madrid lasted three years, an excessive amount of time that would prove detrimental to the durability of the agreement. The two main negotiators were the Portuguese plenipotentiary Tomás da Silva Teles, Viscount of Vila Nova de Cerveira, and the Spaniard D. José de Carvajal y Lancaster. Behind the Portuguese ambassador, the detailed direction of the negotiations was exercised by the secretary of D. João V, Alexandre de Gusmão. Though Tomás da Silva Teles' instructions were signed by Marco Antonio de Azevedo Coutinho, the secretary of state, it is Gusmão who is credited with drafting them almost in their entirety.

A man of modest origins, Gusmão was born in the town of Santos, in a family that may have been of New Christian ancestry. He was the brother of Father Bartolomeu de Gusmão, who would become famous as "the flying priest," one of the inventors of aerial balloons. Little Alexandre, who adopted the name of his relative and protector, the Jesuit Alexandre de Gusmão, studied at the Companhia de Jesus college in Cachoeira, Bahia. There, one of the rectors described him in a note as a "studious, ingenious boy, but quite mischievous."^{VII}

This mixture of talents earned him the monarch's protection across years of study, diplomatic service and a frenetic life in France and the Holy See in Rome. Despite the French ideas he shared with the group of foreigners, which were viewed with suspicion by the backward Lisbon Court, he became a useful collaborator to the absolutist government of D. João V, to whom he would serve as secretary and a member of the Overseas Council.

As he had never exercised ministerial functions, which were somewhat out of reach for a person without nobility and born in colonial Brazil, it

VII Cortesão, *Alexandre de Gusmão*, tome I, 139, "*puer studiosus, ingeniosus, sed valde nebulo*."



took a long time for official historiography to recognize the decisive role Gusmão played in the preparation and negotiation of the treaty. His central merit in the definition and consecration of Brazil's territorial patrimony was proven exhaustively, however, in Jaime Cortesão's authoritative and deeply sourced nine-volume work on Portuguese history.

Structure of the Treaty—Negotiation over what became the Treaty of Madrid was based on the assumption, expressed in the document's preamble, that, having been violated by the Spanish in Asia (the Philippines) and by the Portuguese in America, the Treaty of Tordesillas could not serve as an appropriate basis for demarcating the territory of the colonies. In place of the treaty, papal bulls and other titles that dictated each side's possessions abroad, the parties agreed to adopt the basic criterion, transplanted from Roman private law, that each empire would retain what it already owned.

This principle (*uti possidetis*, sometimes called *uti possidetis de facto*) would serve as the general rule, with some special exceptions (the exchange of Colônia for Missões do Uruguai, for example). Smaller adjustments were also provided for in the Amazon region (Portuguese concessions on the Solimões, Spanish concessions on the Guaporé). Another innovation was the replacement of the geodesic lines used in the Treaty of Tordesillas, which were difficult to translate and recognize on the ground, with markers clearly defined by geographical features: major rivers, mountains, hills and watersheds. One of the most appreciable advantages of this approach was that it defined the complete silhouette of the border from north to south, overcoming the resistance of Spain, which was initially inclined to only accept partial adjustments.





ON THE OPPOSITE PAGE The 1748 Map of South America, drawn up by the French cartographer and geographer Jean-Baptiste d'Anville, with a description of the South American territory.

ON THIS PAGE The so-called Mapa das Cortes, with a purposefully distorted presentation, which Portugal took to the Treaty of Madrid

The central provision of the treaty, and for Spain its *raison d'être*,^{VIII} called for the exchange of the Portuguese holding of Colônia do Sacramento for the Spanish domain of Missões do Uruguai, whose Guarani inhabitants would be forced to withdraw to Castilian territories. In other words, in exchange for a settlement surrounded on both sides by Spanish fortresses—and

^{VIII} The Castilians, in fact, called the document a “treaty of exchange.”

whose fate had been sealed with the failure of the Portuguese attempted occupation of Montevideo—Portugal received a large swath of territory that made it possible to round off Rio Grande do Sul, until then confined to a narrow coastal fringe, and turn it into a substantial counterweight to the Spanish River Plate territory.

Article XXI of the treaty stipulated that war between the metropolises in Europe should not interrupt peace between the American possessions. Some observers have since tried to see in the provision a kind of anticipation of Pan-Americanism, but the explanation for Spain's insistence on its inclusion probably lies in their fears over potential attacks on the River Plate by the British, allied with Portugal, in the event of a resumption of hostilities in Europe.

The main objective that moved Madrid in the negotiations was to seize Colônia do Sacramento once and for all, accepting the price, albeit reluctantly, of transferring sovereignty over Sete Povos das Missões do Uruguai to Portugal.

For Portugal, permanently renouncing the mirage of a natural border on the River Plate was also a painful sacrifice, only conceivable in exchange for a sum of advantages. The most important of these were the guarantee of sovereignty in the Amazon basin, the acceptance of the expansion that had taken place in the gold regions of the far west, the consolidation of the southern border through the acquisition of Missões, and the recognition of Rio Grande de São Pedro. The agreement also ensured the security of river communications between Mato Grosso and Maranhão-Pará through the navigation of the Tocantins, the Tapajós and the Guaporé-Mamoré-Madeira system.

From a geopolitical perspective, the treaty established a territorial balance between the ambitions of the two countries, with Portugal retaining most of the Amazon region while Spain secured its undisputed supremacy in the River Plate basin. In this way, it reflected the actual evolution that had taken shape on the ground over more than 200 years. For Spain, a complementary benefit is that the treaty would ultimately contain the Lusitanian's westward advance once and for all.

Evaluation of the Treaty—Portuguese and Brazilians generally consider the Treaty of Madrid to be an example of balance, realism and good faith, an opinion expressed eloquently by the Baron of Rio Branco:

The study of the Treaty of 1750 leaves the most vivid and grateful impression of the good faith, loyalty and greatness of views that inspired this friendly adjustment of old and petty quarrels, in consultation only with the higher principles of reason and justice and the conveniences of peace and civilization in America.¹⁵

What is clear in this assessment is the satisfaction of seeing the great work of territorial expansion legally recognized and, consequently, the success of Lusitanian negotiating goals. Even impartial historians such as Robert Southey admit that “the language and the whole tenour of this memorable treaty bear witness to the sincerity and good intentions of the two Courts; ... the two contracting Sovereigns seem indeed to have advanced beyond their age.”¹⁶

On the other hand, some Spanish and especially South American historians condemn the instrument for having decimated Spain’s original patrimony and legitimized what they describe as the usurpation of an immense territory. Given this perspective, it is perhaps unsurprising that from the outset the agreement found numerous enemies among the Castilians, who were after all forced to give up much greater territorial rights. What is more surprising is that the agreement did not lack for stubborn opponents among the Portuguese, who clearly stood to benefit from it.

Jaime Cortesão believes that the main opposition in Portugal came from traders committed to maintaining the profits from smuggling, generally on behalf of English merchants, supported from politicians favorable to the continuation of this practice.¹⁷ Among those critics was a man who would soon become the virtual dictator of Portugal for 20 years, Sebastião José de Carvalho e Melo, future Count of Oeiras and Marquis of Pombal. Abandoning the mirage of a border on the River Plate remained too difficult for some to bear, as it would be even after Brazilian independence.

The Fate of the Treaty—With the Treaty of Madrid, the Portuguese recovered—belatedly and, as it would turn out, temporarily—a degree of diplomatic prestige. There had been so much waiting for the right conditions for negotiation, as well as for the details of complex arrangements to be ironed out, that the agreement was only finalized and signed at the 11th hour, when the political-diplomatic context was about to once again take a turn for the worse.

Only six months after the treaty was signed (January 13, 1750), D. João V died. In quick succession, Alexandre de Gusmão, D. José de Carvajal, Dona Bárbara and King Fernando VI, all of whom might have had personal reasons for wanting to comply with the agreement, disappeared from the scene. In Spain, Charles III ascended the throne, and as monarch abandoned the policy of reconciliation with Lisbon. In Portugal, the new king, José I, concentrated powers in the hands of the Marquis of Pombal, a critic and opponent of the treaty.

The deterioration of the Iberian climate added to the difficulty of land demarcation, and the commissions made little progress in delimiting the northern and southern borders. In the Amazon region, Mendonça Furtado, Pombal's brother, waited in vain in Barcelos for the Spanish demarcator, who claimed to have suffered from a lack of cooperation from the Portuguese Jesuits from the Solimões missions. The most serious incidents, however, occurred in the far south, where Gomes Freire de Andrada, the future Count of Bobadela, and the Spanish demarcator, the Marquis of Valdelirios, were compelled to join forces in a bloody military campaign against the Guarani resistance.

Robert Southey describes with indignation the injustice done to the native peoples:

The portion of territory [...] which was ceded to the Portuguese contained seven flourishing Reductions, inhabited by about thirty thousand Guaranies, not fresh from the woods, or half reclaimed, and therefore willing to revert to a savage state, and capable of enduring its exposure, hardships, and privations; but born as their fathers and grandfathers had been, in easy servitude, and bred up in the comforts of regular domestic life. These persons with their wives and their children, their sick and their aged, their horses and their sheep and their oxen, were to turn out, like the children of Israel from Egypt into the wilderness, ... not to escape from bondage, but in obedience to one of the most tyrannical commands that ever were issued in the recklessness of unfeeling power.¹⁸

In this day and age, weary of the millions of human beings expelled by gigantic “ethnic cleansing” operations at the end of World War II, and by the more recent conflicts in places like the former Yugoslavia, we have perhaps lost the capacity for indignation of authors past whose moral

sense had not yet been dulled by the repetition of genocide and crimes against humanity.

Nor was there a shortage of contemporary authors willing to exalt the atrocities of the campaign, even in epic poems such as José Basílio da Gama's *O Uruguay* (1769), which deserved a fair rebuke from the severe Capistrano: "A poet of more talent than courage committed the indignity of drawing up an epic poem about this deplorable campaign."¹⁹ Already decimated by the bandeirantes in the reductions of Guairá, Itatim and Tape, the Guarani were once again victims of Luso-Brazilian expansion.

The Jesuits played a somewhat ambiguous role in the episode, understandable in the circumstances and justifiable from a moral point of view. Contrary to the interests of the Society of Jesus and their natural inclinations, the leading sectors of the order in Europe resigned themselves to the inevitable, bowing to the imposition of political power. It would have been asking a heroic and indeed superhuman sacrifice to demand identical behavior from the missionaries who shared the suffering of the indigenous people on site.

These dynamics have been repeated in modern-day Brazil with countless missionaries and even bishops, both European and conservative. Appointed as a form of appeasement to dioceses marked by violence against indigenous communities and squatters (*posseiros*), these men have often become radicalized when they come into contact with the reality of anti-evangelical injustice. The Guarani resistance, which would have been inevitable in any case, gained strength with the support of the churchmen.^{IX}

Sebastião de Carvalho e Melo, whose ill will towards the treaty was born prior to the war, used the incidents as a pretext to suspend its execution. He would later blame the event for his sick conspiratorial obsession against the Society of Jesus, which he persecuted with ferocity and sadism. Despite what he may have achieved with some of his modernizing reforms, the future Marquis of Pombal confirmed on this occasion the innate cruelty that had led D. João V to describe him as a man who had "a heart of stone (*pelos no coração*)."

IX Dauril Alden (*Royal Government*, 92, note 41) writes that "The charges and countercharges regarding the role of the Jesuits in the Guaraní War have been debated inconclusively by their defenders and detractors ever since. There is no question, however, [...] that their involvement in the controversy over the Treaty of 1750 hastened the movement for their expulsion from America and the subsequent suppression of the Order."

Despite the changing political conditions in the metropolises and the difficulties encountered on the ground, the Portuguese government should have been keen to faithfully implement the stipulations of the treaty given that it was the main beneficiary. However, this was not the case. Gomes Freire, secretly instructed by Carvalho e Melo, refused to receive Sete Povos, ostensibly due to the precariousness of pacification amid Guarani resistance. This attitude raised serious doubts among the Spanish over the sincerity of Portugal's intention to return Colônia do Sacramento. This series of events ultimately led to the failure of the agreement, which was annulled by the Treaty of Pardo (1761) through mutual agreement, and to the ill-concealed satisfaction of the all-powerful minister who governed Portugal's destiny.

Reversal of the Correlation of Forces

By deliberately undermining the Madrid arrangement, Portuguese leaders were basically playing into the hands of their adversary. The Castilians were dissatisfied with the concessions granted to Lisbon in the Amazon region, the west and even in Missões. The dispute over Colônia reverted to the *status quo ante*: a problem to be solved by arms, a field in which Portugal had a structural disadvantage.

The overconfidence and detachment from reality of this high-risk policy were to become evident when, despite an attempt to maintain neutrality, Lisbon found itself involved in the Seven Years' War (1756–1763) on the opposite side to Spain and France, the English alliance being of little use for Portuguese protection. During the conflict, the governor of Buenos Aires, D. Pedro de Cevallos, had no trouble occupying Colônia do Sacramento, Rio Grande de São Pedro and the forts of Santa Teresa and São Miguel, in present-day Uruguay. Once peace was secured with the Treaty of Paris (1763), the Spanish returned only Colônia to the Portuguese.

In 1776, the port of Rio Grande was retaken by the Lusitanians. The attack exasperated the Castilians, prompting them to send the most powerful military expedition they had ever organized to the south of America. Commanded by Cevallos, who had already been promoted to Viceroy of the River Plate (a new position created precisely to highlight the strategic importance of the area), a force of 116 ships and 13,000 men recaptured Colônia, whose fortifications were definitively dismantled.



The expedition did not encounter any noteworthy resistance in retaking the port of Rio Grande and seizing the island of Santa Catarina (1777).

Lisbon was well aware of the heft of the armada the Spanish had prepared, but was unable to mobilize sufficient resources to respond. Their only remote hope—the dream of English rescue—was nothing more than a chimera. Britain's long war against the colonists in North America had already begun. Tellingly, in December 1776, Benjamin Franklin left for Paris to secure a military and naval alliance, as well as financial resources, that would be decisive factors in the British defeat. This chain of fatal circumstances sealed the fate of Pombal's reckless policy.

The Treaty of San Ildefonso

D. José I died and was succeeded by Dona Maria I in February 1777, coinciding with the Castilian attack on the island of Santa Catarina. Her accession to the throne unleashed the *viradeira*, a political upheaval that overthrew Pombal and subverted his policies. Tied down by the American War of Independence, England and France maneuvered in favor of the mediation that led to the Treaty of San Ildefonso (October 1, 1777). The agreement marked an unequivocal victory of Castilian arms over a militarily and diplomatically weakened Portugal.

In addition to the concessions that the Portuguese were forced to make on the coast of Africa (the island of Fernando Pó, for example), Spain kept not only Colônia but also Missões dos Sete Povos, merely returning the island of Santa Catarina, which had never been in their possession in the first place. This annulled both the exchange of the Treaty of Madrid and the relative balance that it had tried to establish in the Platine region.

In the south, the boundary would no longer start at Castillos Grande, on the Uruguayan coast, but at the mouth of the Chuí River, considerably farther north, continuing along the watershed in the center of Rio Grande do Sul until reaching the Uruguay River. From there, the dividing line practically coincided with that of 1750.

The double game played by Pombal and the enemies of the Treaty of Madrid consisted of taking advantage of the pretext provided by the instrument's only serious weakness (the initial difficulty of controlling Sete Povos) to justify the real objective behind their maneuvering: the refusal to hand over Colônia do Sacramento. Essentially a return to the

previous situation of armed antagonism, such a policy would have required considerable strengthening of Portuguese military and naval power in the Platine region, either by their own means or through the alliance of England, always unlikely in the best of circumstances.

The result of this strategy—deeply flawed in its calculation of the correlation of forces—could not have been more disappointing. Unwilling to surrender it by treaty, Portugal lost Colônia do Sacramento by war; moreover, it was left without the compensation of the Sete Povos territory, which had been secured in the negotiated exchange. It was a total defeat, only lessened by the fact that much of the rest of the border drawn by the Treaty of Madrid was left intact.

A judgment of Pombal's international action in the south of America cannot fail to establish that the expectations were completely contradicted by the results. Abandoning an exceptionally favorable treaty, Pombal's diplomacy made inevitable a war for which Portugal was unprepared and from which it emerged worse off than before, humiliated and diminished in the territory it had already obtained and thrown away.

There is a certain tendency to overlook Pombal's responsibility for indirectly provoking what happened later. It is easier to point out that the Treaty of San Ildefonso constituted an injustice by abandoning the balance of exchange, which is true. In fact, by imposing an excessive price on the losers for their defeat, victorious Spain was sowing the seeds of non-conformity and future strife.

Understandably, the Spaniards and their heirs would have liked the instrument, and the moment of correlation of forces that gave rise to it, to freeze forever the military and diplomatic *status quo* of that time. That is why, in later boundary negotiations, Brazil's Hispanic neighbors invariably advocated the validity of San Ildefonso, even after independence and the end of the jurisdiction of the colonial metropolises.

Against this claim, Brazilian statesmen and diplomats argued that the 1777 treaty had been called "preliminary" and remained so, as the demarcation of the agreed boundaries had not been completed. In addition, a later conflict, the War of 1801 (War of the Oranges), would have annulled it, and in the Peace of Badajoz the agreement of San Ildefonso had not been expressly revalidated, contrary to standard practice among the Iberian neighbors. Proof that this was not a mere oversight was the fact

that Spain had kept the stronghold of Olivença, which it had occupied on the Iberian Peninsula, while the Portuguese had reconquered Missões do Uruguai at the time.

This succession of treaties reflects a pattern: each momentary configuration that the correlation of forces takes on will correspond to a certain legal expression, embodied in a treaty. Changes in the correlation of forces soon find their way into a new legal construction in order to legitimize the *de facto* situation reached on the field of arms.

Just as the Treaty of Madrid had marked a fleeting moment in the strengthening of Portuguese power, which some people mistook as permanent, the Treaty of San Ildefonso represented a legal reflection of the most indisputable level of military superiority that the Spanish would ever achieve, before or since, in the southern reaches of South America. This is what the Argentine internationalist Carlos Calvo, quoted by Hélio Viana, indirectly admitted:

More advantageous to Spain than that of 1750, it left it with absolute and exclusive control of the River Plate, flying its flag in Colônia do Sacramento and extending its authority to the fields of Ibicuí, on the eastern bank of Uruguay, with no more sacrifice than the return of the island of Santa Catarina, which it had seized by conquest.²⁰

For both the Portuguese and the Brazilians, San Ildefonso was nothing more than a temporary setback, the result of an occasional military imbalance to be rectified in the future under more favorable circumstances—first in the field of events, then in that of the law. That occasion would arise a quarter of a century later, in 1801, with the resumption of hostilities between the Iberian kingdoms provoked by the brief War of the Oranges. Taking advantage of the opportunity, a Portuguese-Brazilian expedition of less than 50 men conquered Missões, partially correcting the border of San Ildefonso (though not in relation to Colônia or the starting point in Chuí). The ease with which this was accomplished, including with the participation of local indigenous people, provided further proof of Portugal's (and Pombal's) error in sacrificing the Treaty of Madrid under the pretext of the precariousness their hold on the missionary region.

In any case, the disagreements that led up to the Treaty of San Ildefonso focused on the Treaty of Madrid's treatment of southern issues and the modifications introduced by the instrument that superseded it. In the

rest of its huge frontier in the west and north of the Amazon, there would be no fundamental turning back in the recognition of Brazil's territorial expansion. Thus, despite its short formal duration, the Treaty of Madrid prevailed in practice, outlining what came to be, in general terms, the territorial profile of Brazil, except for some future adjustments.

In the present day, Brazil's southern limits virtually correspond to those granted by the 1750 treaty, notwithstanding the displacement of the Castillos Grande line to the mouth of the Chuí and the definitive loss of the Santa Teresa and São Miguel forts. The Lusitanian territory, bequeathed to Brazil, no longer included Colônia; after its reconquest in the War of the Oranges, it reincorporated Missões, acquired in the Treaty of Madrid, lost by the Treaty of San Ildefonso and recovered in 1801.

With the benefit of hindsight, one cannot help but regret the useless sacrifices of lives and the material destruction of successive military campaigns to finally stabilize the border along the lines already settled by the Treaty of Madrid: the fighting in 1776 and 1777, the offensive to recover Sete Povos in 1801, the two interventions during the years of D. João VI and the Cisplatine War. Would it not have been better to exchange Colônia for Missões and comply with the Treaty of Madrid, avoiding the suffering and losses of so many conflicts?

The Territory on The Eve of Independence

At the beginning of the 19th century, the extreme sustainable limit of Brazilian expansion had already been reached in the south. Once Missões had been incorporated and the possession of the Rio Grande port had been secured, a considerable portion of the disputed land had been integrated into the Lusitanian language and colonization space, stretching from the south of São Paulo, through the current states of Paraná, Santa Catarina and Rio Grande do Sul, to the southernmost point of Lagoa dos Patos, practically the current border. All that was left out was the territory of the future Oriental Republic of Uruguay, where lived people of Spanish language and culture, and where they remain.

The story of the southern border episodes could have ended at that moment, probably with invaluable benefits for the relations of the future successor states of the colonial empires. However, not even a decade passed



The territorial expansion of the country westwards from the Tordesillas Line was considerable. After the Treaty of San Ildefonso, Brazil would still obtain recognition of its sovereignty over some areas, having completed its current territorial formation in 1907.

before the opportunities presented by the Napoleonic wars rekindled conflict, greed, and old illusions.

This time, the ambition of the Portuguese and their Brazilian successors would not be limited to the previous goal of an isolated trading post at Colônia do Sacramento. The second chapter of the River Plate mirage would revive the chimerical dream of annexing the entire expanse of land between Lagoa dos Patos and the eastern bank of the estuary, already occupied by Castilian-speaking populations; in other words, the territory of the future independent Uruguay.

Although far from boasting the characteristics it would acquire with the prosperity of the late 19th century, Uruguayan society already at this time had the clear attributes of an original River Plate culture that were impossible to absorb into a Luso-Brazilian one. It would take more than two additional decades of struggle, frustration and self-deception before the pointlessness of trying to assimilate a people with a quickly developing national identity, such as the Uruguayans, was once again proven.

Anyone who has taken the time to follow these twists and turns will retain a sense of the extraordinary complexity of the formation of Brazilian territory. In this rich history of adventures, it is impossible not to appreciate the role of knowledge, negotiation and soft power (as prevailed during the drafting of the Treaty of Madrid) in an evolution that has now been happily concluded in favor of the Brazilian people who inherited its benefits.

Notes

- 1 Quoted in George C. Herring, *From Colony to Superpower: U.S. Foreign Relations since 1776* (Oxford University Press, 2008), 6.
- 2 Luiz Felipe de Alencastro, *O trato dos viventes: formação do Brasil no Atlântico Sul, séculos XVI e XVII* (Cia. das Letras, 2000).
- 3 Pierre Monbeig, *Pioneiros e fazendeiros de São Paulo* (Hucitec, 1984).
- 4 Alice Piffer Canabrava, *O comércio português no Rio da Prata (1580–1640)* (Itatiaia, 1984), particularly, 152–155.
- 5 Charles R Boxer, *The Golden Age of Brazil 1695–1750* (University of California Press, 1962), 175.

- 6 Dauril Alden, *Royal Government in Colonial Brazil* (University of California Press, 1968), 59.
- 7 João Capistrano de Abreu, *Ensaio e estudos (crítica e história)* 3rd ser. (Briguiet, 1938), 73.
- 8 Hélio Viana, *História do Brasil* (Melhoramentos, 1972), 2:67–68.
- 9 Boxer, *The Golden Age*, 294.
- 10 Júnia Ferreira Furtado, *O mapa que inventou o Brasil* (Versal; Odebrecht, 2013), 350.
- 11 Jaime Cortesão, *Alexandre de Gusmão e o Tratado de Madri*, t. 1, 3rd pt.: “A cultura da longitude e a formação de um novo tipo social,” (Imprensa Oficial; FUNAG, 2006), 292.
- 12 Cortesão, *Alexandre de Gusmão*, t. 2, 299.
- 13 Cortesão, *Alexandre de Gusmão*, t. 2, 329, 332.
- 14 Jorge Pimentel Cintra, “O Mapa das Cortes: perspectivas cartográficas,” *Anuário do Museu Paulista (online)* 17, no. 2 (2009): 63–77.
- 15 José Maria da Silva Paranhos Junior, Barão do Rio Branco, “Questão de limites entre o Brasil e a República Argentina—exposição do Direito do Brasil,” in *Obras do Barão do Rio Branco*, vol. 1, *Questões de limites; República Argentina*, (MRE; FUNAG, 2012), 76.
- 16 Robert Southey, *History of Brazil* (Longman, Hurst, Rees And Orme, Paternosterrow, 1810–1819), 3:448.
- 17 Cortesão, *Alexandre de Gusmão*, t. 2, 385.
- 18 Robert Southey, *História do Brasil*, trans. Dr. Luís Joaquim de Oliveira e Castro (Livraria Garnier, 1862), t. 6, 8 onwards.
- 19 Abreu, *Ensaio e estudos*, 84.
- 20 Hélio Viana, *História diplomática do Brasil* (Biblioteca do Exército, 1952), 73.

Part II

Transition to Independence (1808–1820)

The Destruction of the Old Regime

Napoleon Bonaparte [...] to you America owes the liberty and independence it enjoys today! [...] Your sword struck the first blow at the chain that linked the two worlds.

These words, written in 1828, belong to the Mexican historian and politician Carlos Maria Bustamante. Apart from the obvious exaggeration of the first phrase, the second sounds more plausible. The wording is successful because it simplifies and embodies in one stroke a complex historical phenomenon reverberated to similar effect across a disparate continent.

Anyone looking at a map of the Americas at the beginning of the 19th century would notice little variety of colors designating independent countries. In 1800, there was only one independent country in the entire gigantic expanse of the Western Hemisphere: the United States of America. The rest of the continent, from the Canadian Arctic to Patagonia, belonged to the colonial patrimony of a few European powers, mainly Spain, Portugal, and Great Britain. In a few short years, however, this map would become unrecognizable, covered in colored spots, each representing a new sovereign nation. Except for Canada, what was left of the colonies would be nothing more than a “dust of islands” in the Caribbean and one or two small forgotten territories, such as the Guianas. All others had acquired independence in history’s first great wave of decolonization.

How can one explain the fact that nations as different as Haiti and Chile, Brazil and Mexico, Venezuela and Argentina went through the same experience of breaking with their metropolises in the same brief period of 20 years, barely a generation of human history? The coincidence of experience was not the product of internal conditions, which differed greatly from one to the other. Granted, in the colonies there was no shortage of domestic reasons for discontent, which by the end of the 18th century had already

led to rebellions, including in Brazil the *Inconfidência Mineira*^I and the *Revolta dos Alfaiates*.^{II} However, where all those movements had failed, a new wave or revolt suddenly began to triumph. Why did this happen when it did, and neither sooner nor later?

The explanation lies in an external factor: the collapse of the old regime, of which the system of American colonies was an integral part. This was one of those historical periods that arise from time to time in which international factors proved decisive in conditioning domestic circumstance. It was the culminating moment in the breakdown of the European *ancien régime*, the ruin of which led to obliteration of the colonial system that had been one of its essential components.

The transformation had already begun in the first half of the 18th century as a result of the Industrial Revolution in England and its impact on changing economic and social relations across the globe. The American Revolution, in turn, reinforced these effects in the political sphere through the dissemination of its founding ideas. Finally, the French Revolution—the most violent and radical of these three great convulsions—concentrated the destructive power of the previous movements into one short burst, completing the demolition of the previous regime.

From an international point of view, the old regime system was distinguished by a high degree of homogeneity, i.e. similarity and compatibility between the member states in terms of the legitimacy of power and reciprocal recognition and the type of political, economic and social organization they enjoyed. Generally speaking, all the member states adopted the dynastic principle as the basis for legitimacy: the sovereign who came to power according to the rules of his dynasty was legitimate.

With minor differences, the member states of the European system were politically organized as monarchies, either absolute or with few restrictions on the sovereign's power (with the relative exception of England). Their economies depended fundamentally on agriculture, artisans, small industry, and trade, while social structures were divided into estates: the nobility, the clergy, and the third estate, with clear predominance of the great nobility and the high clergy, who concentrated privileges and power in their own hands.

I A failed independentist movement also known as the "Minas Gerais Conspiracy" (1789).

II Another failed independentist movement, also known as the "Bahian Conspiracy" (1798).

The political and economic changes taking place in England and the United States laid the groundwork for the shock of radical heterogeneity with which the French Revolution precipitated the downfall of the system. The Revolution introduced, first in France and then more and more widely, the principle that only the power that emanates from the sovereign people is legitimate. Little by little, the monarchy was to be replaced by the Republic; written constitutions and declarations of human rights would restrict the arbitrariness of governments; the commercial, industrial and financial bourgeoisie would begin to overtake and marginalize the nobles and clergy in dictating the course of society and the state.

The drastic transformation of the old regime triggered a prolonged phase of war and domestic upheaval that would ravage all the member states of the European system in a comprehensive and radical way. Not even the two world wars of the 20th century, so overwhelming and global in other respects, would involve the Iberian Peninsula as directly—through invasion, foreign occupation, uprising, and civil conflict—as the wars of revolution, and especially those of the Napoleonic years, had done.

Napoleon Bonaparte was responsible for profoundly and permanently subverting the structures on which the Iberian monarchies were based, speeding up the demolition of the colonial system established in America by the Spanish and Portuguese since the discovery and conquest. By invading Portugal and forcing the transfer of the Court to Brazil, by deposing the Spanish monarch and replacing him with a foreign usurper, the emperor of the French set in motion a sequence of events that would lead to the dissolution of the Iberian empires in the Americas and give rise to an independent Latin America.

The international context in this period of history clearly provided the impetus for transformation, over and above internal factors on the continent. Indeed, the changes to domestic conditions in the Iberian colonies that made independence possible reflected and amplified the upheaval affecting the center of the international system at the time. Dissatisfaction with the colonial system, which had been building for decades, required an external shockwave to meaningfully challenge the regime of subordination. It was the extraordinary events on the Iberian Peninsula, the heart of the colonial system, that gave the peoples on the



periphery the opportunity to shed dominion from abroad, which only started to happen from 1808 onwards.

In Brazil, the independence movement followed a very different course from that of the Spanish possessions. The intrinsic contrast between the two processes is particularly striking. In the Brazilian case, the changes occurred more by gradual evolution than sudden convulsion, with a relatively low level of violence and a considerable degree of centralized direction and control by the local government. In most of Spanish America, by contrast, the emancipators clashed brutally and irreconcilably with the metropole, which in turn resisted tenaciously, managing at times to recover lost ground and postpone independence for years. The fierce and relentless struggle thus favored the emergence of military *caudillos* endowed with power of their own, who ended up tearing the empire into individual enclaves, in a process almost reminiscent of feudal fragmentation.

In what is now Brazilian territory, the presence of the central government of the Portuguese empire and 13 years of the so-called internalization of the metropole made possible a relatively painless transfer of power to an alliance of local leaders and metropolitan groups, headed by the Crown prince. The leadership of D. Pedro I gave the independence movement legitimacy that discouraged further resistance from sectors loyal to the metropole. The country was thus spared the rise of dangerous regional military factions, which would likely have pursued secession in a colony that was then called “the Brazils” due to the diversity of its regions and the difficult connections between them.

This unequal starting point, more so than the undeniable difference between the two colonial systems, is largely what led to Brazil’s exceptionalism”: a monarchy, rather than Hispanic republics; territorial unity, which prevailed over fragmentation into independent states; centralization; and relative stability.

Once again, external factors proved to be more decisive than internal ones in shaping the defining characteristics of the history of the two nations. It is true that the same external factor—the invasion and occupation of Portugal and Spain by Napoleon’s troops—provoked very different reactions in each country. In the former, the result was the transfer of the Portuguese Court to Rio de Janeiro; in the latter, initial complicity with the French was followed by the violent Castilian uprising. The contrast

between these reactions can be ascribed to the different ways in which Lisbon and Madrid were inserted into the European system of power at the beginning of the 19th century.

Portugal and Spain in the European Balance of Power

The dissolution of the old regime coincided with an advanced stage of deterioration of the Iberian metropolises, which nevertheless retained enough of their old power to play a secondary role in the European system of alliances. During the conflicts of the French Revolution and the Napoleonic era, Portugal was aware of its military weakness and did everything it could to maintain neutrality, but ultimately succumbed to Franco-Spanish pressure. A century later, the decline in Iberian power would lead to such a degree of marginalization that, when the period of the world wars began, the two occupants of the peninsula were able to keep a relative distance from the conflagrations engulfed a considerable part of the planet.^{III}

At the turn of the 19th century, Portugal remained firmly subordinate to the asymmetrical relationship it had established with England, its longtime ally. Initially intended as a means of defending itself against Spain during the almost three decades of hostilities that followed the rupture of the Iberian Union (1640), the alliance was formalized in complementary treaties in 1642, 1654, and 1661 (Spain only recognized Portuguese independence in 1668). Expanded and consolidated by the Treaty of Methuen (1703), Britain's undisputed predominance in bilateral commercial exchange, as well as in political and defensive military affairs, increasingly accentuated the intrinsic inequality of the relationship despite later attempts to correct the balance, especially under the leadership of the Marquis of Pombal.

Although the memory of the prosperous domination of India and Asia in the days of D. Manuel was well past, the country remained in essence a maritime empire whose present and future depended on its overseas colonies in America, Africa and Asia. The metropole was no more than a narrow fringe along the "western Lusitanian shore," the "garden of Europe planted by the sea," otherwise surrounded by the traditional and

III The exception was Portugal's participation in World War I, partly due to German threats to Portuguese colonies in Africa.

centralizing Castilian enemy, which had repeatedly threatened to absorb it as it had the other peoples and cultures of the Iberian Peninsula.

Whenever a conflict broke out between the rival alliances of the European balance of power system, Lisbon was faced with the same dilemma. In order to preserve its overseas empire, it had to align itself with its old British ally, whose fleet represented the only possibility of defending the colonies and their maritime lines of communication with the metropole. If as a result it was exposed to a possible attack on its territory by France and its Spanish ally, naval, military, and financial aid could only come from England. The opposite option, in favor of Paris and Madrid, was almost inconceivable, as it would mean the loss of the empire and, ultimately, the increased vulnerability of the kingdom itself, in this case even more reduced and weakened vis-à-vis its powerful continental neighbor.

The dilemma was a recurring theme in an era of frequent wars, and was invariably resolved by Portugal choosing the Atlantic: the overseas territories, empire and, consequently, protective alliance of the English fleet. This pattern persisted even during World War II under a right-wing leader like António Salazar, whose ideology did not prevent him from honoring the British alliance by giving the Allies bases on the Azores. Only much later, in the 1980s, would the loss of its African colonies and European unification alter the centuries-old conditions, leading to the disappearance of the Atlantic alternative and Portugal's insertion into a Europe in the process of integration.

In theory, the only strategic possibility of breaking with this chronic vulnerability would have been to transfer the empire's decision-making center to Brazil, where the Atlantic barrier would provide greater security. The idea had occurred to eminent Portuguese diplomats such as D. Luís da Cunha in the 18th century, but had been seen as a political and practical impossibility, despite its logical appeal.

By contrast, Spain, an essentially territorial power, continued to occupy a significant space on the European continent, where not so long before it had exercised undisputed hegemony. Its vulnerability stemmed from a different cause: growing subordination to an unpredictable and changing France.

A source of strength while the Bourbon dynasty ruled both in Spain and in Paris, the alliance became a mortal danger when France suddenly

became a revolutionary power par excellence. For the French, Spain became an unlikely and unreliable ally. The strategic interests derived from a traditional alliance could not be reconciled indefinitely with the reactionary absolutism embodied by the Castilian state, bastion of the Inquisition and the obscurantism the French revolutionaries detested.

The Continental Blockade and the Outbreak of the Crisis

The antagonism underlying the inverse positions of Portugal and Spain in the European balance of power would explode openly when the system itself began to self-destruct as a result of the powerful forces unleashed by the Revolution of 1789 and its Napoleonic sequel.

As it had always done in the past, Portugal at first desperately avoided making a choice, employing the diplomacy of weakness that had become its hallmark and constantly maneuvering between potential adversaries with promises and vacillations. Duplicity and inconstancy in alignments marked this confusing phase of international affairs, in which almost all Europeans (except the British, who were protected by their insularity) endeavored at some point to appease the seemingly invincible Napoleon. This behavior is reminiscent, and for the same reasons, of Europe's approach to Hitler in the early stages of World War II.

During what the French revolutionaries called the War of Roussillon in 1793–1794, Spain went so far as to ally itself with England, drawing in the Portuguese who were then already under the regency of the prince and future King D. João VI. In 1795, the Spanish abandoned their Portuguese allies and came to terms with France once again, signing a separate peace that forced Lisbon to make costly concessions to Paris, including a retreat of the boundary line with Guiana. These years (1795 to 1805) coincided with the rise to power of Minister Manuel Godoy at the Court in Madrid and, in France, of Napoleon Bonaparte, then First Consul and later Emperor.

Lusitanian efforts at conciliation proved insufficient in preventing the resumption of hostilities, and defeat in the fleeting War of the Oranges against the Spanish in 1801. In southern Brazil, the conflict provided impetus to correct the perceived injustice of the Treaty of San Ildefonso (1777) and incorporate Missões do Uruguai, this time definitively and without further resistance.

The Treaty of Badajoz (1801) signed with Madrid and Paris obliged Lisbon to cede Olivença, which had been occupied during the war, and dictated even greater concessions on the border between Amapá and French Guiana, which would pass along the Araguari River. As discussed in more detail below, the reinterpretation of the treaty with Spain would serve as one of the building blocks of the territorial doctrine of an independent Brazil, through the work of statesmen and diplomats like the Viscount and later the Baron of Rio Branco.^{IV}

The situation would soon deteriorate again with the outbreak of war between France and England (1803). Incapable of invading the British Isles after naval defeat at Trafalgar (1805), Napoleon decided to institute a continental blockade of Great Britain with the decrees of Berlin (1806) and Milan (1807). The difficulty of enforcing the blockade led to the gradual French occupation of a large part of the European coastline. Inevitably, the most challenging breach in the Atlantic wall would become the Portuguese coast.

Even before the blockade, the French emperor had ordered Portugal to align itself with the anti-British coalition (1805). Portuguese refusal, expressed in a letter from D. João, illustrates the kind of strategic difficulty alluded to above: “Your Majesty knows that the Portuguese monarchy is made up of states scattered in the four parts of the globe, which would be entirely exposed in the event of a war with Great Britain.”¹

The defeat at Trafalgar bought Lisbon some time, but the relief was short-lived. In August 1807, French and Spanish notes demanded that the Portuguese Court declare war on England, adhere to the blockade, arrest English subjects and confiscate their property. Torn between two equally threatening and implacable adversaries, the Portuguese government took duplicity to unimaginable extremes, even proposing to the British that they accept a feigned or apparent war. The scheme was rejected by Foreign Secretary George Canning “with contempt”!

Those in favor of conciliation had notable supporters in the Portuguese Court, including the country’s most influential minister, Secretary of State for War and Foreign Affairs Antônio de Araújo de Azevedo, future Count of Barca. Despite their efforts, however, Spain and France called for the dismemberment of Portugal and the divvying up of its overseas

IV José Maria da Silva Paranhos, Viscount of Rio Branco, and his son José Maria da Silva Paranhos Jr., Baron of Rio Branco.

possessions with the Treaty of Fontainebleau (October 27, 1807). Alliance with the British became a foregone conclusion.

A few days earlier, in a secret agreement signed in London (October 22, 1807), the British had pledged to provide a naval escort in the event of the transfer of the Portuguese Court to Brazil. They also agreed to only recognize as sovereign the legitimate heir to the House of Bragança. The Portuguese in turn agreed to temporarily hand over the island of Madeira to England in the event of any closure of Portuguese ports and vowed not to allow their merchant or war fleet to fall into French hands. An additional article stated that, to compensate for its loss of trade with the metropole if the Court was established in Brazil, the English would be granted a port in Santa Catarina or another point on the Brazilian coast, where goods from England would be admitted with the same duties as in Portugal.

The prince regent ratified the convention with a few reservations, one of which, significantly, was the refusal to accept this final article (November 8, 1807). Even after the agreement was signed, and still unaware of the dismemberment planned in the Treaty of Fontainebleau, the Portuguese Court continued to cling desperately to the belief that French threats were nothing more than intimidation, right up until news reached Lisbon of General Junot's invasion at the head of 23,000 troops (November 22, 1807).

Finally, after adventures and vacillations worthy of a suspense novel, 36 ships set sail from the Portuguese capital in the early hours of November 29, carrying between 8,000 and 15,000 people, according to varying estimates. Among them were 14 royals, including Dom Pedro Carlos, Infante of Spain (nephew and son-in-law of D. João). Half of the money in circulation in the kingdom, 80 million cruzados from the royal treasury, had been stacked on the ships, which weighed anchor at almost the last possible minute: two more hours and the wind would have changed direction, handing the fleet over to the troops of the French vanguard.

By bringing about the ruin of Portugal, the Spanish—and particularly Godoy, derisively dubbed the “Prince of Peace” by his countrymen—had sowed the seeds of their own destruction. Napoleon's revolutionary past lingered on in his personal enmity for the Bourbons; he was not a man who needed special encouragement to dislodge an incapable and corrupt dynasty from power. The Treaty of Fontainebleau recklessly granted him

the means to introduce troops into Spain, whose main strongholds the French then systematically occupied.

Less than six months later, dissension within the Castilian monarchy provided Napoleon additional pretext to take control. The Aranjuez uprising (March 17–18, 1808) led to the downfall of the hated Godoy and the abdication of Charles IV in favor of his son Ferdinand VII. In an act of utter recklessness, the old king appealed to the emperor, who summoned father and son to Bayonne and forced them to renounce the Spanish throne, which he entrusted to his brother Joseph Bonaparte. The interview had not yet concluded before the people of Madrid took to the streets in a bloody uprising that would see groups of insurgents put before firing squads in what became known as the Moncloa shootings (May 2–3, 1808), immortalized by Francisco Goya in his painting, *El tres de mayo*.

The Madrid uprising would be followed by a national insurrection and the formation of patriotic government *juntas* throughout the country. For the first time, French troops would face the fierce and bloody resistance of an entire people, determined not to give ground in guerrilla warfare (the expression, derived from the diminutive of “war” in Castilian, became popular at this time). José de Palafox, one of the souls of the resistance, would call it *guerra al cuchillo*, or war by knife.

Moderation was certainly not one of the French emperor’s virtues. Napoleon was then at the peak of his powers, having defeated the Austrians, Prussians and Russians and isolated the English, who had been practically expelled from the continent. He thought at the time that the usurpation of the Spanish throne would be “child’s play” (*une enfantillage*), which would cost him no more than 12,000 soldiers. In reality, the war at times swallowed up more than 370,000 men, who were sorely missed on other battlefields in the decisive year of 1813. In exile on Saint Helena, Napoleon acknowledged that he had been wrong about his dealings with Spain and confessed frankly: “Its immorality must have shewn itself too openly, its injustice too glaringly, and the transactions, taken altogether, present a disgusting aspect, more particularly since my failure.”² Spain would be the first cause of Bonaparte’s downfall, as he himself later admitted.

The decampment of the Portuguese Court to Brazil, together with the insurrection in Spain and the ensuing crisis of legitimacy in its colonies, set

forth conditions that would differentiate independence in Brazil vis-à-vis its Hispanic American neighbors. At that critical juncture, the constraints of antagonistic power schemes left the Spanish and Portuguese little latitude for maneuver. Once the imminent danger had passed, attempts to recover and assert autonomy would reappear, with varying degrees of success, as evidenced by the attitudes of the Portuguese Court in Rio de Janeiro between 1815 and 1821.

The Transfer of the Court or “Internalization of the Metropole”

The Napoleonic era saw a handful of governments evacuate their traditional seats of power as they fled the tide of French expansion. But none of these rivaled the size, duration or consequence of the transfer of the Portuguese Court to Brazil. By comparison, the king of Piedmont’s temporary refuge on the island of Sardinia or the sovereign of the Two Sicilies’ departure to Palermo seem like minor episodes. A more apt analogy would perhaps be with European governments in exile in London during World War II, despite the obvious difference that these governments were acting on British soil, over which they exercised no sovereignty.

Indeed, the event was in many ways exceptional. First, because of its audacity and scale—the Portuguese Court abandoned familiar European territory, and the cradle of its national identity, on the continent that was home to the international powers of the time. Thousands of people, representing almost all the institutions of government, culture and nobility, exchanged a civilized European capital for a peripheral tropical and Africanized colony across the Atlantic, a painful two months’ sea journey away.^V Second, because the idea of the transfer had genuinely national roots, long before the Napoleonic invasion and independent of English influence. Finally, because of its remarkably long duration: more than 13 years (from January 23, 1808, when the ships arrived in Bahia, to April 26, 1821, when they left Rio de Janeiro back to Lisbon) of what should have been an expediency dictated by circumstances but instead ended up extending well beyond the cessation of the original causes of the transfer.

V The contempt felt by members of the Portuguese Court for Brazil’s lack of refinement is evident in the phrase with which Queen Carlota Joaquina bade farewell as she embarked back to Lisbon in 1821: “At last I am going to a land of people [or perhaps “civilized people” to better translate “*gente*,” that is, human people]!” Oliveira Lima comments that the queen poured into these words “all her annoyance at the hospitable land in which she had lived for 13 years, being able to satisfy all her libertine whims, but none of her political ambitions” (Oliveira Lima, *Dom João VI*, 2:1136).

After the Napoleonic threat disappeared, D. João's decision to stay in Brazil for another six years, contrary to the wishes of British and Portuguese leaders and the population of the metropole, transformed the very nature of the Court's relocation. It can no longer be explained by British pressure, which in fact was exerted in the opposite direction. The extent and radical nature of the transfer alongside its prolonged duration imprints on this "internalization of the metropole," to use Maria Odila Dias Silva's expression, its potential to explain what would come later. The opening of the ports, the end of the colonial pact, expansion in the Plata region and, in due course, independence, did not depend on the arrival of the Court as a condition for their occurrence. After all, similar phenomena had already taken place in neighboring Hispanic regions. However, had the Court not moved to Brazil, it is quite possible that these events would have unfolded in a very different manner. A comparison with the Spanish colonies is enough to show how the opening of trade and independence itself took place in quite a distinct way from these territories.

It should come as no surprise that a decision with such radical consequences was an extraordinarily difficult one to take. Prince D. João's reluctance to transfer his Court to Brazil, which so exasperated the British, was due partly to his awareness that the gesture would be seen as a cowardly act of abandonment. Few would understand that the transfer was a decision of state, the only way to preserve the integrity of the kingdom. There was no shortage of critics who saw the flight mainly as a calculation to save his own dynasty; by defending Portuguese institutions from destruction at the hands of the insatiable Napoleon, the regent would become more dependent on England, from which he would have to beg for everything: protective squadrons for the journey and to safeguard future communications between Rio de Janeiro, Lisbon and the other colonies of the empire; initial subsidies to survive in Brazil; soldiers to resist the invader and reconquer the old country when the time came. All this would come at a price, and not a small one.

The Anglo-Portuguese alliance thus proved decisive at a time of mortal danger for the Lusitanians. However, the power differential between the two poles was so disproportionate that the relationship was more akin to a protectorate than a genuine compact. Great Britain would never enjoy a comparable power differential with Spain—even in their common struggle against Bonaparte—that would allow for the extraction of such

significant concessions as the price of its protection. But with Portugal, England soon pressed its advantage, demanding as the first consequence of the transfer of the Portuguese Court to Brazil that trade liberalization be modified for British benefit and privilege.

The Opening of the Ports

On the night of the Court's dramatic departure, the British minister in Lisbon, Viscount Strangford, boasted that he had persuaded the hesitant prince regent to finally embark for Brazil. Writing on board the flagship of the English fleet to Foreign Secretary George Canning, he declared:

[I am] convinced that by calling them [feelings of gratitude and respect towards the king of England for services rendered to Portugal] forth upon this occasion, I have entitled England to establish with the Brazils the Relation of Sovereign and Subject and to require Obedience to be paid as the Price of Protection.³

The price the haughty British diplomat was referring to was not, as is often said, the opening of the ports, an inevitable consequence of the new situation. What he had in mind were instead preferential English rights, which would take another two years to be granted. It is necessary to separate the two decisions in order to understand the nature and implications of each.

The opening of Portugal's foreign ports was inevitable after the occupation of the country by Napoleonic troops. José da Silva Lisboa, the future Viscount of Cairu and one of the main protagonists of the decision, said shortly after the event that "after the fatal misfortune of the invasion of the Kingdom, and the seating of the Court in Brazil, it was a clear, absolute and inevitable political necessity to open the ports of these overseas domains to foreign trade."⁴

Not doing so would condemn Portugal to isolation and "cut oneself off from the civilized world," he said. Such a situation would only be admissible "if Brazil were like China (which really lacks little in the way of foreign supplies...)." ⁵ Such a hypothesis sounds ironic in the 21st century, after the Chinese have conquered first place in world trade.

The opening of the ports ended more than three centuries of colonialism by causing, in Cairu's words, "the suspension of colonial status"⁶. At the same

time, it triggered the process that would lead to political emancipation, of which it is an inseparable complement. For historian Fernando A. Novais, the end of Portugal's monopoly on trade in Brazil marked the end of the mercantilist colonial system, part of the wider phenomenon of the collapse of the *ancien régime* and absolutism itself.

Caio Prado Jr. is astonished at “such a far-reaching measure taken so hastily.”⁷ Indeed, the royal ship docked in Salvador on January 22, 1808, and on the 28th, less than a week later, the Portuguese regent so often accused of vacillation had signed away Portuguese exclusivity on Brazilian ports, an act that would have no less serious or lasting consequences than the transfer of the Court itself.

D. João's unexpected arrival in Salvador helped precipitate the decision. The port of the capital of Bahia was full of goods whose export had been suspended since the beginning of the year, mainly sugar from the recent harvest and tobacco. On January 27, the distressing situation was brought to the attention of the sovereign by the governor, who “in the name of commerce, of agriculture, for the benefit of all these inhabitants, and for the sake of the royal revenues” implored “that the embargo on the free exit of ships be lifted [...] that they be allowed to sail freely to ports that [...] their speculations might deem the most advantageous.”⁸

Because the ships in the fleet were dispersed due to a storm, the ministers and courtiers whose advice usually guided D. João were absent. However, the right man for the moment was living in Salvador: José da Silva Lisboa, the highest-ranking Crown official in Bahia to deal with commerce, having served since 1797 as deputy and secretary of the Board of Inspection of Agriculture and Commerce of the City of Bahia. In those circumstances, his actions would prove providential.

A native of the land, he knew the problems of the colony and, due to his origins and the lack of personal economic interests linked to the metropole, had no incentive to help Portugal maintain its exclusivity in Brazilian trade. He was an indispensable advisor, not only because of his specialized job but also because in 1804 he had written the *Princípios de economia política* [Principles of Political Economy]. This was “the first book on this subject to be written in Portuguese, inspired by the principles of the new science founded by Adam Smith,” according to the Portuguese economist Moses Bensabat Amzalak.⁹ Without waiting for other people's

testimonies, Silva Lisboa hastened to point out his own contribution in his *Observações sobre o comércio franco do Brasil* [Observations on the Free Trade of Brazil].^{VI}

The opinion of Alan K. Manchester, according to whom Cairu was responsible for the markedly liberal nature of the measure, which coincided in spirit and form with the principles preached by the Scottish moral philosopher and economist, is credible enough: “the Brazilian does deserve credit for getting D. João to make up his mind, however, and for suggesting a measure so liberal that all the ports were opened to all friendly nations,” he wrote.¹⁰

Cairu is almost the prototype of the elite described by José Murilo de Carvalho:¹¹ trained in Coimbra, legally educated, a member of the civil service, especially the judiciary, ideologically isolated from revolutionary doctrines.^{VII} There seems to be no reason to doubt his important role in the episode. On the other hand, there is no reason to exaggerate and pretend that, in an absolutist Court, this participation was anything more than the valuable service of what we would today call the contribution of a technocrat.

D. João’s quick decision suggests that some action of this kind had already been considered during the long and tedious Atlantic crossing (from November 29, 1807 to January 22, 1808). Documentary proof can be found in the undated account of advice to the prince regent written by one of his travel companions, José de Vasconcelos e Sousa, the Marquis of Belas, referred to by Ângelo Pereira in *D. João VI príncipe e rei: a Independência do Brasil* [D. João VI Prince and King: the Independence of Brazil].¹²

The document indicates that it was drafted before arrival in Rio de Janeiro and recommends: “Once the ports of the continent have been closed by the French on the inside and by the English on the outside, it follows to open those of Brazil to all nations, without exclusivity, so as not to give a privilege to a single particular one, which would be a kind of slavery.”¹³

VI Published in two volumes in 1808 and 1809, it was the first book to come out of the presses of the Imprensa Régia, just created by the new government.

VII José Murilo de Carvalho claims in his book *A construção da ordem: a elite política imperial* that the main source of rules and bureaucrats for the recently independent Brazil was provided by judges and lawyers who had studied at Coimbra University and were strongly indoctrinated against the ideas and principles of the French Revolution.

England's Role

The Marquis of Belas' memorandum allows us to analyze the role of England in the question of opening the ports. After all, he had no other country in mind when he suggested that opportunities for trade should be for "all nations, without exclusivity, so as not to give a privilege to a single particular one."¹⁴

The marquis' advice and the way it was followed in the *carta régia* [royal charter] is enough to counter the persistent impression that it was the English who dictated the measure in question. In a relatively recent book that has achieved some popularity in Brazil, D. João's decree is described as "an inevitable gesture and one that, in any case, had already been stipulated in the secret agreement he had signed with Great Britain in October of the previous year."¹⁵

Author Patrick Wilcken omits, however, that what the British wanted was not freedom of trade for all countries in all ports but an exclusive port reserved for Great Britain, a privileged and discriminatory treatment vis-à-vis third parties. He also makes a historical error when he mentions the secret convention of October 22, 1807, signed in London by the Portuguese diplomatic representative. As referenced above, while the convention did contain an additional article providing for a port with preferential treatment to British ships in Santa Catarina or elsewhere, the provision did not come into force, as it was vetoed by the regent. Had it not been removed by D. João, the measure would have promoted access only to British ships, and in that case would have fully corresponded to London's position on global trade both at the time and in subsequent years.

It is, in fact, anachronistic to attribute to the England of 1807–1808 the role of advocate for international free trade that it would only assume almost half a century later, under the influence of Richard Cobden and with support from Prime Minister Robert Peel after the abolition of the Corn Laws^{VIII} and the opening, in 1852, of British ports to the navigation and trade of all nations. Indeed, at the time the royal charter was debated and signed in Bahia, there was no British representative present, as Viscount Strangford had separated from the fleet and was headed for London.

^{VIII} Laws in force between 1815 and 1846 which established import tariffs to protect grain produced in the United Kingdom.

After referring to the regent's refusal to ratify the additional article "granting that privilege to the English," Manchester comments:

Later when the Prince Regent, after reaching Rio de Janeiro, asked Mr. Hill, *chargé* in the absence of Minister Strangford, if England was satisfied with the decree [...], he received the reply that "*it could not fail to produce a good effect in England, but that had it authorized the admittance of British vessels, and of British manufacturers upon terms more advantageous than those granted to the Ships and Merchandize of other Foreign Nations, it would have afforded greater satisfaction.*"¹⁶ [emphasis mine]

By vetoing the article that would have granted the British alone free access to Brazilian ports, and by signaling that he would make a definitive decision on the matter if and when he arrived in Brazil, the regent indicated that he was leaning towards a non-discriminatory solution, in order to contain excessive British supremacy. In this he may have been reflecting the views of his advisors, headed by Antônio de Araújo de Azevedo and at the time the group least sympathetic to England.

It was a rare moment of partial and fleeting eclipse of British hegemony. In Rio de Janeiro, the rise of D. Rodrigo de Sousa Coutinho, future Count of Linhares, and the arrival of Strangford would soon put the Court's affairs back on a track controlled by British power. One consequence would be a rapid modification of the regime established by the royal charter, which would retain the character of ending the monopoly and opening ports, but would strongly qualify the liberal inspiration of these concessions by granting preferential rights to England.

It was clear that, in the international context and at least in relation to other Europeans (except for possible competition from the Americans), Brazilian ports were, in practice, only open to English trade. This situation would last for as long as the war against Napoleon kept the blockade alive. From the British point of view, something would have to be done to avoid facing competition from other countries once the conflict ended and the blockade of Europe was lifted.

The problem worsened when, on June 11, 1808, the Portuguese government issued a decree reducing tariffs in Brazilian ports on goods transported by Portuguese ships to 16% from the 24% established by the royal charter on all dry goods. Outraged at receiving less favorable

treatment in Brazil than the metropole, England protested vigorously and demanded that the decree be revoked immediately. Strangford, who had landed in Rio de Janeiro on July 22, received a severe reprimand for not having succeeded in getting the decree repealed immediately after arriving at his post.

Duly motivated by the rebuke, the English representative went far beyond his instructions, signing a permanent treaty of alliance and commerce on February 28, 1809. The instrument was rejected by his superiors, but only due to two articles that they found unacceptable: the first granting the Portuguese the right to property in England, which was reserved for nationals, and the second relating to the explosive issue of the exemption from capture of goods transported under a neutral flag, which was to be one of the causes of the Anglo-American war of 1812.

The treaty was returned to Rio de Janeiro, accompanied by instructions to separate the political clauses from those of a commercial nature, and the two resulting documents were signed a year later (February 19, 1810). Compared to the previous measure, the new agreement granted the British several additional concessions of commercial value, such as the right to sell at retail; the liability of the Portuguese Crown for damages or losses to products deposited in customs; and the facilitation of the payment of customs duties.

The series of pacts that followed would go down in history as the “unequal treaties.” Of particular interest at this point is the Treaty of Commerce and Navigation. The blatant asymmetry that characterized the treaty was expressed, among other points, in the setting of duties on English goods at 15% *ad valorem*, discriminating against goods transported on Portuguese ships, whose duties had been set at 16%. It took the decree of October 18, eight months later, for Portuguese authorities to remember to equalize the tariffs.

Another example is the “comic reciprocity” (in Oliveira Lima’s words)¹⁷ that was applied to tropical goods. It was practically forbidden to export products similar to those produced in the British colonies, such as sugar and coffee—the bulk of Brazilian exports—to British markets, although the lucrative re-export trade was allowed. In “reciprocity,” the Portuguese Crown could impose equally prohibitive tariffs on Brazil’s more than unlikely imports of sugar, coffee and other items from the British West Indies.

More serious still was the indefinite nature of the obligations, which was only mitigated by a clause providing for a review after 15 years. The Foreign Office in London had initially only considered a provisional arrangement. However, in his first interview with D. Rodrigo de Sousa Coutinho, the powerful secretary for War and Foreign Affairs, the British representative was pleasantly surprised to hear that the head of Portuguese diplomacy preferred to negotiate a permanent treaty.

Linhares would state in a note to Strangford that the two allied nations had “no other purpose than advancing their mutual happiness and greatness” and that their “inseparable” interests could “never be found in contradiction.” With such provisions, it is no wonder that the British even managed to transfer to Brazil the special jurisdiction embodied in the Judge Conservator of the English nation,^{IX} plus a clause of involuntary sarcasm towards the Portuguese. Article X stated that:

His Royal Highness the Prince Regent of Portugal, desiring to protect and facilitate the Commerce of the Subjects of Great Britain [...] is pleased to grant to them the privilege of Nominating and Having Special Magistrates to act for them, as Judges Conservator [...]. They shall be chosen by the Plurality of British Subjects [...] In Return for this Concession in Favour of British Subjects, His Britannic Majesty engages to cause the most strict and scrupulous Observance and Obedience to be paid to those Laws by which the Persons and Property of Portuguese subjects residing within His Dominions are secured and protected; and of which they, (in common with all other Foreigners) enjoy the benefit, through the *acknowledged Equity of British Jurisprudence, and the Singular Excellence of the British Constitution*.¹⁸ [emphasis mine]

Criticism of the Treaties

Manchester notes that “Brazilian historians are quite unanimous in condemning the treaties,”¹⁹ highlighting Hipólito José da Costa’s critical articles in *Correio Braziliense*, of which he provides an excellent summary. Unlike historians writing with some measure of distance from events,

IX The Judge Conservator was an entity that guaranteed foreigners the privilege of being judged according to the laws of their country of origin, by a specially appointed judge. The Judge Conservator of the British nation in Brazil was not an English judge, but a national judge nominated by British residents in Brazil, approved by the British minister and submitted to the prince regent, who could veto him, giving rise to a new nomination and vote.

Hipólito was a privileged and contemporary witness to them, watching step by step as the negotiations unfolded, receiving information from across the Atlantic and from the London environment where he operated.

The key to understanding the issue lies in the first Brazilian journalist's perception that the existing treaties between England and Portugal could not serve as precedents for a treaty involving Brazil, because the latter's interests did not coincide with those of the weakened metropole. In fact, the main ties of complementary exports and mutual defense that united the two European monarchies would not be extended to the colony.

Brazilian exports competed with Caribbean products and were excluded from England. British naval protection, indispensable for the maintenance of the Portuguese overseas empire, was unnecessary for the country-continent, isolated as it was by geography. The editor of *Correio Braziliense* intended to be lenient with the Portuguese negotiators because of their disadvantaged position. However, it was impossible for him to maintain such a stance in the face of the complete "capitulation" revealed by the final form of the treaty, a mere translation of the original English proposal.

The newspaper was indignant at the hypocrisy of pretending that there was any reciprocity in terms. In its view, it would have been more honest to admit that Portugal was willing to pay with temporary commercial privileges for British support—troops, loans, ammunition, weapons, ships—without which the country's very survival was in danger. He concluded that, through inefficiency, ignorance, and selfish ambitions to keep the prince and themselves in power, the ministers had betrayed the nation. For his part, the Portuguese historian Oliveira Martins concurred: "once more the dynasty sold the kingdom as Esau had sold his birthright; once more, the House of Bragança, to preserve its throne, sacrificed the nation."²⁰

As a balanced arbiter, Manchester also issued a harsh sentence, which deserves to be transcribed in full:

In negotiating the treaties, the Portuguese Court had in mind almost exclusively the necessities of Portugal itself. No Brazilian was in the ministry or in the prince regent's Council of State to fight for the welfare of the colony and point out the stipulations that would be detrimental to its interests. The Portuguese minister

[Sousa Coutinho], pro-English in his sympathies, ignorant of the conditions in Brazil, and precipitate in his manner of conducting public business, was guided by his preoccupation with the situation of Portugal, whereas England's attention was directed principally to Brazil. Although the treaties were concluded in Rio de Janeiro, they were negotiated by a Portuguese Court on the basis of past Anglo-Portuguese relations, with the European situation of the mother country uppermost in the minds of the small clique who controlled Portuguese foreign policy.²¹

According to another Portuguese historian, João Lúcio de Azevedo, “in practice, the Opening of the Ports to all nations was derogated and Brazil belonged *de facto* to the English, as they had always desired.”²² Except for the rhetorical exaggeration, he was right to consider that the Treaty of Commerce and Navigation put an end to the regime of equal freedom of trade for all nations, without privilege or discrimination.

With the ratification of the new accord on February 26, 1810, the regime established by the royal charter of January 20, 1808, had expired at the tender age of two years old. The principles of equality and non-discrimination, the pillars of free trade, which would much later be embodied in the first two articles of the General Agreement on Tariffs and Trade (GATT), were replaced by something very different: a regime of preferential and unequal trade. Whoever expresses preference is expressing privilege and discrimination. The dreams of the readers and disciples of Adam Smith, the Scottish master of moral philosophy, were short-lived.

Comparing Instructions and Negotiation Results

There is a certain tendency to think that the unequal treaties of 1810 ultimately expressed the inevitable consequence of an imbalance of power and the Portuguese need for English protection and subsidies. Certainly, these objective conditions would have led to unfavorable results in any case. The asymmetry did not, however, eliminate a possible space for resistance, which could have been better used to limit and moderate the enormous concessions that were made.

In this matter, the indisputable criterion is to start from the official instructions given to the British negotiator, which indicate what the bottom line was—the minimum objective that would have satisfied London—and

to compare this goal with what was granted by the Portuguese negotiators. Fortunately, Canning's extensive and detailed instructions are publicly available. Upon examination, they suggest that the British position was much more measured than their envoy led his impressionable interlocutors to believe.

The starting point was the conviction that the transfer to Brazil would not affect old treaties between the two crowns. New arrangements could wait until the government had taken root and Portugal's fate had been decided. It is surprising, in light of the final result, that the Foreign Office insisted on the inconvenience of concluding a definitive commercial agreement because the Court in Rio de Janeiro was too recent. For England it was essential to have open access to trade with Brazil through reciprocal freedom to import products, subject to the normal taxes. "With respect to the amount of duties," the instructions continued, "it does not seem necessary that any precise scale should be fixed at present, although it would undoubtedly be advantageous to obtain for British manufactures a distinct preference over those of any other country."²³

Strangford justified instead seeking a permanent treaty based on the argument that such an opportune moment should not be missed. D. João's anxiety about Portugal led him to sign a treaty that was eminently favorable to England, as long as it guaranteed him the rights to metropolitan Portugal. The British representative had strived for "much greater concessions" than most favored nation status, in exchange for the defense of Portugal.

A comparative examination of the Foreign Office's instructions with what Strangford managed to extort reveals a substantial gap between the two terms of reference. This difference coincides with the gap between what the Portuguese would have been able to obtain had they been firmer and more competent. The insignificant final balance proves that it was not used. Hipólito José da Costa was right to complain that the initiative had always been on the British side, and that there had basically been no bilateral negotiation, only unilateral imposition.

The responsibility for this state of affairs lies with the decisions of rulers who, although they acted in Rio de Janeiro, remained entirely focused on the European kingdom, indifferent to the interests of their host territory.

Differences between Brazil and the Spanish Colonies

A comparative analysis of the processes by which the old Iberian monopolies were replaced by new regimes of trade and participation in the world economy shows that the discrepancies reflect, point by point, the contrasting experiences of Portugal and Spain during the calamitous years of the Napoleonic wars.

In Portuguese America, the end of the trade monopoly was deliberate and corresponded with Portuguese dependence on Great Britain, which never changed in those years of exile. Transferred to the other side of the Atlantic, the Court ensured that developments were centralized and controlled, with perfect uniformity throughout the territory and with no major differences between the various regions of the colony. The transition from monopoly to preferential rights and British economic and commercial dominance took place in a highly formalized manner, expressed in documents such as the royal charter of 1808, the decrees that modified it, and the treaties of 1810.

The political trajectory of Spain at this time was instead tortured and oscillating, full of twists and turns, advances and retreats. The country went from ally of France to its, saw its dynasty overthrown and its national throne usurped. The period from 1796 to 1825 began with war against Great Britain, continued with the years of the Anglo-Spanish alliance of convenience against the common enemy and ended, after the victory, with Spain's tendency to once again seek the support of Restoration France against internal liberals and rebellious colonies overseas.

Mirroring this inconstant political evolution, the process of overcoming the monopoly of trade in Spanish America was characterized by fragmentation and a diversity of circumstance, not always manifested through formal documents. Smuggling, *ad hoc* arrangements, and the relaxation of imports granted either by peninsular authorities or by revolutionary leaders alternated continuously with setbacks in terms of foreign trade rules and attempts to reaffirm the monopoly.

In Brazil, a linear and irreversible development marked the transition from the previous system to one of preferential rights and its consolidation: the royal charter dealt a mortal blow to the monopoly; the 1810 trade treaty replaced the theoretically egalitarian and competitive free trade regime with the granting of privileges to the English; after independence,

the 1827 treaty extended until 1842–1844 the tariffs agreed with England, by then already applicable to several other countries by the most favored nation clause.

In the Spanish colonies, the exclusive regime did not die in a single blow, as in Brazil under the royal charter. It died little by little, interspersing agonies with unexpected but abortive bouts of recovery. Greatly weakened by smuggling, the Spanish monopoly seemed to be definitively ended between 1797 and 1801, during the war against England. By 1801, exports from Cádiz to the colonies had fallen by 49% and imports by 63% compared to 1799. After the Peace of Amiens (1802), which interrupted hostilities between France and Great Britain, Cádiz trade underwent a vigorous recovery until 1804. With the resumption of the war and the Trafalgar naval disaster, Spain was isolated the following year, and exports from Cádiz fell to 85% of what they had been the previous year.²⁴

Britain's role in Spanish America was also very different from the one it played in the Portuguese part of the continent. Already entrenched in Brazil thanks to the transfer of the Court, the British took advantage of the fall of the Madrid dynasty to make Rio de Janeiro its base for the opportunistic commercial penetration of the River Plate region and the South American Pacific coast.

The Platine region opened up to British trade in 1809, followed by Chile in 1818 and Lima in 1821, the same year as Mexico's final independence. Progress was slower and less complete in the countries of the Antilles Sea, the scene of a difficult and bloody 10-year war of independence in Venezuela and New Granada, now Colombia.

There are therefore two clear phases in the transition from the agonizing Spanish monopoly to the full affirmation of a trade regime open to all nations, with no legal preference for any. The first, from 1808 to 1814, incorporated the Atlantic coast of South America into the modern European trading system, attracting a huge number of English commercial adventurers.

Despite this adventurous nature, English trade gradually established itself in Montevideo, Buenos Aires and Valparaíso, from where it reshipped goods along the entire Pacific coast from La Serena to Guayaquil. In 1809 and 1811, when markets on the European continent were closed by the Continental Blockade, British exports to Latin America amounted to 35%

of England's total foreign sales. The percentage declined after the European peace, but exports continued to be significant: an annual average of around £5 million between 1820 and 1850 (half to Spanish America and half to Brazil). Compared to the second half of the 18th century, the averages doubled in value and multiplied several times in volume.²⁵

The second phase of the transition extended from 1814 to 1825, a period that included the defeat of Napoleon, the Congress of Vienna, normalization of the situation in Europe, the liberal and constitutionalist revolution in Spain, and the intervention of France in the name of the Holy Alliance to restore the full powers of the Spanish monarch (1821).

The Significance of the Brazilian Market

England's commitment to gaining commercial privileges was largely driven by the importance of the Brazilian import market. At first, ignorance of local conditions led to absurdities, such as the shipment of ice skates destined to rust on the Rio de Janeiro quay. Gradually, however, the British laid a solid foundation for the organization of trade through the Association of British Merchants Trading to Brazil. Created in June 1808 by 113 merchants from the London market, the association was run by a permanent committee of 16 members, two of whom were members of Parliament.

By 1811, there were already 75 British commercial establishments in Rio de Janeiro. The following year, as Napoleon's fateful invasion of Russia signaled the final stages of the war, Brazil imported 25% more from Britain than the whole of Asia, half as much as the United States and the West Indies and more than four-fifths of the total exported to South America (it should be remembered that a portion of the products sent to Brazil were re-exported to Buenos Aires).

The peace of 1815 reopened several markets and reduced the relative size of the Brazilian one, which nevertheless absorbed two-thirds of exports to foreign colonies on the American continent. Five years later, Brazil had regained its former importance, acquiring by 1820 more than half of imports from Asia and the West Indies, around two-thirds of North American imports and three-quarters of exports to the Spanish and Portuguese colonies in the Americas.

The bulk of English exports to Brazil—more than three quarters—came in the form of cotton goods, with wool far behind in second place. Imbalance would always be a hallmark of the exchange. In 1812, for example, Britain exported more than £2 million worth of goods to Brazil and bought less than £700,000 in return. By 1820, imports from Brazil had risen to almost £1.3 million, with cotton accounting for more than £900,000. Manchester, the source of these figures, comments: “Thus, soon after the opening of the ports of Portuguese America to foreign trade, a permanent characteristic of Anglo-Brazilian commercial relations was determined. Brazil was henceforth an important market for English manufactures, but a secondary source of British importation.”²⁶

The permanent trade imbalance affected Brazil and the former Spanish colonies equally, and became one of the defining marks of the new model of participation in the world economy dominated by England. This was accompanied, of course, by its complement: constant debt renewal in the London financial market to settle the balance of payments and meet various political, security or development expenses.

It is undeniable that the low price of imported manufactures, especially cotton fabrics—the cost of which fell dramatically in the first decades of the Industrial Revolution—helped to increase the level of consumption and well-being in the colony. Generally speaking, the changes brought about by the arrival of the Court helped to energize the economic life of pre-independence Brazil and trigger the modernization and Europeanization of habits and behavior well described by Gilberto Freyre in *Inglês no Brasil* [English in Brazil].

The Political Implications of the 1810 Treaties

The Brazilians, [...] in general jealous and discontented; they looked upon the English as usurpers of their commerce; they [were] offended with the haughty language and proceedings of our Consuls, [...] and they complained (certainly not without reason) of the insults daily offered to their Prejudices, Customs, and Religion [...]. [The commerce of the Brazilian merchants] had in truth fallen into utter decay.²⁷

This description of the consequences of the treaties imposed by Great Britain comes from the most impartial source possible: Viscount Strangford,

the main agent responsible at the height of English predominance in Brazil—and the target of a growing reaction against it.

The second of the instruments signed in 1810, the political Treaty of Friendship and Alliance, reiterated Britain's commitment never to recognize as sovereign of Portugal any claimant who was not the legitimate heir to the House of Bragança. The agreement, which would remain in force until the Congress of Vienna in 1815, included a particularly onerous clause for the interests of the Portuguese-Brazilian ruling classes: the first formal obligation assumed by Portugal to end the slave trade.

Drawn up against the obstinate resistance of D. João, the stipulations in Article X were ambiguous and had the potential to generate serious conflict and misunderstanding. In the article, the prince agreed to cooperate in the gradual end of the slave trade in his domains. He pledged to prohibit its practice among his subjects in territories on the coast of Africa not belonging to Portugal, but made it clear that he would not give up the territories of Cabinda and Molembo, which were disputed with France. Nor did the article invalidate the rights of the Portuguese to traffic with Ajudá, in Dahomey, as well as in other areas of the Mina Coast, north of the equator.

The erroneous interpretation that the article prohibited trafficking north of the equator led to the capture by the British navy of ships belonging to notorious traffickers from Bahia and Pernambuco. These traffickers, on the other hand, did not restrict themselves even though areas of the Guinea Coast were clearly off-limits. Strangford even feared a rebellion in Bahia and stated in a dispatch that “the universal outcry and discontent” resulting from the captures was the only issue on which he had seen such unanimous and widespread feeling uniting Portuguese and Brazilians.

In two articles kept secret, Great Britain promised to use its good offices to obtain the return of Olivença, lost in the Treaty of Badajoz, to Portugal, as well as to ensure that the border with French possessions in Guiana would be fixed based on the Portuguese interpretation of the Treaty of Utrecht, among other minor stipulations. In return, the prince regent promised to prohibit trafficking in Bissau and Cacheu; he also agreed to cede the two establishments to England for 50 years, on the condition that England succeeded with regard to the return of Olivença and the border with Guiana.

The third agreement was nothing more than a convention on the establishment of a regular line of packet boats between the United Kingdom and Brazil.

Resistance to the Treaties

The imposition of the unequal treaties and, increasingly, British pressure against the slave trade gave rise to feelings of resentment that would continue to grow. Half a century later, amid other frictions, they culminated in the breaking off of diplomatic relations between the Empire of Brazil and the United Kingdom.

Neither conflicting interests nor the criticisms raised in the pages of *Correio Braziliense* were able to effectively influence the negotiations in Rio de Janeiro, which took place at a time when the kingdom was most vulnerable to the Napoleonic threat. D. Rodrigo de Sousa Coutinho's policy of accommodation reflected and reinforced an unfavorable balance of power. This convergence of factors began to change in 1812, the year of Napoleon's invasion of Russia and the beginning of the end for an era of French power.

In January of that year, Sousa Coutinho died, paving the way for the first renewal of leading figures since the arrival of the Court in Brazil. Oliveira Lima observes that the "reduced cabinets of three ministers for six portfolios" that advised D. João were distributed in cycles, whose characteristics corresponded to those of their dominant personalities.²⁸ The first four years, from 1808 to 1812, belonged to the Count of Linhares and "his feverish reforming activity;" the next two, of "relaxation and rest," were the responsibility of the Count (later Marquis) of Aguiar, "a narrow-minded, routine-loving spirit," and the Count of Galveas, "an indifferent libertine."

The following three years, from 1814 to 1817, marked in Europe by the fall of Bonaparte, the restoration of the Bourbons and the creation of the Holy Alliance, coincided with the return to power of the Count of Barca, Antônio de Araújo de Azevedo, "of somewhat negligent superiority and a talent that was not as active as it was versatile." The remaining years, from 1818 until D. João's return to Lisbon in 1821, corresponded to the rule of Tomás Antonio Vila Nova Portugal, "hard-working but conventional, inferior to the circumstances," according to Oliveira Lima.

On the occasion of these changes, there was never any thought of choosing a man from the land itself. In this respect, Strangford's observation is significant. There were capable elements among those born in Brazil, but appointing one of them as minister would be contrary to the customs of the Portuguese Court and hostile to England's interests, since there was "not a class of men under the government less friendly disposed towards Great Britain than the members of the Brazilian Magistracy," the Viscount wrote.²⁹ It would be up to this magistracy, as José Murilo de Carvalho has shown, to provide the "builders of the imperial order" who were destined to govern the country after independence.

Resistance from at least part of the Portuguese government to English demands was almost always unsuccessful. Rather than focusing on commercial privileges, the opposition turned its attention to defending the prerogatives of the Pombaline Companhia das Vinhas do Alto Douro, on freedom of religious worship for the British and, above all, on the suppression of the slave trade.

The European Conflict Transferred to Guiana and the River Plate

Although conducted from Rio de Janeiro from 1808 to 1821, Portuguese foreign policy in this period always aligned with Manchester views on the negotiation of the unequal treaties: in other words, it was nothing more than diplomacy formulated and executed in Brazil by Portuguese ministers in the interests of Portugal and the Bragança dynasty, bearing in mind the Luso-British alliance of the past and attentive, above all, to the situation of the mother country in Europe.

It is therefore necessary to qualify the expression "internalization of the metropole" as true in the sense of a geographical displacement of the decision-making center, but not in terms of a true change in character of the colonial regime, which remained entirely subordinate to the interests of the Portuguese monarchy. The "new empire" in America announced by D. João in a manifesto dated in Rio de Janeiro (May 1, 1808) did not differ from the previous one or from the other empires of the time. Significantly, it also marked a return to the objectives of Portuguese imperial expansion in the River Plate region.

In his manifesto, the regent proclaimed a state of war against France and nullified the treaties and agreements he had been forced to accept.

A few months later, an expedition from Belém, reinforced by a British naval force, attacked French Guiana with the aim, among other things, of recovering so-called Brazilian Guiana. Portugal had been forced to cede the territory between the Araguari and Oiapoque rivers after the war of 1801. Cayenne, the current capital of French Guiana, was governed by Portuguese military and civilian administrations for almost nine years as a result (January 1809 to November 1817).

Among the military operations conducted from Brazil against French and Spanish forces, the conquest of Guiana was the one best suited to the proclaimed intention of continuing the fight against Napoleon in America. With regard to the Spanish territories that would eventually become the modern republics of Argentina, Paraguay and Uruguay, the policy of the Court in Rio followed a much more ambiguous path. Taking advantage of Spain's vicissitudes and the upheaval in its colonies, it sought to advance old Portuguese designs, although other motives were also present—some were genuine, some were pretexts to conceal or complement their real intentions.

These ambiguities arose from the very evolution of events on the Iberian Peninsula. To properly understand the context of the policy adopted in Rio de Janeiro, some attention should be paid to what happened in Portugal and Spain after D. João left for Brazil. The first years of the transfer of the Court, from 1808 to 1812, corresponded to a phase of complete dependence on England, whose forces played a central role in combating the French invasions of Portugal.

There were actually three Napoleonic invasions of Portuguese soil, and not just one, as incomplete accounts in Brazilian school textbooks might suggest. The first, commanded by Junot, was short-lived and ended with the Convention of Sintra and the orderly withdrawal of the French at the end of August and beginning of September 1808 after their defeat by English troops. The supreme military commander in Portugal at the time was Marshal William Beresford, but leadership on the battlefield fell to Arthur Wellesley, the future Duke of Wellington. Napoleon would later admit at Saint Helena that the fighting on the Peninsula provided the British with the training ground they needed to prepare for their final victory at Waterloo.

The following year, Marshal Soult commanded a second invasion from Galicia in the north, occupying Porto until another defeat and retreat (March to May 1809). The third and final invasion was led by another famous Napoleonic marshal, Masséna, who threatened Lisbon again but was defeated on the defensive line of Torres Vedras. The French abandoned Portugal for good in early 1811. However, fighting continued for three more years, often in Spanish areas close to the border, and until 1813 the risk of new invasions loomed.

During these years, Beresford reorganized and disciplined the Portuguese forces to the point where, after the Battle of Buçaco (September 1810), they earned Wellington's condescending praise that they had finally become worthy of fighting alongside the British. In the decisive Battle of Vitoria in Spain, of the 80,000 men under Wellington's command, 27,500 were Portuguese and 9,000 Spanish. Lusitanian troops took part in the invasion of France and the occupation of Bordeaux and Toulouse (April 1814) shortly before Napoleon's first deposition.

During these years of fighting, Spain had gone from being Bonaparte's initial accomplice to becoming his victim and the ally of the English and Portuguese. Such a turn of events would lead to embarrassment in the Court over its plans in the River Plate region, and justifications for its actions would need to be modified. The initial pretext of protection against the French was then conveniently changed to the ostensible cause of preserving the rights of the deposed Spanish dynasty, citing the succession titles of Queen Dona Carlota Joaquina, daughter of King Charles IV and sister of Ferdinand VII, as well as the Infante of Spain, D. Pedro Carlos, nephew and son-in-law of D. João.

An additional complicating factor is that England's position itself had evolved. London had come to see their alliance and collaboration with a rebellious Spain as a powerful asset in the fight against France. The Lusitanian project in the Platine region seemed like a reckless diversion of forces that would undermine their fight against the common enemy. Moreover, the Portuguese interest in establishing dominion over the northern bank of the River Plate no longer coincided with British commercial strategy.

In fact, during the war against Spain, when the country was still a Napoleonic ally, Buenos Aires and Montevideo had been the scene of two British expeditions (1806 and 1807), both of which were turned back

by local militia. Some 30% of the male population of Buenos Aires had been mobilized in the fighting, and the militia's victory served to boost the self-confidence and autonomous spirit of the *porteños* while further discrediting Spanish authority. The incidents also clarified the intentions of the British government which, from then on, would focus on ensuring free trade in the region, guaranteeing mercantile supremacy, without the burden and uncertainty of dubious conquest.

It was not mercantile strategy but a territorial one that drove the Portuguese. Control of the northern bank of the River Plate and the Banda Oriental—a territory east of the Uruguay River—offered a natural corollary to their dominance over the three headwaters of the great river: the Paraná, the Paraguay and the Uruguay. A tenacious Portuguese effort to achieve the old dream of a “natural” border in the south persisted for 20 years, the first difficult phase of which lasted from 1808 to 1815 and ended in frustration due to the opposition of Great Britain.

Just five days after D. João's arrival in Rio de Janeiro, the new Minister of War and Foreign Affairs D. Rodrigo de Sousa Coutinho presented the Platine project disguised as an offer of protection and a proposed trade union to the *cabildo*^x of Buenos Aires. In order to dispel fears and suspicions, Rodrigo de Sousa Coutinho invoked the need for common defense against the supposed danger of a Napoleonic attack. However, his demands for the stationing of troops, the implicit threat underlying the proposal and the general context led the *cabildo* and Viceroy Santiago Liniers to reject the initiative.

From August 1808, when news of the usurpation of the Spanish throne and the national uprising reached Rio de Janeiro, the Court changed tack and began to put the dynastic rights of D. João's consort and those of his nephew, the Infante of Spain, at the service of the Portuguese plan. This aroused Princess Carlota Joaquina's unbridled ambition to take control over Spanish possessions in the Americas—not as a Portuguese instrument, but genuinely and with an absolutist character—on behalf of her father and brother in Madrid. The claim was greeted fleetingly with some sympathy by influential Platinos such as Manuel Belgrano, who would soon become disillusioned. It also had the support of the commander of the English

X *Cabildo* was the name given to the assemblies of citizens in charge of the general administration of colonial cities in Spanish America.

fleet in Rio de Janeiro, Admiral Sidney Smith, who became entangled, as Strangford lamented in his correspondence to Canning, in “circumstances of a new and romantic Nature.”³⁰

In parallel with the simmering intrigues at the Portuguese Court, the process was precipitated when, in Buenos Aires, the *Cabildo Abierto*, an extraordinary assembly that brought together the cabildos of several neighboring cities in Buenos Aires, decided to depose the viceroy. In the viceroy’s place, a *junta* theoretically subject to the authority of the king ousted by the French was set up on May 25, 1810. Three of the regions dependent on Buenos Aires—Upper Peru (present-day Bolivia), Paraguay, and the Banda Oriental—rejected the *junta*, the first two deciding to pursue independence.

In Montevideo, the Spanish Governor Francisco Javier de Elío, promoted to viceroy, remained loyal to the *junta* of Seville, from which he received instructions to subdue Buenos Aires. Elío was authorized to request help from Portuguese troops if necessary. Threatened by the forces of the Uruguayan chief José Gervásio Artigas and besieged in Montevideo by soldiers from the Buenos Aires *junta*, Elío was rescued by Portuguese intervention, which reached Maldonado, at the gates of the future Uruguayan capital, helping to break the siege. A hasty armistice in May 1812, imposed by Strangford, precipitated the reluctant withdrawal of the Portuguese.

Without a Portuguese presence, hostilities renewed in the eastern territory until the Spanish finally capitulated in Montevideo in June 1814, depriving them of a last base in the River Plate region that could have served as a bridgehead for an eventual reconquest. With the Spanish out of the picture, civil war escalated between the Unitarians from Buenos Aires, who wanted to reincorporate the Banda Oriental into a centralized country, and troops under the Uruguayan Artigas, who favored a loose confederation of states. The fighting between the two groups threatened to draw in even the Platine provinces far beyond the Uruguayan coast.

Artigas’ somewhat egalitarian popular movement frightened his contemporaries as a “barbaric democracy.” Forcing the Unitarians to withdraw to the other side of the country, he entered Montevideo and proclaimed independence for the Eastern State. He decreed the confiscation of all lands held by those who had emigrated during the turmoil, and

promised to redistribute them so that “the most unfortunate would be the most privileged,” i.e. the free Black people, the *zambos* (*mestizos*), the Indians and the poor *criollos*.

Proclaimed “Protector of the Free Peoples of the Coast,” his influence extended in 1815 to the provinces of Santa Fe, Entre Ríos and Corrientes, which together with the more distant Córdoba formed a Federal League under his leadership. Artigas’ ideas and actions constitute rare notes of social and popular radicalism in the history of Latin American independence movements, which were generally dominated by a line of continuity with the social and economic structures of the previous regimes. His position raised concerns not only in Portugal’s absolutist Court, but also among conservative and moderate elements on both banks of the River Plate, ultimately weakening local resistance to Portuguese designs.

At the same time that Artigas neared his triumph, however, resolution of the long Napoleonic war period created the conditions that would lead to his downfall. With the existential threat against the Kingdom of Portugal definitively removed, both the Court in Rio and the Council of Regency in Lisbon began to reaffirm their autonomy and resist English pressures and policies.

The application of the treaties of 1810 had grown more difficult with the disappearance of Sousa Coutinho and the rise of the Count (future Marquis) of Aguiar and his ally, the Count of Barca. Portugal’s diminished reliance on England would do the rest, causing Strangford’s influence to wane as he tried to convince D. João VI to return to Portugal. The English minister wanted to keep the king away from Brazil, which was too far from London and where the “hatred of the natives [...] towards England [was] more violent than” the diplomat could describe.³¹

In November 1814, shortly after Napoleon’s abdication, Aguiar, Portugal’s new head of foreign affairs, refused to yield to English pressure both in the case of the Alto Douro Company’s wine monopoly and the suppression of the slave trade. When the British representative asked for permission to publish messages from the House of Commons and the House of Lords on the slave trade, Aguiar accused him of inciting the slaves to rebel under the protection of England. He warned him that the rigors of the law would be applied against anyone, national or foreign, who disturbed public order.

By complaining to D. João about the threat, Strangford provided the pretext for his direct access to the monarch to be cut off entirely. Shortly afterward, in early 1815, the intractable diplomat left Brazil, ending the most acute phase of Portugal's subordination to its English protector. The incident highlights how the king's decision to remain in Rio de Janeiro until long after the end of the war weakened London's influence and helped the Court regain considerable room for maneuver in the conduct of Portuguese politics.

The Definitive Occupation of the Banda Oriental

The end of the long war against Napoleon not only relieved Portugal's extreme dependence on England, it also made available the troops that the prince regent had hitherto lacked in order to resume his campaign in the south. A new development would remove any last inhibition to Portuguese intervention: On July 9, 1816, the United Provinces of the Río de la Plata proclaimed their independence at the Tucumã Congress, putting an end to the fiction that the Buenos Aires *junta* depended on the nominal sovereignty of Spanish king.

This second, decisive Portuguese intervention was driven not only by its traditional aspirations of expanding the "natural limit" on the River Plate, but also by real fears inspired by Artigas: the potential for a Uruguayan reconquest of Sete Povos das Missões, possible obstacles to free access to Mato Grosso via the Platine rivers, and the subversive effects of his libertarian appeal on Brazilian slaves. Lieutenant General Carlos Frederico Lecor led a division of veterans in the attack, with the first battles taking place on Brazilian soil. These were followed by the invasion of the Banda Oriental and the occupation of Montevideo in January 1817. The fighting continued for three years, until Artigas' final defeat in 1820 and his exile to Paraguay, where he died in 1850 without ever returning to Uruguay.

Portugal insisted that its role was that of a temporary peacemaker, not a conqueror. Circumstances, however, favored Portugal staying put once the fighting was over. Artigas' pleas for help found little sympathy from the Buenos Aires government, comprised as it was of his enemies, who limited themselves to diplomatic protests. The *porteños*, moreover, were at the time absorbed in the fight against the federalists on the coast and engaged in San Martín's epic expedition to Chile via the Andes (1817).

For its part, Spain appealed to the powers of the European Concert, which after painstaking mediation reached an agreement with the Portuguese for the return of the Banda Oriental to the Spanish, subject to various conditions including a compensation payment of 7.5 million francs. The Spanish delayed fulfilling their part of the agreement at every turn while they waited to organize a military reconquest expedition from Cádiz. Just as preparations were being completed, however, the troops destined for the expedition became involved in the Spanish liberal revolution of 1820, putting the matter off for good.

Portugal and Brazil at the Congress of Vienna

After 22 years of war and immeasurable loss and destruction, Portugal achieved little at the Congress of Vienna. It received the smallest share of the war reparations paid by France, behind even Switzerland and Denmark. The most serious failure, however, was that it did not get more than a clause of good intentions regarding the return of Olivença written into the agreement (art. 105 of the final minutes of the congress). The failure of the dubious British commitment in this matter invalidated the conditional promises made by the Portuguese regarding Bissau and Cacheu in the secret articles of the 1810 treaty between the two countries.

As far as Brazilian interests were concerned, the restitution of Guiana had already been decided, without consulting the Portuguese, by the Treaty of Paris (May 30, 1814). The Court in Rio de Janeiro had at first refused to ratify the treaty, but ultimately accepted in Vienna. Indeed, the only real Portuguese breakthrough at the congress was recognition that the Brazil-Guiana border should be defined by the terms adopted in the Treaty of Utrecht (art. 107 of the final minutes).

While frustrating Lusitanian aspirations for reparations and the restitution of Olivença, the Congress of Vienna did produce an unexpected and significant result for the Brazilian colony: a proposal to elevate it as to the status of United Kingdom alongside Portugal and the Algarve. Curiously, the initiative came from a suggestion by Charles de Talleyrand, the representative of the defeated power. According to the correspondence of the Portuguese plenipotentiaries, “the most sagacious diplomat” had commented in a conversation with one of them: “It is convenient for

Portugal, and indeed for the whole of Europe, that the link between your European and American possessions be maintained for as long as possible.”

After lamenting the disruption caused to the European edifice by the revolution in English America, “which we so imprudently aided,” and judging the Spanish colonies to be almost lost, Talleyrand is said to have concluded: “In such circumstances, I would consider it fortunate that the link between Portugal and Brazil should be strengthened by all possible means; and this country, in order to flatter its peoples, to destroy the idea of a colony, which they dislike so much, should receive the title of kingdom, and your sovereign should be king of the United Kingdom of Portugal and Brazil.”³²

Whether that idea indeed originated with Talleyrand himself is open to debate. According to Oliveira Lima, “everything leads us to believe that the suggestion attributed to Talleyrand may have indeed emanated from him, but in previous agreement with the first Portuguese plenipotentiary,” the Count of Palmela, “who would in fact be his local inspirer.”³³ In any case, he adds that the elevation of Brazil to a kingdom was no more than the consecration of a *fait accompli*.

Meanwhile, the Congress of Vienna offered the British an opportunity to make significant progress on the issue of the slave trade. The parties could not agree on a unanimous ban on the practice; however, a collective declaration condemned the slave trafficking, and the participants pledged to contribute to its prompt suppression. The pressure to move toward immediate abolition was directed primarily at Spain and Portugal, the latter being in fact the main bastion of resistance, since the Spanish agreed to negotiate the ban in exchange for financial compensation.

The British signed an agreement with Portugal in which they agreed to pay £300,000 for captures made abusively by their warships. In return, the Portuguese sovereign for the first time banned trafficking in the kingdom’s possessions north of the equator and committed to setting a date for complete abolition of the practice. In 1817, Lord Castlereagh, the British foreign minister, obtained an additional agreement from the Portuguese to which a subsequently added article would provide the key legal instrument for suppressing the slave trade: Portugal’s acceptance, in peacetime, of the British right of visit to suspicious merchant ships, as well as of their arrest and adjudication before mixed courts.

In communicating the agreement to Parliament, the British Foreign Office welcomed the unprecedented affirmation in Europe of this innovative principle of public law: the admission of peacetime searches of other nations' merchant ships by warships of any power. In reciprocity, Portuguese warships were also granted the right to search English merchant vessels. However, as Oliveira Lima observes, "anyone who pauses for a moment to reflect on the naval importance of the two countries will immediately realize how illusory this reciprocity was."³⁴

Notes

- 1 Pedro Soares Martinez, *História Diplomática de Portugal* (Editorial Verbo, 1986), 218.
- 2 Emmanuel de Las Cases, *Mémorial de Sainte-Hélène* (Henry Colburn, 1823), vol. 2, pt. 4, 197, <https://archive.org/details/memorialdesaint0202lascuoft>.
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Part III

Independence and its Problems (1820–1831)

A New Form of Insertion

“I resolved that if France had Spain it should not be Spain with the Indies. I called the New World into existence to redress the balance of the Old.” British Foreign Secretary George Canning’s haughty statement reduced the independence of Latin America to just one more chess move in the balance of European powers. In addition to geostrategic considerations, however, the British were motivated by more material concerns as well: the liberalization of trade and the conquest of markets.

Such were the effects of the Industrial Revolution, which was already well more advanced in the United Kingdom than in the rest of Europe. Constant pressure from industrialists and merchants in favor of opening up and expanding markets could even explain the “odious and impolitic” nature of Britain’s 1810 treaty with Portugal: the fault, according to Canning himself, of demands from the London Board of Trade.

On the Latin American side, the process of independence marked, among other things, a modernization of the continent’s insertion in global economic affairs. The Iberian monarchies’ secular decline turned the region into the province of what were two virtual colonies themselves. Independence would replace the decadent metropolises of the past with the great hegemonic power of the future.

One of the anachronistic aspects of Iberian colonialism was its exclusivity of trade, a monopoly for the benefit of the metropole. A relic of mercantilism, this regime was clearly incompatible with industrial capitalism, which demanded that all markets be opened to the growing production of goods and capital flows. The issue of free trade was therefore central to the entire process of independence. The modernization of the region’s mode of insertion as part of a global economy also extended to investments, loans and technology, which over the following decades would have transformative effects in the opening of railroads and ports, the

development of urban services, primary production, and the construction of mines, silos, slaughterhouses, and, later, meat-packing plants, tanneries and sugar mills.

It is true that there was no profound rupture with the fundamental economic and social structures of the colony, which were geared toward the production of primary goods from mining, agriculture, and livestock for foreign markets. Making it impossible for dynamic internal markets to emerge, the pre-wage system and the largely slave or semi-slave workforce were, like the monopoly, an anachronism in the industrializing world economy. It was, however, easier to liquidate the commercial monopoly than it was to create the conditions for sustainable domestic demand through free and salaried labor. This sharp contrast with the transformations then underway in Europe and North America gave rise to the problem of “ideas out of place,” or the impossibility of adapting the imported norms of political and economic liberalism to the archaic conditions of countries that had only just shed their colonial status.

The modernization of Latin America’s international insertion was not restricted to the economic sphere—far from it. In fact, the process of independence was all-encompassing: ideas, fashions, philosophies, political systems, religious criticism, higher education. Ecclesiastical inquisitions and official Iberian censorship would no longer serve as the filter through which all things must pass. Along with the prince regent and his Court, wise men, naturalists, painters, designers, musicians, writers, and curious travelers all arrived in Brazil. An almost-continent that had hitherto been closed to the curiosity of the outside world was suddenly opened to the eyes of Martius and Saint-Hilaire, Debret, Taunay, Rugendas, Grandjean de Montigny, Maria Graham, John Mawe, Eschwege, Prince Maximilian of Wied-Neuwied, Henry Koster, and many others. It was a golden age for the scientific study of Brazil, of the iconographic documentation of human types, landscapes, and customs, of diaries and travel books that revealed exotic lands and habits to the nascent reading public in Europe.

The period also coincided with the first experiments in directed immigration and colonization with the arrival of Swiss and German workers, trailblazers for the millions of immigrants who would follow in Latin America and the Caribbean—not only Europeans, but also Chinese, Indian, and Javanese laborers. It is therefore no exaggeration to say that

the first 30 years of the 19th century marked the starting point of the first wave of globalization in Brazil and Latin America.

Trade and the Consummation of the Independence of Brazil

While the abolition of exclusive trade was beneficial to competitive English exporters, it led to a violent rejection from the former beneficiaries of monopolistic privileges. These interests played an influential role in the systematic policy of recolonization that would be adopted by the regime that followed the liberal and constitutionalist August 1820 revolution in Portugal. The economic losses of the metropole had, after all, reached astronomical proportions. According to data from Portuguese historians Viana Pedreira and Magalhães Godinho, for more than two and a half centuries,

the Portuguese state obtained most of its income from customs tariffs and commercial monopolies, which were generally established on overseas products. It is estimated that, in Pombal's time, trade with Brazil provided almost 40% of public revenue in one way or another.¹

While more than 90% of Portuguese manufactures found a captive market in Brazil, Brazilian products were responsible, through re-exports, for approximately two-thirds of Portuguese exports. Between 1796 and 1804, in the period just before the disturbances caused by the blockades, Portugal's trade balance was constantly in surplus both with Brazil and abroad. At the same time and until 1807, the year the Court was transferred, re-exports, mostly from Lisbon (90%), accounted for almost 65% of sales abroad, with "products from the Kingdom" accounting for only 29%.

Valentim Alexandre, who collected and analyzed these figures, concludes:

Portugal was losing an important source of capital accumulation, with repercussions also on public finances, which had long depended on customs duties. In addition, Portuguese industrial activity—of an artisanal or manufacturing nature—was also affected, suffering from British competition in Brazil, its only foreign market.²

Alexandre has shown that this effect did not occur immediately. There was a partial recovery of the role of the Lisbon trading post between 1814 and 1818, due to the destruction of the European long-haul fleets, which

made direct access to Brazilian ports difficult for non-Portuguese and non-English traders. From 1819 onwards, however, the reorganization of the transatlantic circuits led to a drastic drop in Portuguese exports of colonial goods, which collapsed by 90% a few years later.

This decline coincided with a constitutionalist revolution in Porto (1820), and generated pressure on the monarchy in Lisbon to re-establish the fundamentals of the *ancien régime* monopoly. Yet another of the frequent Iberian contradictions and inconsistencies: a liberal movement which, in politics, wanted to overcome the absolutism of the previous regime opted, in economics, for a path of outright regression. It opposed Adam Smith's principles of economic liberalism, the same ones defended by Cairu, a conservative, almost reactionary political figure.

After the separation of the two kingdoms, the Lisbon Courts¹ approved—too late to generate concrete results—what became known as the “conformation,” a measure that indicated what would have happened if recolonization had not been thwarted by independence. The legislation regulated Brazilian trade in an extremely restrictive way, imposing a 55% duty on foreign goods directly imported into Brazil and a 12% tax on direct Brazilian exports to third parties. In practice, the measure would have closed the ports once again. It was “the last economic resolution adopted by the former metropole.”³

The Diplomatic Problems of Independence

Just as the internal process of independence in Brazil differed from that of its Latin American counterparts, the international challenges raised by its break with Portugal were defined more by their differences from the rest of the region than their similarities. The mainly peaceful and evolutionary nature of Brazilian independence should in theory have eased its acceptance abroad. It would also have been natural to expect less difficulty on the part of outside powers in recognizing its independence, especially in the midst of a period of legitimist reaction in Europe, given that it was the only American nation to maintain a monarchical form of government, and to have at its head not only a prince by blood but the heir to the throne of the metropole.

¹ That is the name given in Lisbon to the parliament established by the liberal-constitutionalist Porto Revolution.

These factors were indeed present and exerted some favorable influence on the minds of those who judged events in Brazil from the perspective of the international community. However, they were not enough to overcome the difficulties arising from the uniqueness of Brazilian independence—most notably because it involved a rupture and war with an ally of Great Britain, from whom Portugal could theoretically claim protection. Such was not the case for Spain in relation to Hispanic America.

A century before the League of Nations came into existence, marking the first attempt to organize the international system in an institutional way, the acceptance of newly independent actors on the world stage ultimately depended on recognition of the new participant's legitimacy by the great powers. In descending order of influence, these powers at the time of Brazil's independence were England, France, Austria, and Russia. Moreover, for transatlantic countries dependent on maritime trade, the decisive factor was the position of the naval and mercantile power par excellence, Great Britain. As the guardian of the liberal economic order that was then beginning to take shape, Britain made its approval conditional on two central issues: the signing of free trade agreements and the abolition of the slave trade.

Of these two issues, the first had been resolved for Brazil since the opening of the ports and the Treaty of 1810; all that remained was to agree on an extension of terms. The second would prove to be infinitely more difficult, both at the time of acknowledgement and when it came to the actual fulfillment of the promise to end the slave trade.

Furthermore, in the Brazilian case there was the additional difficulty mentioned above, which was absent in the case of the Hispanic republics: complications arising from the Anglo-Lusitanian alliance. This particularity would end up delaying Brazil's international recognition compared to some other Latin American countries, and would impose a unique path to its acceptance on the world stage: a tripartite process in which negotiation did not take place directly between the metropole and its former colony, but instead had to go through the mediation of England.

The Stages of Recognition

Brazil's effort to obtain international recognition took place over two distinct phases. The first, from August 1822 to July 1823, was inconclusive

and fell within the 18 months in which José Bonifácio de Andrada e Silva served as the powerful minister of War and Foreign Affairs and, more than that, the virtual prime minister and head of government. The second phase stretched from the fall from power of this so-called Patriarch of Independence to the signing of a recognition treaty with Portugal (August 29, 1825), followed in quick succession by the recognition of similar accords with Great Britain and other powers in 1826. Russia (1827) and Spain (1834) were latecomers.

The preparatory phase for recognition began with the Manifesto to Friendly Governments and Nations of August 6, 1822, a month before the official declaration of independence on September 7. In it, Prince D. Pedro announced the “general will of Brazil, which proclaims its political independence to the world.” He denounced the Cortes’ (a liberal assembly summoned by the king) intention to “astutely” re-establish the colonial system, going against the will of what he called the “largest and richest portion of the Portuguese nation,” i.e. Brazil. The Manifesto can be seen as a kind of foundational document for Brazilian diplomacy. To this document, which was still tentative about the definitive nature of the break with the metropole, we can apply the words of Alceu Amoroso Lima in an essay from 1924:

It gradually became clear [...] that Brazil had been formed backwards, had begun at the end. It had a Crown before it had a people. It had parliamentarianism before it had elections. It had higher schools before it had popular education [...] It had an external concept before it had an internal conscience.⁴

This ambiguity is inseparable from the moment of transition and uncertainty that affected the country. The validity of the concept of the two-fronted Crown continued to underpin Brazil’s actions, described not as insubordination, but as legitimate defense of its status as a United Kingdom, freely granted by D. João. One of the first to lose his illusions was José Bonifácio, who began to work in favor of definitive and irreversible separation.

Despite the irritation it caused in the minds of the metropolitan Portuguese, the concept of a United Kingdom never meant, in practice, that the specific interests of Brazil would predominate in decisions or that people born in the colony would be elevated to central positions in

government. Bonifácio knew this by his own experience; in an 1820 letter to Minister Vila Nova Portugal he boasted of the services he could render as Captain-General to his native captaincy “if [...] I were a nobleman of the cloth or a European [...].”

A unique case among the founders of Latin American independence, he was neither a military man nor a lawyer, but a man of science. He conceived the first coherent project for modernizing the country, which unfortunately was soon abandoned by the imperial elite. He was largely responsible for imposing the formula with which Brazil became independent: a constitutional monarchy, moderate liberalism, and centrist, at equal distance from absolutism and Jacobinism, a centralizing unit established with the support of the Rio de Janeiro–São Paulo–Minas Gerais triangle.

Founding the Brazilian Diplomatic Institution

Bonifácio was responsible not only for organizing the Army and Navy, but also for separating foreign affairs from war affairs, thus creating the embryo of the future Ministry of Foreign Affairs. The decision to establish the Secretariat of State for Foreign Affairs preceded the Cry of Ipiranga—or “*Grito do Ipiranga*,” as the episode of the proclamation of independence is known—by several months. In the time of those modest birth pangs of a nation, the diplomatic institution at the Court consisted of only four officers, including the chief officer and two assistant porters, a tiny seed of the portentous tree that has become Itamaraty today.

Oliveira Lima recalls that José Bonifácio had already found in the old office “a ground staff, trained and skilled in years of intense activity” and that among them were chosen *chargés d’affaires* and ministers such as José Silvestre Rebello, Luiz Moutinho, and others. Oliveira Lima comments that, unlike the rest of America, Brazil had enjoyed a preparatory phase (the period of United Kingdom with Portugal), during which

Brazilians were practically educated for government [training] in the company of master diplomats like Palmela, disciples like Gameiro Pessoa, who in 1815 we see carrying dispatches [...] between Paris and Vienna, and in 1823 we reached in London in the process of negotiating the first Brazilian loan with the House of Rothschild.

In the same lecture on “our diplomats,” the historian and diplomat from Pernambuco said that “the Empire’s first agents abroad were people like Barbacena and Pedra Branca, our noblemen from Bahia, a land of jolly traditions.”⁵ This is not entirely the case, or rather; it is not solely the case. There were noblemen from Brazil and abroad, but alongside them were people like Antônio Gonçalves da Cruz—the Pernambuco revolutionary of 1817 also known as Cabugá—who was appointed Brazilian consul in the United States for his recognized “patriotism.” Also present was the Rio Grande do Sul native Antônio Manuel Corrêa da Câmara, appointed as representative in Buenos Aires of the short-lived Kingdom of Brazil.⁶

José Bonifácio did not have time to complete the process of international recognition, but he left enough evidence in his handling of the negotiations for us to imagine how it would probably have been different had he remained in charge. When sending Corrêa da Câmara to Buenos Aires (May 1822), Bonifácio recommended that he convince the local leaders of the “incalculable utilities” that could result “from making an offensive and defensive Confederation or Treaty with Brazil, to oppose, with the other governments of Spanish America, the cerebral maneuvers of European Politics [...]”⁷

In his book on the foreign policy of José Bonifácio, João Alfredo dos Anjos rightly points out that the document anticipated U.S. President James Monroe’s speech by a year and a half and outlined the possibility of joint action in South America.⁸

The willfulness and self-confidence that distinguished Bonifácio’s strong personality made him one of the few to approach negotiations with the British without insecurity or a sense of inferiority. In his instructions to the first *chargé d’affaires* in London, Felisberto Caldeira Brant Pontes, future Marquis of Barbacena, he stated that Brazil did not fear the European powers and did not need Europe, as it already had “everything we need, importing only luxury goods from foreign nations.” English trade “would certainly suffer if it doubted to recognize the Independence of Brazil,” since the government would close the ports to anyone who refused to admit “the same right that all peoples have to constitute themselves into independent states.”⁹

Along the same lines of exploiting the reciprocity of interests, he recalled that the validity of the commercial stipulations of 1810 depended only

on the free will of the Brazilian government, which continued to observe “a Treaty that any other government would find reasons to consider as expired, after the dissolution of the social and political pact that made Brazil an integral part of the Portuguese monarchy.”¹⁰

Finally, in April 1823, Bonifácio took note of British delaying maneuvers and ordered Brant to leave London. He trusted that recognition would only be a matter of time, as indeed it could have been if his firm stand had lasted long enough. Canning himself admitted more than once that he would not wait indefinitely to secure commercial advantages in Brazil.

Convinced that time was on his side, Bonifácio was not willing to pay an exorbitant price that would jeopardize the dignity and security of the nascent Brazilian Empire. This could have been the case had he accepted the British suggestion of exchanging recognition for the immediate abolition of the slave trade, as there were no political or economic conditions for such a radical decision.

Shortly after his departure from the ministry and the Emperor’s coup against the Constituent Assembly, the Bonifácio was imprisoned. His long exile would hand over leadership of the negotiating process to a group aligned with D. Pedro I’s dynastic and personal interests. It is impossible to say to what extent the great Patriarch of Independence would have been able to maintain his negotiating position, nor is it possible to guess to what extent he would have been forced to compromise in the face of the realities of power—the internal one, emanating from the imperial will, and the external one, derived from the game of great powers. What remains, however, is the inspiring example of the inauguration of independent Brazilian diplomacy along lines of firmness and fidelity to the interests of the state, which did not always coincide with those of the rulers and factions.

The Resolution of the Process

The ratification of the Treaty of Recognition by D. João VI in November 1825 can be considered, as the British ambassador in Lisbon put it, as the “final seal on the total emancipation of America.”¹¹ After one of the most complicated diplomatic negotiations of the time, what should have been the first chapter of that story turned out to be the last.

In his masterly introduction to *Britain and the Independence of Latin America 1812–1830*, C. K. Webster summarizes the general sense of events in half a dozen sentences better than the most detailed accounts dedicated to the subject:

[After José Bonifácio's resignation], weaker ministers succeeded and Pedro took the negotiation largely into his own hands. With characteristic cunning, charlatanism and courage he dealt with the advice of Britain, the jealousy of his royal father, the intrigues of France and the complicated parties of his own Empire. His object was to preserve the position of the House of Braganza in both hemispheres and his own ascendancy in the royal decisions. His recognition by Portugal, therefore, was essential to him, and this he could only obtain through British influence. He had therefore to accept British interference [...].¹²

Everything is contained in these few lines, and what is not explicit is easily understood. From that point on, what predominated was no longer the prospect of an independent Brazil, as it had been in Bonifácio's time. Brazilian policy would be driven by the personal dynastic interests of its monarch. These perspectives would have been one (that is, they would not have been in conflict) in the mind of a prince described as liberal by conviction but absolutist by temperament. Hence the need to remove Bonifácio and his brothers,¹¹ apart from internal reasons for their expulsion. Only the Emperor's personal power could impose a highly unpopular solution. His break with the spirit of independence supported by a majority of public opinion and a large section of the country's political power base became inevitable, and would eventually contribute to his abdication.

The United States' recognition of Brazil's independence in 1824 had no major practical consequences, as it had when Washington took the same initiative regarding some former Spanish colonies two years earlier. Later, during the Baron of Rio Branco's tenure at Itamaraty, the episode gained value as part of a mythology created to convey the idea that cultivating closer relations with the North Americans had been the central line of Brazilian diplomacy from the outset. In reality, lacking naval

¹¹ José Bonifácio and his brothers Martim Francisco and Antônio Carlos de Andrada e Silva; all of them played prominent roles in Brazilian politics at the time.

and military power, the United States still had very limited influence on an international system dominated by the concert of European powers.

The pragmatism of the North Americans, more sensitive to commercial opportunities than to principles, contrasted with that of the United Kingdom. Not that the British were less pragmatic in economic terms. The difference is that, at that time, the main responsibility for building the international liberal economic order fell to England, the hegemonic power on the seas and in trade. It was therefore its responsibility to impose freedom of exchange and a ban on the slave trade, pillars of the new order that also happened to fully correspond with British interests. Almost a century later, the United States took over this role, demanding compliance from other powers, as it does to this day.

Except for the partial success of U.S. recognition, the rest of the year was spent in fruitless attempts in London by the Brazilian envoy, with Webster commenting that Canning himself was alarmed by the weakness (i.e. mediocrity) of the ministers who succeeded José Bonifácio. The English minister had the support of Austria, whose emperor, Francis I, was not uninterested in the fate of his son-in-law Pedro. Chancellor Metternich thought it possible, in the Brazilian case, to reconcile legitimacy with recognition, since Pedro would only be guilty of an “anticipation of the inheritance” (the reactionary Tsar Alexander, on the other hand, thought that the first emperor was nothing more than a “rebel and a parricide”).

English recognition of the United Provinces of the Río de la Plata and Gran Colombia (that of Mexico was postponed due to temporary disagreements) came in 1824. In these cases, Britain had no reason to respect Spain’s susceptibilities and postpone the decision, nor did the Latin Americans need recognition from Madrid, as Pedro I did in relation to Lisbon. In theory, however, Britain was obliged to honor its treaty commitment to protect Portugal, a treaty obligation which Canning interpreted in one of two ways, depending on his convenience. At times he made it clear that, in a state of war and without the recognition of the mother country, Brazil would have the British fleet against it; at other times he urged Portugal to recognize Brazil as a foreign country as a condition for being able to protect the Lusitanian kingdom against the Brazilians.

The sanctity of the alliance faltered, however, as revision of the 1810 treaty neared. Scheduled for mid-1825, it raised fears among the British

that Brazil would imitate the Lisbon Courts in raising the duty on English wool to 30%. The impasse was broken by the mission of Sir Charles Stuart, who acted as Portugal's plenipotentiary in the conclusive mediation before taking over the representation of British interests.

Negotiation of the Portuguese treaty of recognition would focus on three main difficulties. The first concerned the rights of succession to the Portuguese throne, which in the end were not included in the agreement, thus leaving D. Pedro's future position open. Secondly, there was the question of Brazil's acceptance of part of the debt contracted by Portugal in London, precisely to combat Brazilian secession. The last and most difficult problem involved D. João's "senile vanity," in Oliveira Lima's words, in assuming the title of Emperor of Brazil and then willingly passing it on to his son.

All these issues provoked criticism and distrust, which contributed to the gradual erosion of the Emperor's position. The absence of an express renunciation of the Lisbon throne fueled fears of a future reunification of the two former halves of the United Kingdom of 1815. In fact, it did not take long for the death of D. João (1826) to precipitate the succession, as will be seen.

Brazil's assumption of £2 million in Portuguese debt (in reality, the amount disbursed was less, due to settling accounts) as part of the exchange for recognition was included in a convention intended to be made public only when the Assembly of the Empire had reopened. Once it came to light, disapproval was vehement and long-lasting. Oliveira Lima reserved one of his harshest judgments for the arrangement:

The purchase of independence for two million sterling, after it was a *fait accompli* and irrevocable, was a stigma from which the monarchy, justly or unjustly, could never rid itself in Brazil and the memory of which hung over the throne until its last days.

He continues:

This indignation appears tiny compared to that which erupted when the news broke about the Royal Charter, in which the king of Portugal preceded his title [...] with the popular and exclusively national title of emperor.¹³

Oliveira Lima writes that the publication endangered both the sovereign and his cabinet. He notes that Canning, while congratulating himself on

having reconciled Brazil with Portugal, added in a prophetic tone: “The future that the Emperor is preparing for himself is another story.”¹⁴

The Price of Recognition

British concern for D. Pedro’s fate was not strong enough to spare him the additional discredit that came with London’s imposition of a reward for its role as mediator: the full transfer to the newly independent country of all the privileges and concessions accumulated by the British during the colonial and United Kingdom periods since the arrival in Brazil of the Portuguese Court, plus the very heavy burden of the abolition of the slave trade.

In 1810, in the most critical phase of the fight against Napoleon, it was somewhat understandable that the overwhelming power differential in favor of Great Britain and Portugal’s absolute dependence had forced D. João to make exaggerated concessions. Since then, however, the situation had changed substantially for the better. In 1825, Brazil was not threatened by foreign attack, had already expelled Portuguese troops from its territory, and was not a subordinate ally of Great Britain. Nor did the reasons for commercial complementarity, established with the Methuen Treaty in the exchange of wine for wool (the classic example used by David Ricardo to illustrate his theory of comparative advantages), apply to the majority of Brazilian exports.

Since Brazil did not require the protection of the British fleet or enjoy any special advantages in the British market, Webster points out, why would it renew and extend previous concessions if not for the personal and dynastic interests of its emperor? Recognition would come in any case as a natural result of the normalization taking place between Europe and the Spanish Americans and as a byproduct of Britain’s interest in the continuity of trade relations with Brazil. The price paid for recognition was, so to speak, the negative side of the advantages derived from having been a prince, legitimate heir to the throne, and the author of the proclamation of independence.

Canning had even admitted to the Portuguese diplomatic representative, Palmela, that English merchants considered the treaty with Brazil “an object of much greater importance, far superior, without comparison, to the treaties with Portugal.” In February 1825, Brant reported that England

had warned Portugal that it would not wait until the middle of the year to negotiate directly with Brazil, which would result in *de facto* recognition. Only in such a case would Portugal and its dynastic interests be left out of the equation. It was for this specific type of recognition, in the interests of the monarch, and not for any other possible form of recognition that would satisfy national interests, that an excessive price was paid.

The recognition agreement between Portugal and Brazil was soon presented by Stuart himself. The ambassador, according to Webster, suffered from a perpetual “itch” to exceed his instructions, which recommended that he only prolong the *status quo* for two years. Undeterred, the recognition negotiator insisted on getting two permanent treaties signed and ratified, one on trade and the other on the slave trade. Brazil’s Foreign Minister Carvalho e Melo complained of unequal treatment compared to the Spanish republics, but admitted that the government could not refuse the price, given England’s role in mediating the agreement.

Even from the point of view of the prevalence of dynastic interests, this justification was untrue. Stuart, just as Strangford had 17 years earlier, obtained much more than his instructions requested, indisputable proof of the incompetence and lack of backbone of the Brazilian negotiators.

Canning rejected both treaties for reasons that had to do, above all, with provisions that would forfeit Britain’s rights to wartime visit and search and to a judge conservator.^{III} Robert Charles Gordon, Stuart’s successor and the brother of Lord Aberdeen, who would make his mark as a most determined enemy of the slave trade, had little trouble correcting these defects. The commercial treaty he signed would be valid for 15 years, like the previous one, and expire two years after notification of any revocation.

England preserved all of its rights except for preferential trade treatment, which was replaced by a most favored nation clause. The former had in any case been rendered unnecessary by the consolidation of the island nation’s commercial supremacy. With the Decree of September 1828, the 15% tariff that had been guaranteed to England was extended to all countries. In this way, the demand of the others was met and an exclusive dependence on the British was avoided. On the other hand, opportunities to increase revenue, which was largely dependent on import taxes, further limited. This would be the root cause of Brazil’s chronic fiscal difficulties over the

III See note in Part II, “The Opening of the Ports.”

first half of the century; by 1836, the country was forced to impose an 8% tax on exports.

The advantages granted to Great Britain were no small matter. In 1825, British exports to Brazil were equivalent to half of its sales to the United States and almost equal to its exports to the British West Indies. Brazil was the recipient of half of all the British goods imported by South America and Mexico as a whole. On the other hand, except for raw cotton, the British market imported very little from the Brazilian Empire.

Despite this imbalance in commercial gain and concrete interests, England also managed to maintain the special jurisdiction of the judge conservator, an odious privilege and scandalous exception in all of independent America. In light of such asymmetry, Manchester's judgment seems irrefutable: the transfer to independent Brazil of the special privileges that England had enjoyed for centuries in Portugal was complete, and a thread of continuity clearly tied the transitional years of 1810–1827 to the Anglo-Portuguese antecedents of the 17th and 18th centuries.¹⁵

It seems an ironic paradox that British supremacy in Brazil would reach its peak between 1825 and 1827, the years in which Brazilian independence was definitively consolidated for all practical purposes. How can we explain Manchester's observation that Britain began to exercise "a virtual protectorate over the empire" at this time? Once again, the answer lies in D. Pedro I's twofold desire: to secure the position of the House of Bragança in Europe and Brazil, and to ensure that this happened according to his own wishes (see Webster's quote above). To do so, he needed to rebuild his relationship with Portugal through recognition, an objective that could only be achieved "due to English influence."¹⁶

On this point, the recognition processes of Brazil and of the former Spanish colonies diverge radically. The new Hispanic American leaders dismissed the recognition of their mother country, from which they could expect nothing until the death of King Ferdinand VII in 1833 put an end to his chimerical project of reconquest. Unlike the Emperor of Brazil, none of these leaders had a strong and legitimate interest in the internal politics of the metropole. Recognition from Spain dragged on for years, even decades: Mexico signed its treaty in 1836 during the regency of the widowed Queen Maria Cristina. Argentina had to wait until 1863, and Colombia until 1880!

Pedro I, whose political project depended on re-establishing ties with Portugal, paid every price for his ambitions: he assumed Portuguese debts, accepted that his father would grant him the title of emperor, renewed English privileges and took steps to liquidate the slave trade. In the end, he would pay the ultimate price: renouncing the throne of Brazil. In return, he left little Pedro de Alcântara the throne he had renounced and, partly thanks to British help, guaranteed that his daughter Dona Maria II would rule Portugal after him. It cannot be said that he failed in his personal and dynastic project. It is quite another thing to wonder whether the price Brazil paid in its fulfillment was a fair one.

The Political Problems of Independence

D. Pedro I paid Portugal and Great Britain in full for a form of state recognition that preserved the essence of his dynastic aspirations. He did so in direct violation of the interests and feelings of the major political factions of his Empire and the dominant social sectors that supported them.

Politically, the inescapable consequence of his course of action was a growing drift towards authoritarian, isolated and arbitrary positions. Other factors may also have played a part in this trend, but it is undeniable that only an autocratic regime would have imposed upon the government the political conditions that forced it to yield as it did, particularly regarding the abolition of the slave trade. Eventually, intrigue over the Portuguese throne and a fiasco in the Banda Oriental would deepen an erosion of the foundation of recognition, and create a political climate conducive to Pedro I's abdication.

The Slave Trade Question

"England's price for its recognition of the independence of the empire was a serious contributing factor to the downfall of the founder of the Brazilian nation."¹⁷ Manchester's observation, inserted in the conclusion of the chapter in which he reports on the two sides' negotiation over abolition of the slave trade, suggests that of all the concessions granted to the English, this was the one that had the greatest impact on the weakening and fall of the Emperor.

All the rest—commercial privileges, extraterritorial jurisdiction, etc.—had been going on for 15 years and were nothing more than the extension

to Brazil of British prerogatives in the Kingdom of Portugal. These issues humiliated, annoyed and caused damage, but did not threaten the social and economic foundations of the state or jeopardize the vital interests of the ruling class. For decades, the government and private individuals alike would be united in challenging and obstructing treaties in an effort to preserve the slave trade for as long as they could.

For Brazil, conditions for the international trade of goods had remained more or less unchanged, and even improved somewhat, with recognition of its independence. The same cannot be said of the trafficking of human slaves, an issue on which London was able to extract much more than had been possible to that point: a commitment, at least on paper, to put an end to the nefarious practice within three years. As Webster points out, this was a complication specific to Brazil, since the new Hispanic states had already abolished it at independence.

The struggle to abolish the trade in Africans symbolizes perhaps the first irruption of modernity in international relations. For the first time, a moral issue—what today we would call human rights—rivalled political and economic interests in determining diplomacy between countries. It is significant that the driving force for this was not the ideals of the French Revolution, but the action of Great Britain, which by then was already transformed by the capitalism of the Industrial Revolution.

At the outset of the abolitionist movement, higher Enlightenment belief in human progress and religious inspiration from figures like abolitionist William Wilberforce were intertwined with more prosaic considerations, such as traders' export interests and the fear among landowners in semi-ruined sugarcane plantations of the Antilles over competition from the slave-labor economies of Brazil and Cuba.

One might believe that selfish economic motives and the deep incompatibility of industrial capitalism with slave labor might have outweighed the moral and humanitarian concerns. True or not, these various impulses, far from being contradictory, converged in the formation of an influential political pressure group to which English rulers dependent on Parliament and public opinion were forced to respond. Statesmen like Lord Castlereagh and Canning could understand that religious or moral motivations did not work in the Luso-Brazilian world, and that it would be

better to move forward gradually and progressively, but internal pressure did not leave them much room for maneuver.

Ironically, the biggest obstacle facing British efforts to abolish the slave trade was always their old ally and recalcitrant subordinate, Portugal, whose overall responsibility as an agent in the history of the slave trade (almost 46% of the total transported) far exceeds that of any other country.¹⁸

The massive Portuguese and Brazilian presence in the Atlantic slave trade has since been obscured in popular perceptions by the large Black population in the modern United States, which misleads people into believing that it was the main destination for slave traders. As James A. Rawley has pointed out, the conflation of these two phenomena hides the fact that North America received only 7% of the total number of enslaved Africans (less than 500,000), a percentage more or less similar to that of Hispanic South America.¹⁹

It is estimated that, over the entire duration of the slave trade, 12,521,337 Africans were transported to the three Americas. Of this enormous number, considering the limited size of the ships of the time, around 10.7 million survived the crossing. According to those responsible for the project on the quantitative history of the slave trade, from which these figures are derived, this constituted the “largest forced migration in modern history”.^{IV} Moreover, while the slave trade in the South Atlantic was dominated by the Portuguese for more than three centuries, it was conducted from Brazilian ports. The destination for slaves par excellence was Brazil, which far exceeded all other markets. Most of the 5,848,266 human beings brought violently from Africa by the Luso-Brazilian trade and who survived the inhumane travel conditions were incorporated into the Brazilian labor force.²⁰ Reflecting the “organic” nature of slavery in Brazil, as Evaldo Cabral de Mello classified it, the importance of the trade seemed inseparable from the fate of an institution that needed to be constantly replenished with Africans, due to the low rate of reproduction in captivity and high mortality rates.

IV James Rawley's figures should be updated in the light of the ongoing quantification project under the direction of David Eltis of Emory University, which is based on the analysis of documents and records of slave ships and landing papers. The first results have almost doubled the estimate of the volume of trafficking to Brazil, recognized as the longest and largest. The database is constantly being updated as document analysis progresses and can be consulted at <http://www.slavevoyages.org/voyage/>. The data reproduced here was collected on March 26, 2024.

As the primary means of supplying labor, the slave trade played a role that seemed to Portuguese and Brazilian leaders as absolutely inseparable from the existence of the economy and organized society as a whole. British demands for its immediate suppression therefore called into question the very survival of the ruling class, making it a matter of life and death. José Bonifácio, a very rare spirit of exception, was able to imagine a country without slaves and set a personal example by building his own residence “with free and hired hands, with no need for slavery, which I detest, and wanting to give these people an example of what they should do to avoid the great misfortunes that threaten future [generations] in Brazil.”²¹

Bonifácio was, however, an intellectual who had lived 35 years away from his land and had no direct ties of dependence with the slave economy. Not without reason, Joaquim Nabuco wondered in *O abolicionismo* [Abolitionism] whether opposition to slavery had been the decisive reason for the premature end of the founder of Brazilian independence’s political career. Much more representative of the sentiment of those who would govern the country in the following years was Bernardo Pereira de Vasconcelos, founder of the Conservative Party, who exclaimed in 1843 during a debate in the Senate: “It is true: Africa has civilized America!” The surprising apology for Africa’s civilizing role should not be misunderstood: its context was the defense of slavery, the basis of what was then called material civilization.

This background can help us understand why the fight over the slave trade would grow so fierce and last for almost half a century. It soon became the young country’s thorniest international problem, due to the seriousness of the clashes with England it precipitated and the destabilizing internal repercussions it entailed.

Article III of the Treaty of Peace and Alliance (the title of the recognition agreement) stated: “His Imperial Majesty promises not to accept the proposal of any Portuguese colonies to join the Empire of Brazil.” The refusal to accept the adhesion of other colonies to Brazilian independence was actually aimed at Angola, whose mercantile interests at the time were much more closely linked to Brazil than to Portugal. A clear indication of this was the choice by Brazil of two of the three Angolese deputies, as they called themselves at the time, who were sent to the Court in Lisbon. One of them, Judge Eusébio de Queiroz, was the father of a Brazilian politician

of the same name, born in Luanda and destined to become the minister of the Empire who would definitively abolish the slave trade in 1850.

Brazil's agreement with the British over the slave trade stipulated that the practice would be completely and definitively banned three years after ratification in London (March 13, 1827). After two years, the imperial government tried to get an extension, which England adamantly refused. The government therefore had no choice but to consider trafficking slaves from any part of Africa to Brazil illegal from the stipulated date (March 13, 1830).

One of the most unpopular and detested acts of the monarchy, the treaty governing the slave trade aroused a stormy reaction of revolt and indignation in the General Assembly. The turmoil lasted for days but was ultimately exhausted in sterile and unproductive debate; the Constitution of 1824 reserved for the emperor the exclusive right to conclude treaties.

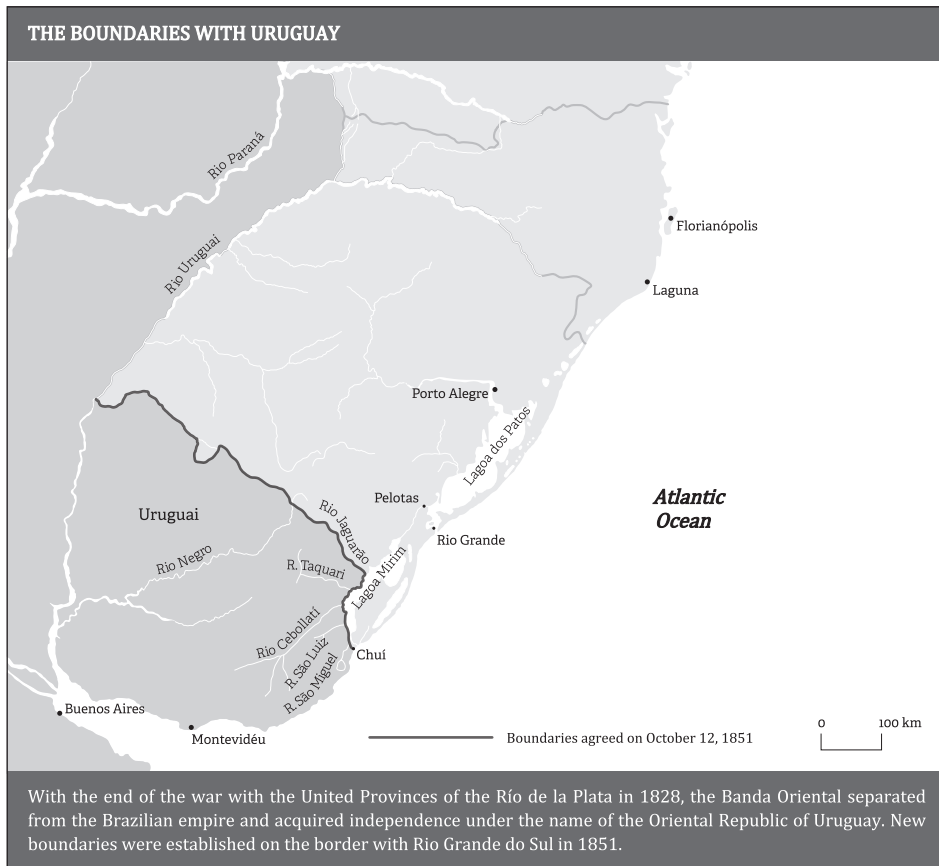
Despite the extremely high cost, the treaty failed to produce the desired effects. Gordon, its negotiator, appeared clairvoyant in predicting that the intensity of the slave trade would increase tenfold in the following three years, and that official connivance would later guarantee its continuation in the form of smuggling. Indeed, at least half a million individuals, possibly more, would be illegally introduced into Brazil after 1830. It is also likely that from 1800 to 1830 no less than 750,000 enslaved Africans arrived on Brazilian shores. Therefore, during the first 50 years of the 19th century, more than a million enslaved people entered the country, at least half illegally, compared to the three million over the preceding 300 years.²²

The Cisplatine War

From the arrival of the royal family in Brazil to the abdication of the Emperor 23 years later, almost all of the country's international revolved around the asymmetrical axis of foreign relations. In other words, they were issues in which the power differential ensured or favored the predominance of Great Britain's interests. This inequality of power, strengthened by the strategic framework of the time, made it possible for British domination in Brazil to reach its peak in Brazil in these years, though it began to decline after 1827 as a result of the increasingly intractable conflict over the slave trade.

In this period of incipient formation among newly emancipated nations, there were few countries developed enough for Brazil to enjoy symmetrical military and economic relations with its neighbors. The only exception was in the River Plate region, a traditional zone of contact and confrontation between the extreme points of expansion reached by the Portuguese and Spanish empires in the south of America.

On the eve of Brazil's independence, the export of slaves in exchange for beef jerky and hides had begun to boost trade with the Platine region. Nineteen of the 30 slave ships that entered the port of Buenos Aires between 1797 and 1798 came from Brazil.²³ A quarter-century later, in the year of its independence, Brazil had become the second largest exporter of goods to the Platine market, below England but above the United States.²⁴



Summary Table of Relations between Argentina, Brazil, Uruguay, and Paraguay between 1808 and 1831

	ARGENTINA	BRAZIL	URUGUAY	PARAGUAY
1808	<ul style="list-style-type: none"> Once the two British invasion attempts were defeated (1806/1807), power in Buenos Aires was left in the hands of the <i>cabildo</i> and the new viceroy Santiago Liniers. 	<ul style="list-style-type: none"> Arrival of Prince Regent D. João and the Court. Opening of the ports. Portugal offers “protection” to Viceroy Santiago Liniers and the Buenos Aires <i>cabildo</i>, who reject it. 	—	—
1810–1812	<ul style="list-style-type: none"> Beginning of the independence process (May Revolution): deposition of the viceroy by the <i>Cabildo Abierto</i> and establishment of a junta. Declaration of independence of Upper Peru (Bolivia) and Paraguay from Buenos Aires. Creation of the United Provinces of the Río de la Plata. 	<ul style="list-style-type: none"> Signing of the “unequal agreements” with England. 	<ul style="list-style-type: none"> Beginning of the independence movement. Fight between supporters of Buenos Aires and forces loyal to Spain. Creation of the United Provinces of the Río de la Plata. Siege of the Spanish governor Elío in Montevideo. After a request for intervention, Portuguese troops enter Uruguay and occupy Maldonado to end the siege of Montevideo. Armistice signed under pressure from England (Strangford) and withdrawal of the Portuguese. Fighting resumes between insurgents and Spanish troops. 	<ul style="list-style-type: none"> Defeat of Manuel Belgrano’s expedition to subdue Paraguay (from late 1810 to March 1811).
1814	<ul style="list-style-type: none"> Creation of the League of Free Peoples or Federal League, led by Artigas, grouping together the Banda Oriental, Entre Ríos, Corrientes, Santa Fe, and Córdoba. 	—	<ul style="list-style-type: none"> Creation of the League of Free Peoples or Federal League led by Artigas. Capitulation of the Spanish in Montevideo. Control of the capital and the whole of the eastern territory by Artigas. 	—

1816-1820	<ul style="list-style-type: none"> • Omission of the unitary government of Buenos Aires, an opponent of Artigas, in the face of the invasion of the Banda Oriental by Portuguese troops. • Proclamation of the independence of the United Provinces of the Río de la Plata at the Tucumã Congress (July 9, 1816). • Battle of Cepeda: the beginning of a period of provincial autonomy and civil wars. (In practice, the provinces became autonomous and until 1853, except between 1825 and 1827, Argentina no longer had a central government). 	<ul style="list-style-type: none"> • Invasion of Uruguay by Portuguese troops commanded by Carlos Lecor under the pretext of fighting the anarchy and “barbaric democracy” of Artigas and defending the interests of Spain. 	<ul style="list-style-type: none"> • Occupation of Montevideo by Luso-Brazilian forces throughout the period, until 1820. • Final defeat of Artigas. 	---
1821	---	<ul style="list-style-type: none"> • D. João VI returns to Portugal. 	<ul style="list-style-type: none"> • Incorporation of the Banda Oriental under the name of Cisplatina Province into the United Kingdom of Portugal, Brazil, and the Algarves. 	---
1822	---	<ul style="list-style-type: none"> • Independence. • José Bonifácio proposes a “defensive and offensive alliance” with Buenos Aires against the colonizing powers. 	<ul style="list-style-type: none"> • Incorporation of the Cisplatine Province into the Brazilian Empire with the approval of the Montevideo cabildo. 	---
1825	<ul style="list-style-type: none"> • The expedition of the Thirty-Three Orientals led by Lavalleja leaves Buenos Aires. • The revolutionaries proclaim the accession of the Banda Oriental to the United Provinces, whose Congress accepts the accession. 	<ul style="list-style-type: none"> • Declaration of war on the United Provinces of the Río de la Plata. 	<ul style="list-style-type: none"> • Landing of the Thirty-Three Orientals under the command of Lavalleja (April). • Victory of Sarandi over the Brazilian troops (October). • Accession to the United Provinces of the Río de la Plata. 	---
	• Start of the Cisplatine War, known in Argentina as the “Brazil War.”			---
1826	<ul style="list-style-type: none"> • Congress appoints Rivadavia constitutional president. 	---	---	---

1827	• Replacement of Rivadavia by Manuel Dorrego in the Province of Buenos Aires.	---	---	---
1828	• End of the Cisplatine War: Preliminary Peace Convention (August 27), by which England, Brazil, and Argentina guarantee Uruguayan independence in perpetuity.			---
1831	---	• Abdication of D. Pedro I and beginning of the Triune Regency.	---	---

Commercial exchange and the establishment of closer political relations could have blossomed into a more constructive relationship between Brazil and the River Plate region. But there was one insurmountable obstacle: the incorporation of the Banda Oriental into the Empire under the name of Cisplatina Province. An apparent calm in the first four years after the annexation in 1822 was due to temporary paralysis in Buenos Aires, rather than acceptance, as a *fait accompli*, of the annexation of the territory. The region was still seen as an integral part of the former Viceroyalty of the Río de la Plata.

It was at this time that Bernardino Rivadavia laid the foundations of the future Argentine state, negotiated recognition with England and created the conditions for trade-based economic prosperity. A community of 1,300 Englishmen was soon drawn to Buenos Aires, almost all of them import-export traders. Economic growth provided the necessary resources to create a naval fighting force and hire officers and sailors, preparing the country for a renewal of the conflict. This would be unleashed in 1825 with an expedition to invade Uruguay led by Juan Antonio Lavalleja, a former lieutenant of José Gervasio Artigas.

Brazil's war with the United Provinces of the Río de la Plata, which began with the landing of Lavalleja's Thirty-Three Orientals,^v repeated elements of Portugal's unsuccessful attempts to create a stable base in Colônia do Sacramento. Once again, the Brazilians were at a logistical disadvantage, with their main centers of settlement and supply much farther away from the Banda Oriental than those of Buenos Aires. The war went badly for the Empire, which was defeated in what the

^v An expedition organized in Buenos Aires that began the struggle for the emancipation of Uruguay.

Brazilians dubbed the Battle of Passo do Rosário and the Argentines called the Battle of Ituzaingó.

Much more important in economic terms, however, were the naval operations of the war. Both navies included strong contingents of English officers and sailors (1,200 on the Brazilian side alone), as well as the nationality of the commanders on each side. Although it was never totally effective, Brazil blockaded the port of Buenos Aires, causing serious losses of trade for both the *Porteños* and the British; this was the main reason that Canning became determined to end the conflict. Between alternating moments of fleeting superiority and diplomatic hardening on one side and the other, the two sides quickly reached an impasse due to their mutual economic and military exhaustion.

After Rivadavia was replaced by Manuel Dorrego, and thanks to British mediation in which the diplomatic efforts of Gordon and John Ponsonby stood out, the war ended in August 1828 with the signing of the Preliminary Peace Convention, with which the Banda Oriental separated from the Empire and became the Oriental Republic of Uruguay. The United Provinces and Brazil recognized the independence of the territory and pledged to guarantee its integrity.

The stalemate between the two adversaries, an issue that theoretically belonged to the axis of symmetrical relations, was instead resolved through interference from an asymmetrical power. England remained the hegemon in the region and the world. Its primary mediator was Viscount Ponsonby, a representative of British interests first in Buenos Aires and then in Rio de Janeiro. “We put a piece of cotton between two crystals,” he said of the outcome. Ponsonby would have a curious fate, soon after his South American adventure playing a central role in the 1831 creation of another buffer state: the Kingdom of Belgium.²⁵

The obstinacy of the Emperor and his government in this episode was bound up with a disaster that Luiz Francisco da Veiga, historian of the First Reign, condemned in these words:

The revolt of the Cisplatina province against the overbearing yoke of Brazil, represented in the person of the first emperor, was not only just, but even an imperative necessity [...]. It was a holy war, just like the Brazilian war of 1822. The province of Cisplatina was treated by the Empire like Portugal or the Portuguese Courts wanted

to treat Brazil in 1821 and 1822. The same causes produced the same effects; but in the matter of the Empire with Cisplatina, the antagonism was greater, because of the difference in race, language and tradition, the greater the oriental reason and, therefore, the greater the Brazilian, or rather imperial, unreason.²⁶

Little remains to be said about Brazil's poor relations with the Andean and Pacific countries during the time of Simón Bolívar, whose initial distrust of the Empire as a potential ally of the Spaniards in their efforts at reconquest, with the support of the Holy Alliance, gradually evolved into a more realistic stance. The reckless acceptance by authorities in Mato Grosso of efforts by the Bolivian region of Chiquitos, loyal to Spain, to join the Empire provoked an ultimatum from Antonio José de Sucre, the liberator of Bolivia. The misunderstanding was soon assuaged by the Court in Rio de Janeiro, which subsequently reversed the position of the Mato Grosso officials and withdrew the handful of Brazilian soldiers who had been sent to Chiquitos.

Shortly afterwards, the Cisplatine War inspired an attempt by Buenos Aires to form a general Spanish-American coalition against the Empire. On that occasion, Bolívar asked his lieutenant, Francisco de Paula Santander, to consult the British about a possible war “in the event that the Emperor of Brazil bothers us, because he is youthful, dazed, legitimate and Bourbon...” Santander advised caution, an attitude that prevailed as soon as Bolívar received a request from Canning to maintain “continued abstention from all intervention” in the dispute that was unfolding between Brazil and Argentina.^{VI}

As it had been in the Plata conflict, Britain's position was once again decisive, prompting Bolívar to recommend to Sucre that he act “with great prudence and gentleness, so as not to [...] displease our friend.” Santander had already written in the same vein to the impetuous Sucre, opining that “A war with Brazil provoked by us, without any precedent of irremediable serious faults on the part of the Emperor, is undoubtedly very harmful to the American cause.”²⁷

VI Bolívar, in fact, never took the proposal seriously. John Lynch, his biographer, tells us that “The Liberator” was “pestered” by two Argentine agents who wanted help from Colombian forces for a war against Brazil, but that the project did not coincide with Colombia's interests or those of Bolívar, who nevertheless listened to them with “diplomatic tact.” It should be noted that, at the time, Colombia or Gran Colombia was the name of the fleeting union between Colombia, Venezuela and Ecuador [John Lynch, *Simón Bolívar: A Life* (Yale University Press, 2006), 200].

Invited to take part in the Amphictyonic Congress of Panama (1826), conceived by Bolívar as a means to set up a Spanish-American confederation, the Empire appointed a representative who never arrived. Curiously, Canning had suggested that the Congress be called upon to render judgment on the Cisplatine dispute, as the Concert of Europe had done with its own boundary disputes. The idea that was also not followed up with any attempt to implement it.

Diplomatic Balance During the Independence Era

Brazil's resounding failure in the Cisplatine War had made it clear that the Empire was nothing more than a colossus of extreme fragility, with little capacity to mobilize resources at decisive moments. This reality, and the fear that a humiliating defeat would contribute to the disintegration of the continent's only monarchy, weighed heavily on Canning's efforts to interpose himself between the exhausted adversaries, and thrust upon them the third way of Uruguayan independence as a solution to the impasse.

In addition to the war fiasco, military spending had a ruinous effect on the Empire's vulnerable and indebted economy. In a chain of events that went from bad to worse, payment difficulties exploded into serious mercenary riots that bloodied Rio de Janeiro in 1828, further eroding the popularity of a monarch who had already displayed growing authoritarian tendencies, and who had surrounded himself with Portuguese apologists focused on overseas adventures.

The precipitation of the Portuguese succession by the death of D. João VI (1826) left the legitimate heir, Pedro, in a state of uncertainty and self-doubt. Without much will or conviction, he was forced to give up his old throne in Brazil in favor of his daughter, Dona Maria da Glória. The future Maria II was destined to marry his rival and Carlota Joaquina's favorite son, the absolutist "mano Miguel," as Pedro called him. Two years later, the coup of D. Miguel's acclamation and Maria's return to Brazil set in the Emperor's mind the fixed idea of re-establishing his usurped rights. In this endeavor, he used the financial resources owed to Portugal by the treaty of recognition to support Portuguese exiles and prepare for a rematch.

The July 1830 revolution against Charles X in France had repercussions in Brazil, where it was interpreted in light of a regime at home that was dominated by Portuguese interests, compared to the autocratic monarchy

that had just been overthrown in France. In Brazil, a crisis that had been brewing for years was entering its terminal phase and culminated in April 7 (1831)—Pedro's abdication in favor of his son, followed by his departure for Portugal to meet the challenge of restoring constitutionalism in the old kingdom.

An earlier chapter in the dramatic disintegration of the Old Regime in Europe—the invasion of Portugal in 1807—was the reason that the nine-year-old Crown prince had come to Brazil. The final chapter of that same drama—the failed attempt by Miguel to return to the absolutist past—took him back to the country near the end of his life. There is a poignant note in the fate of the man without whom independence would not have existed—at least as it came to be—but who had to sacrifice himself for its consolidation.

Regarding the reign of Pedro I, John Armitage stated that the Empire had progressed more in nine years than the colony had in 300. Considering such a judgment to be exaggerated, Sérgio Buarque de Holanda concluded: "Between 1822 and 1831, or rather from 1808 to 1831 [...] there was a fruitful transaction—not much more—between our colonial past and our national institutions."²⁸

In other words, it was during this period that the country's decolonization began and ended; it was during this period that the slow construction of the institutions and structures that would characterize independent Brazil began: the constitutional monarchy; central administration; the moderately liberal spirit of the regime, despite its authoritarian deviations; the relative stability of the political game, which would be established in the second half of the 19th century; and the basic continuity of the socioeconomic structure of producing primary goods for foreign markets, built on servile labor.

As for national unity, the most serious threats of disintegration would pose a real test during the turbulent days of the Regency. However, the fundamental bases and conditions for unity to be consolidated after 1848 essentially date to this period.

The spirit of *transaction* between colony and nation, identified by Sérgio Buarque de Holanda as the defining mark of the years between the arrival of the Court and the definitive departure of the first emperor, coincides with the *transition* phase of international relations from the

old to the new regime. A permanent tension between metropolitan and local interests provides the invisible thread of continuity in the structure underlying all the major episodes of this stage: the opening of the ports, excessive concessions to the British in 1810, and the renewal of these concessions after independence, with the added commitment to liquidate the slave trade.

Progressive emancipation was therefore a work in progress, or rather, a work of demolition and construction at the same time. Until their dramatic end, *status quo* interests and objectives clearly predominated, linked to the dynastic process of obtaining and preserving political power in a dual monarchy and the natural desire to prevent, if possible, the fragmentation of the Portuguese empire. The bitter taste left by many of the unequal negotiations at the time of independence brings to mind Antonio Gramsci's famous image of crisis: a period in which the old does not finish dying and the new struggles to be born. In this interregnum, all sorts of morbid symptoms rise to the surface.

For Brazilians reflecting on that distant time of 200 years ago, it is hard to avoid an impression of anachronism in the actions of leaders and negotiators, apparently forced to yield to the superior might of the hegemonic power. This feeling is not the familiar error of the historian who judges the past in light of present values. In my opinion, it is an objective anachronism, present in the situations themselves, especially in the confirmation after 1822 of concessions and arrangements that could only be explained by characteristics and circumstances that had already disappeared.

In fact, it was anachronistic to accept impositions in 1827 that could only be justified if Brazil continued to be, like Portugal, a virtual protectorate of England and a secondary and dependent actor in the European political system of alliances.

From that point on, the international actions of Brazil would be determined by the goals and interests that its leaders projected as those of the country itself, for better or for worse. For better, when they resisted British tutelage and privileges and refused to sign trade treaties with more dominant powers. For worse, in their obstinate resistance to put an end to the slave trade and in their share of responsibility, along with their neighbors, for the emergence in the River Plate region of an international

relationship that unfortunately replicated many of the rivalries and conflicts of the old European system.

Brazil's insertion into the world would continually evolve and, in parallel with these changes, diplomatic problems and responses would change, but always in line with the growing affirmation of an independence whose construction would remain a work in progress.

Notes

- 1 Jorge Miguel Viana Pedreira, *Estrutura industrial e mercado colonial: Portugal e Brasil, 1780–1830* (Difel, 1994), 270, citing data from Vitorino de Magalhães Godinho, *Ensaio II: sobre história de Portugal*, 2nd ed. (Sá da Costa, 1978), 71, quoted in Paulo Roberto de Almeida, "A formação econômica brasileira a caminho da autonomia política: uma análise estrutural e conjuntural do período pré-Independência," in *A abertura dos portos*, eds. Luis Valente de Oliveira and Rubens Ricupero (SENAC, 2007), 256–286.
- 2 Valentim Alexandre, "A carta régia de 1808 e os tratados de 1810," in Oliveira and Ricupero, *A abertura dos portos*, 120–121.
- 3 José Gabriel de Lemos Brito, *Pontos de partida para a história econômica do Brasil*, 3rd ed. (Nacional; INL–MEC, 1980), 405, quoted in Almeida, *Formação econômica brasileira*, 101.
- 4 A. A. Lima, "Política e letras," in: *À margem da história da República*, ed. Vicente Licínio Cardoso (Câmara dos Deputados; Editora UnB, 1981), t. 2, 244–245.
- 5 Manuel de Oliveira Lima, *Obra seleta* (INL, 1971), 287.
- 6 João Alfredo dos Anjos, *José Bonifácio, primeiro chanceler do Brasil* (FUNAG, 2008), 89–90.
- 7 Instructions dated May 30, 1822 from José Bonifácio de Andrada e Silva, Minister of Foreign Affairs, to Antônio Manuel Correa da Câmara, commercial and political agent in Rio de la Plata, *Cadernos do CHDD* 7, no. 12 (2008): 13–15, https://funag.gov.br/biblioteca-nova/produto/1-273-cadernos_do_chdd_ano_7_numero_12_2008.
- 8 Anjos, *José Bonifácio*, 107, 109.
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- 27 Luís Cláudio Villafañe Gomes Santos, *O império e as repúblicas do Pacífico. As relações do Brasil com Chile, Bolívia, Peru, Equador e Colômbia (1822–1889)* (UFPR, 2002), 30.
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Part IV

Crisis of the Regency and Consolidation of Monarchical Power (1831–1850)

In contrast to Portugal, Brazil did not need alliance with the British, which it demonstrated as soon as it freed itself from the rule of Pedro I and inaugurated its true independence. As Manchester points out:

[...] whereas in the eighteenth century, England pushed these advantages until Portugal became virtually an economic and political vassal, nineteenth century Brazil resisted similar efforts so strenuously that by 1845 the special favors granted England were revoked, the commercial and slave trade treaties were declared annulled, and the Rio Court was frankly in revolt against the pressure exerted by the London Foreign Office.¹

Left unsaid is that Brazil's reaction was caused by a change in reality. With independence, the national strategic situation was no longer that of a country that depended on British naval protection. The former colony ceased to be an appendage of the European system and became part of the international system of the Americas, which was then in its infancy. If the logical consequence of this shift was not felt immediately after independence, the reason is pointed out by Octávio Tarquínio de Sousa: the "mistake of the final phase of independence, that is, the emancipation made in the shadow of the throne of a prince born in Portugal and surrounded by Portuguese advisers."²

Coming from a thoughtful historian who is averse to radical interpretations, this observation is surprising, even shocking. For was that not the advantage of Brazilian independence? Had it not been the prince who had spared the country the rupture of legitimacy in Spanish America, which had brought fierce warfare and disastrous fragmentation along with it? Was this not the utilitarian and pragmatic reason why José Bonifácio and the Brazilian leaders joined the monarchy?

The circumstances of this final phase of Brazil's independence perhaps deserve another description, rather than "a mistake": paradox, or rather, dilemma. It was a situation with two ways out, neither of them satisfactory. Establishing independence with the prince's leadership minimized the crisis of legitimacy and made it easier to preserve the unity of Brazil, as was remarked at the time. Attractive as it was, however, the solution came at a price: accepting everything else that D. Pedro would bring with him in terms of dynastic implications and an inclination toward personal power. The alternative, more dangerous, would have been a radical break with Portugal, including its monarchical heritage; a pure and hard revolution. This option would also have included a possibly more expensive cost: the probable exacerbation of the armed struggle and its after-effects, which would have been conducive to a dismantling of the national territory.

What was not possible was the best of both worlds; to choose only the good from each approach and reject its less convenient elements, to desire the benefits of monarchical legitimacy without the burdens of the dynastic interests that came with it. Acclaimed emperor and with the reality of power in his hands, D. Pedro would not give up on "preserving the position of the House of Bragança in both hemispheres," as he strove to do until the end, even at the time of his abdication. This dilemma could only disappear with his abdication, the beginning of Brazil's definitive independence.

General Features

Lasting less than 20 years—not long enough to be called a generation—the crisis of the Regency and consolidation of monarchical power was delimited internationally by two cycles of revolution that began in France. The first, in July 1830, overthrew the absolutist regime of Charles X, inaugurating the liberal-bourgeois monarchy of Louis Philippe. The second, in February 1848, ended the latter's reign and, after a brief and tumultuous republican interlude, led to the imperial government of Napoleon III. Spread across several countries, the revolutionary waves that originated in Paris produced fading echoes even in distant Brazil. In one case, they gave impetus to unrest that led to the abdication of D. Pedro I in April 1831. In the other, they contributed to creating the right climate for the

outbreak, in Pernambuco, of the Praieira Revolt (November 1848–1850), which ended a cycle of Regency rebellions.

The relatively minor influence of these international events on Brazilian life was limited to the most informed sectors, which still saw France as a constant point of reference and source of political and intellectual inspiration. Apart from that, however, the basic causes of both the abdication and the revolts that followed must be sought essentially in internal problems, sometimes of a regional or local nature. This is a marked contrast with the previous stage, that of the end of colonial rule and the proclamation of independence, when the driving forces behind changes in Brazil and Latin America originated in external factors.

Brazil's domestic political evolution at this time can be divided into two stages. The first, during the nine years of the Regency—triune at first, then unified (1831–1840)—lasted until D. Pedro II was declared of age in 1840 (*Maioridade*).¹ This period included a kind of “Latin Americanization” of Brazilian political life, with the permanent instability, violent struggles and constant danger of secession that marked the first years of independence for many its neighbors now repeated in Brazil, delayed by a decade and a half.

The presence of the child emperor was not enough to compensate for the weakening of the legitimacy of dynastic power that resulted from D. Pedro I's departure. In Joaquim Nabuco's interpretation, it was as if Brazil had rehearsed its first republican experience in the election of temporary heads of government and even, negatively, in the politicization of its troops and weakening of military discipline.

Insubordinate troops and street riots, or “*rusgas*,” as they were referred to in the parlance of the time, multiplied. The inability to resolve conflicts through institutional and legal channels meant that the country experienced the most varied forms of sociopolitical violence in raw flesh. From the local incidents chronicled by police to the slave revolts in Bahia, from the bloodthirsty insurrections involving Black people, Indigenous people, Tapuios, and poor people in Pará, Pernambuco, and Maranhão, to the revolts of leading sectors with more or less separatist intentions

1 D. Pedro II was declared of age on July 23, 1840, which brought the Regency period to an end. The young emperor, born on December 2, 1825, was only 14 years old. Under the Empire's Constitution of 1824, he would have had to wait until he was 21 before assuming power. The decision to bring forward his accession to the throne paved the way for the start of the Second Reign.

in the South and in Bahia, the inexperienced and tentative Brazilian state underwent a trial by fire that threatened its survival in an instant. Despite the incipient level of awareness and ability to formulate feasible and realistic programs, some of these insurrections denounced deep social and racial dissatisfaction.

Between 1831 and 1835, there were 20 uprisings in Brazilian cities. In the capital alone, from 1831 to 1832 there were six riots of “troops and people,” as José Murilo de Carvalho lists in the summary he wrote for *História do Brasil nação 1808–2010*.³

After D. Pedro II was declared of age, there followed a 10-year phase of progressive affirmation of the monarch’s authority and political maturity, as well as the organization and predominance of sectors linked to the “conservative regression” (1840–1850). Interspersed with the aftermath of the last revolts and ineffective attempts at liberal government, progress proceeded gradually. The centralization of power and the repression of rebellions by the Army, its restored discipline, and the newly created National Guard finally succeeded in re-establishing the conditions for consolidating public institutions.

Increased External Vulnerability

A sense of weakening in the face of external interference prevailed for much of this period, especially at the beginning. The feeling was expressively reflected in a document in which Marshal Soares de Andréa, president of the province of Grão-Pará that had been devastated by the Cabanos insurrection (1835–1840), protested against the French attempt to take advantage of internal difficulties to usurp Brazilian lands in Amapá:

To attack a sovereign during his minority, when two of the Empire’s frontier provinces seem to have to drag him into a general dissolution, is less to make war than to protect rebellion.⁴

Soares was referring to the Cabanagem, which in Grão-Pará left perhaps 30,000 dead out of a total population of one 150,000, and the Farroupilha Rebellion, which would convulse Rio Grande do Sul for a full decade (1835–1845).

Such upheaval helped create in the consciousness of Brazilians born at the end of the transition era (such as Rio Branco in 1845 and Nabuco

in 1849) an instinctive dread of anarchy, chaos and instability. Some permanently linked the pains inherent in the birth of a new state to federalism, the Republic, or decentralization. These years have become a grim legend of Brazilian history that persists in collective memory to this day, despite recent historiographical efforts to correct exaggerated interpretations.

Contrast between Foreign Policy and Domestic Instability

Brazilian foreign policy in this period has largely avoided the gloomy characterizations that derive from studies of domestic developments of the time. The fact that central executive power in Brazil undeniably weakened is not incompatible with the Regency period marking the beginning of a vigorous national reaction against the excessive concessions extracted by England in the unequal treaties signed with D. João VI and later confirmed and extended as the price of recognizing independence. This is one apparent paradox of the 1830s and 1840s, explained by the conflation of the existence of a strong executive with the executive's will or capacity to use that strength in the national interest.

D. Pedro I flexed his power domestically in the dissolution of the Assembly, the deportation of the Andrada brothers, and the suppression of the Confederation of the Equator in Pernambuco (1824), with repressive excesses that left lasting resentment. However, when dealing with much more powerful nations, especially Great Britain, the Emperor did not attempt to sway the blatant inequality of circumstances against him. The problem was not so much a lack of power, but a lack of interest in taking firm action that would jeopardize his personal and dynastic goals, which depended on the support and goodwill of the British.

This imperial power was of little use even in confrontations with countries whose capabilities roughly matched Brazil's own. Military defeats against Argentina and the Uruguayan rebels in the Cisplatine War suggest that the effects of centralized and almost absolute government have to be put into perspective. In reality, they rested on feet of clay.

The negative imbalance of Brazil's subsequent—and premature—experiments in decentralization is not enough to erase the positive contributions of the victorious opposition of 1831, particularly as regards the development of a national and democratic spirit. Nativist sentiment,

the affirmation of nationality still in search of a clear identity, had been the most widespread mark unifying rebellions in the country that were otherwise extremely different from each other. At times, the program of the insurgencies seemed to boil down to popular demand for a nationalization of retail trade and hostility to the Portuguese who dominated it.

At a more elaborate level of political awareness, this incipient nationalism was directed against other targets: the commercial concessions and privileges of judicial status afforded to the British, the acceptance of the British demand to ban the slave trade, the commitment to pay half of Portugal's public debt, the title of Emperor of Brazil imparted on the king of Portugal, and the ambivalent silence regarding his succession to the Lusitanian Crown. Once the guarantor of these decisions had been removed from the scene, the national reaction would challenge all that had been done without its consent. When the time was right, it would dismantle the system of obligations that came from a previous era or, in the case of the slave trade, try to resolve the issue unilaterally.

Over the course of little less than two decades, Brazil would free itself from English political tutelage and terminally sever its remaining ties with Portuguese politics. In this sense, perhaps more than any other, it can be argued that true independence began with the abdication.

The Participation of Parliament in Foreign Policy

The establishment in Brazil of a system of active parliamentary participation in the formulation, execution, and monitoring of foreign policy also dates from this period. The early years of independence drove calls for legislative involvement in foreign affairs. These intensified given Parliament's impotence in the face of treaties that most internal political groups disapproved of, such as the prohibition of the slave trade. The Constitution of the Empire reserved for the Emperor the prerogative to sign and execute international agreements, even if that meant ignoring vehement disapproval from Parliament and the political majority. This did, however, come at a cost to diplomatic legitimacy.

In opposition to this concentration of power in the hands of the sovereign and his inner circle, parliamentary resistance had succeeded, shortly before the abdication, in passing a law requiring the Foreign Office submit an annual report as the basis for discussing its budget (December 15,

1830). Some of these reports stand out for their exquisite exposition and analysis of the issues of the day. Crucial sources for studying the evolution of imperial diplomacy, they set the Brazilian diplomatic service apart from the rest of the continent and reveal its growing professionalization and institutionalization at the time.

Six months after Parliament passed its law on annual reporting, it enacted another measure (June 14, 1831) that established prior approval by the Parliament as a condition for the Regency to ratify international agreements. Although this task was later transferred to the Council of State, the change helped to establish an important additional degree of scrutiny and control over decisions that involved the country's affairs abroad. At the opening of the legislative session, foreign policy issues were already the subject of debate following the sovereign's "speech from the throne," and the importance of Parliament comments would soon become evident.⁵

The Agents of Foreign Policy

These decisions established a tradition of active parliamentary involvement in the process of drawing up and evaluating foreign policy. Legislative participation expressed itself not only in occasionally memorable debates on key issues, but also the increasing role of prominent parliamentarians and politicians in leading special missions overseeing the most important international negotiations.

Oliveira Lima recalled that, more than once, a senator was sought from his parliamentary chair

like the Marquis of Abrantes, to go to France and Germany to guarantee the sovereignty of Uruguay and Paraguay [...] and to include freedom of emigration in a trade treaty; like the Marquis of São Vicente, to go to Asunción to reinforce the recognition of the independence of Paraguay and to establish the principle of free river navigation [...]; like the Marquis of Paraná, to go to the River Plate to prepare the alliance later sealed at Monte Caseros [...]; like the Viscount of Uruguay, to go to Paris to try to finalize the question of boundaries with French Guiana [...]; like the Viscount of Rio Branco, on successive [...] missions to Paraná, Buenos Aires, Montevideo and Asunción [...]; like Saraiva [...], Otaviano [...] the Baron of Cotegipe [...] Lafaiete [...].⁶

Politicians who were often presidents of the Council became ministers of Foreign Affairs or carried out diplomatic missions. The practices initiated during this period reflected liberal currents of the age. Both moderates and the so-called “exalted” politicians aspired to greater participation and democracy in the decision-making process. After the *Maioridade* and the conservative regression, this trend continued, even then reflecting the centrality of Parliament in the political system of the Second Reign. This undercurrent provided the politicians and parliamentarians of the monarchy with a knowledge and familiarity with foreign policy issues that largely disappeared in the Republican era.

The institutions in charge of foreign affairs were established step by step. The staff of the Secretary of State’s office remained modest. From less than 10 employees at its beginning in 1822—which included couriers on horseback—the staff had grown to 22 in 1856. At least nominally. Of these, principal officer Joaquim Nascentes de Azambuja complained “only two-thirds” could be relied on because “some are ill, and many have fallen ill with fatigue; others are getting tired [...] everyone complains of a lack of means, and I think they are sincere, given the country’s lack of resources.”⁷

It is interesting to consider this complaint in light of what diplomat and memorialist Luís Gurgel do Amaral would write 50 years later:

with the recent increase in the number of posts [the Rio Branco reform of 1905], the Secretariat of State now has an appreciable staff of 26 [...] given the natural shortages [...] only about twenty people moved around and worked every day in that mansion, where, for hours, there was a dull silence in which you could even hear the creak of feathers biting the thick paper of minutes!⁸

Representation abroad was equally limited. By 1850, Brazil had 21 legations, 8 in the Americas and 13 in Europe, as well as 23 consulates general.

Alongside the Foreign Secretariat and Parliament, the Council of State completed the trinity of public institutions that dictated the formulation and execution of foreign policy during the monarchy, giving it an increasing degree of continuity and coherence despite frequent changes of cabinets and ministers.

Provisional Assessment

Ten years after Pedro II had been declared of age (1840), the period of innovation in terms of nationalistic inspiration and parliamentary participation brought about by the abdication and the regency in the field of international relations was continuing to take place at the same time as the search for a new balance of political forces. This process culminated in 1850, a landmark year that began the Second Reign⁹ and inaugurated an almost 50-year period of institutional and political stability.

Past historiographies tend to contrast the turbulence of the 1830s and 1840s with the placid normality of the second half of the century, separated by the clear watershed of 1850. In terms of foreign policy, however, what is striking is the continuity before and after this dividing line.

In fact, there had been an effective and clear rupture of Brazilian foreign policy between the transfer of the Court and independence (1808–1831) and the Regency and beginning of the *Maioridade*. The first of these phases, during the first 30 years of the 19th century, corresponded to the height of British predominance, as its previous influence in Portugal was simply replicated in Brazil. The major diplomatic problems of the time—the recognition of independence, unequal treaties, commercial and jurisdictional favors, the agreement to end the slave trade—were all part of the asymmetrical international power dynamic between the newly independent and inexperienced country and much stronger powers, among which Great Britain stood out.

The fundamental task of demolishing this political predominance was almost entirely accomplished during the turbulent phase of the Regency and the early years of the *Maioridade*. The outright refusal to extend the privileges of unequal treaties with England belongs to this period. Even on the slave trade issue, the epilogue of which covers the first half of the 1850s, the essential features of the policy followed by Brazil remained the same from one era to the next.

Later, an increase in power and stability did not change the general outlines of Brazilian diplomacy from 1831–1850. Rather, these dynamics gave the country greater means of action and effectiveness. In a way, trends that had already been present before 1850 would unfold naturally amid changing circumstances abroad and the unprecedented capacity of the Brazilian government to react to these external influences in a more

energetic and effective way. This will be seen below with regard to the slave trade.

The Final Battle Against the Slave Trade

Nothing better illustrates the dangers of Brazil's asymmetrical power relationship with the United Kingdom than the issue of the slave trade. The other aspects of the transfer to Brazil of the political and economic ties that had subordinated Portugal to England—commercial privileges, extraterritorial jurisdiction, interference in River Plate politics—allowed some room for accommodation until the time came when they could be overcome completely through the expiry of treaties or a change in circumstance. Not so in the case of the slave trade. Its cessation would hit the exposed nerve of what at the time seemed to be an underlying condition for economy's very survival: the renewal of the supply of labor.

In no other instance did Brazilian leaders demonstrate, through action or omission, such determination to frustrate the objectives established in a treaty as they did with the agreement to end the slave trade. The reverse is also true: while England eventually accepted the end of commercial privileges and jurisdiction, it never compromised on the issue of trafficking.

The fate of the slave trade had been sealed by the expansion of industrial capitalism, which was incompatible with slavery. More immediately, the beginning of the end came in March 1807, with a law banning trafficking in England, the country that had controlled more than half of this trade for much of the Napoleonic era. For the ban to take effect, England sought to ensure that the space opened up by this unilateral renunciation could not be occupied and exploited by third parties; the ban had to extend to others, become universal, without exceptions. Lord Grenville, who had brought the law to a vote, stated unabashedly that if the English had renounced the activity, it would not be admissible for any other country to continue practicing it without permission from England itself.¹⁰

Less than a month after the law was passed, Strangford received in Lisbon instructions from Foreign Secretary Canning to include in any treaty with Portugal a clause abolishing the trade or prohibiting Portuguese subjects from conducting the slave trade outside the Portuguese empire.¹¹ The instructions came just a few months before the beginning of the period

of Portugal's most acute dependence on the British: the invasion of the Kingdom and the transfer of the Court to Brazil.

Essentially, there was only one way to avoid the conflict that was to come in the following decades: Portugal, and later Brazil, would have to ban the trade as a sovereign decision. This is what Denmark had previously done (1804) and what the United States did (early 1808). After 42 endless years of violence and disagreements in its relationship with Great Britain, this is what Brazil finally resigned itself to doing (1850). What had been lacking earlier on were the objective and subjective conditions to allow for Brazil to believe it could take such a step. These would come about, in part, through conflict.

Brazilian resistance to ending the slave trade came from the very start from D. João himself, who considered it "indispensable to the prosperity of his colonies and particularly of this vast continent."¹² Almost all those who followed in power in Portugal and Brazil, with the notable (and short-lived) exception of José Bonifácio, thought the same, making a unilateral and (apparently) voluntary renunciation unimaginable.

Absent the unlikely event of a spontaneous decision to follow through, there were only two possible paths left. The first, the dream scenario for large sectors of the Brazilian ruling class, would be indefinite and victorious opposition to the ban, which was obviously unfeasible given the England's determination and the disparity in power. The second was the one eventually followed by the Portuguese and their Brazilian successors: stalling for time, giving in only step-by-step by agreeing to sign treaties and make commitments reluctantly and then dragging their feet when it came time to fulfill them. First the Portuguese and then the Brazilians moved forward as slowly as possible and only when no other remedy was available, multiplying embarrassments and without illusions—they knew that the match was lost and the slave trade was doomed.

As Calógeras recalled, it was "an old habit, almost a tradition, of Portuguese diplomacy, when it could not win, to pretend, to delay, in the hope of giving it time, which would bring changes that it could take advantage of."¹³ In other words, they employed the diplomacy of weakness or, in a more up-to-date expression, the diplomacy of those at the short end of an asymmetrical conflict. From the outset, this approach implied an attitude of ostensible collaboration, given that it translated into treaties

and agreements, contractual obligations assumed by two sovereign powers in theory of their own free will.

The fact that this was not the case can be seen in the discussion surrounding the 1826 treaty in Parliament. When sending it to the Chamber of Deputies, the minister for Foreign Affairs, the Marquis of Queluz, did not hide the circumstances in which the consent of the imperial government had been extorted. The British plenipotentiary, Robert Gordon, had made it clear that Brazil had no alternative but to ban the trade. As it was already banned north of the equator, and to the south could only be conducted in the African possessions of Lisbon, which was already committed to repealing it,

“the British government would either have Portugal close its African ports to the Brazilian slave trade, or it would obstruct with its squadrons the access of Brazilian ships bound for them.” Therefore, the Brazilian government’s “resistance [...] would be completely futile.” Under these conditions, “the government acted for the good of the nation, ceding for good what would be taken from it by force, even saving the losses it would have incurred otherwise.”¹⁴

Faced with this blatant admission of coercion, Gordon protested, claiming that the abolition of trafficking had not originated in threats from England or concessions to the British government, but had resulted from a decision taken in the name of humanity and for the honor of Brazil.

The fact is that, by virtue of a valid international treaty, trafficking was banned in Brazil from March 1830, more than a year before the abdication. From the very beginning, the Regency thus was given the thorny task of getting Parliament to approve on November 7, 1831, the law that declared trafficking illegal and stipulated that all Africans introduced after that date would be declared free. In the two decades that followed, neither of those happened: trafficking continued at an ever-increasing rate, contrary to the law and the treaty, and hundreds of thousands of Africans illegally forced into servitude entered the country.

Conflict with the United Kingdom ran in parallel to the vicissitudes of the slave trade, continually worsening. On occasion, there were more or less sincere and effective attempts by Brazilian rulers to comply with the stipulations of the treaty. Meanwhile, some British diplomats and politicians were a little more patient and understanding of the real difficulties facing

the government in Rio de Janeiro than were most of their compatriots. The general pattern, however, was one of a progressive evolution towards mutual incomprehension, with fear and resentment prevailing on the Brazilian side and contempt and insolence on the part of the British.

At the very beginning of the Regency phase (1833), a report drawn up by the British Consul General Ouseley to Foreign Secretary Palmerston on the fate of the emancipated, i.e. the Africans illegally transported and intercepted on crossing or on arrival, stated that, in practice, not a single one had escaped being reduced to the strictest enslavement. To sustain the slave trade after it had been legally prohibited, the Brazilians resorted to all sorts of duplicity: false death certificates, the replacement of newly arrived young Africans with aged and sickly slaves, dispatch to remote areas away from any inspection. The consul concluded: “every device that unprincipled and unscrupulous cupidity’ could ‘put in force assisted by the connivance or support of those whose duty it was to prevent such proceedings’ were ‘daily and hourly made use of in this country.’”¹⁵

Phases of the Process

Compare these words from 1833 with what Minister of Foreign Affairs Bento da Silva Lisboa, son of the first Baron and Viscount of Cairu, confided in 1847 to the British *chargé d'affaires* in Rio de Janeiro, James Hudson. Cairu confessed that he could not imagine any Brazilian government capable of applying the law of 1831 or any legislation to suppress the trafficking of slaves. After describing how the big traffickers circulated freely around the Court, had representation in the Chamber of Deputies, and even had a voice in the Council of State, he despaired pathetically:

What can I do? Where can I start? With my colleagues [in the cabinet], useless. With the Council [of State], they would not listen to me. In the Chamber, I would be called a traitor. I would be stoned in the streets. I cannot accept being the man in Brazil that everyone would turn their backs on with contempt and disgust. I will not be the one to bell the cat.¹⁶

This scene took place just three years before the energetic decision to suppress trafficking, which according to Cairu seemed an impossibility. What changed in this brief interval? On one hand, an escalation of British

repression and, on the other, the arrival in power of a government with the strength to do what needed to be done.

The laxity or complicity of government authorities, support from what could then be called public opinion, impunity for the perpetrators—everything conspired in favor of trafficking. Transcripts of a debate in the Chamber of Deputies reveal how the Brazilian government viewed its duty, or lack thereof, to ensure the freedom of emancipated slaves. In a moment of candor, the deputy and journalist Justiniano José da Rocha defended himself against the accusation of having received official favors to found a newspaper supporting the cabinet in 1836.

He recounted the following episode:

Africans were being distributed, and I was talking to the minister who was distributing them, and His Excellency said to me: “So, Mr. Rocha, don’t you want any Africans?” “I could do with an African,” I replied. “Then why don’t you ask for one?” “If Your Excellency wishes to do so, give me one for myself and one for each of my colleagues.” (Laughter.) The minister immediately called the cabinet officer and told him: “Put an African on the list for Mr. Rocha, one for Mr. So-and-so and one for Mr. So-and-so.”

Even the abolitionist Nabuco, who recounts the episode, describes it only as a “curious illustration of our political customs;”¹⁷ no one present displayed any sensitivity towards the inhumanity of the trade of people or the fate of the “distributed” Africans.

It is therefore not surprising that slave trafficking flourished spectacularly in the almost two decades that followed its prohibition by treaty in March 1830, a ban that was reinforced internally by Brazilian law (November 7, 1831). In some years, the number of disembarked Africans reached a staggering 60,000. The demand for labor generated by the coffee boom in the province of Rio de Janeiro and in the neighboring lands of São Paulo and Minas Gerais (which would become “the slave provinces of the Empire”) guaranteed an insatiable market.

The situation was bound to exacerbate relations with Great Britain. The diplomatic conflict, surely the most serious and dangerous faced by the imperial government in the first decades of its existence, unfolded over more than 20 years, divided by a milestone piece of legislation that

reflected its extraordinary deterioration: the Aberdeen Act of 1845. The first 15 years of the conflict, although full of friction, took place within the context of relative bilateral collaboration provided by the 1826 treaty. The final phase, by contrast, was characterized by an increasing British tendency towards unilateralism, which did not balk at the systematic violation of Brazilian territorial sovereignty.

British frustration with the increase in trafficking found expression in three main causes of disagreement with the Rio de Janeiro authorities: the effective enslavement of emancipated Africans; Brazilian complaints against the Sierra Leone Commission's decisions on captures of contested legality; and efforts to improve the effectiveness of suppression.

This final point best allows us to understand the nature of the difficulties facing Brazil and the direction that events ended up taking. The convention of 1817, mentioned in a previous chapter, granted the British navy its primary weapon of stopping the slave trade: the right to board and inspect suspicious ships. This agreement also allowed for ships and their crews to be detained and tried by mixed commissions, one in Rio de Janeiro and the other in Sierra Leone. This right was incorporated into the 1826 treaty, in language that made clear its origins in the 1817 convention. This gave rise to a conflict in legal interpretation between the two countries.

From the outset, the British sought to extend the obligations of its treaties by means of an additional clause that would exponentially increase the effectiveness of its means of control. In fact, the treaties in force only allowed a ship to be considered a slave ship when enslaved Africans were actually on board. That was not easy, as the traffickers did not hesitate to throw the human cargo overboard before ships were approached. The way to overcome the difficulty of proof would be to consider the crime as perpetrated if the vessels were equipped with handcuffs, chains, and special facilities for transporting and feeding slaves—in short, the necessary equipment for that nefarious activity. Hence the “equipment clause” in the provision.

This clause was considered essential for suppressing the trade, since intercepting a ship on the high seas proved to be almost impossible: often, slave ships or *tumbeiros*, manufactured in North American shipyards, surpassed their pursuers in speed. It was not uncommon for steamships

to engage in this cruel commerce in the final stages of the slave trade. The British Royal Navy, engaged in numerous military operations at any given time, was never able to provide the requisite number and quality of ships for its naval squadron on the west coast of Africa, much less in South America and the Brazilian coast. As a result, most interceptions of slave ships were only possible at the time of embarkation, often at night to evade surveillance, or at the time of disembarkation. This explains how the trade grew enormously after the ban despite England's determination to end it.

Gradually, under intense British pressure, almost all countries agreed to the equipment clause with England. The two holdouts were the United States (which was almost the only player in slave traffic to Cuba, which continued for more than a decade after it had ceased at Brazilian ports)^{II} and Brazil. The Rio de Janeiro authorities were willing, at times, to agree to the change, but negotiations also depended on other issues and were never finally resolved. This continued to poison the relationship between the two countries.

The situation worsened sharply between 1840 and 1842, when Brazilian politicians took advantage of the expiry of the treaties concluded shortly after independence to shake off once and for all the unequal obligations that had been imposed upon them. The government in London reacted negatively in every episode in which Brazil reaffirmed its autonomy, but most of the time begrudgingly resigned itself to accepting, at most, small term extensions, in cases of commercial privileges, and exemptions from jurisdiction for British subjects.

However, for those responsible for British foreign policy at the time (Lords Aberdeen and Palmerston), it seemed inconceivable to accept the same outcome for the right to inspect and capture slave ships precisely at a time when trafficking was growing at an unprecedented rate. The Brazilian government claimed that the British right had ceased to exist as of March 13, 1845, the expiry date of the 1817 Convention (which had been extended), and could only be renewed by negotiating a new agreement. This had so far proved unfeasible due to the distance between the two sides' negotiating positions. Palmerston, for his part, thought he

II The United States had banned the slave trade on its territory, but US citizens and ships continued the practice between the African coast and Cuba.

had found a legal loophole in the 1826 treaty: the equation of trafficking with piracy in Article 1 of the instrument.

Based on the argument that the article had granted England, in perpetuity, the right to combat piracy practiced by Brazilians, the English government passed the Aberdeen Act of 1845, through which England one-sidedly claimed the right to board and capture vessels engaged in trafficking. The act entrusted Admiralty courts in Saint Helena (half of the cases), the Cape of Good Hope, and Sierra Leone with their trial and fate. Suppression of the slave trade became entirely unilateral and, in Brazil's view of international law, illegal. The Aberdeen Act ultimately expressed the superiority of power of England and its determination to put an end to trafficking even without the support of the Brazilian government and, if necessary, against its will.

The Final Phase

The Aberdeen Act and the subsequent intensification of British operations on the coast and in Brazilian ports acted as catalysts for the decisive crisis that would eventually force the Brazilian government to act firmly to liquidate the slave trade. In the five years between 1845 and 1850, the British navy captured almost 400 slave ships. Despite this impressive success, the extraordinary profits involved in slave trafficking (from 100 to 200 *contos*,^{III} which amounted from approximately \$58,000 to \$116,000 at the time, for each successful operation) meant that the period also coincided with an explosion in the number of disembarked Africans in Brazil. More than 100,000 arrived in just two years—in an empire where the total population was between five and six million.

Convinced that the next step would be to take their efforts to the Brazilian coast, the British managed from 1849 onwards to transfer a number of ships from their squadron on the River Plate to Brazil. This was facilitated by the resolution of their problems with the Argentine leader Juan Manuel de Rosas. From then onward, the incidents of interception, boarding, capture, and destruction of vessels within Brazilian territorial

III One "conto de réis" (1:000\$000) stood for one million réis (Rs\$), the monetary unit of Brazil at that time. In 1850, the Brazilian currency exhibited an exchange rate with the US dollar where 1 milreis (or 1,000 réis) equaled approximately \$0.58, while 1 conto was valued at \$580.00. Thus, 100:000\$000 would have amounted to \$58,000 at the time. In current times, the figures would be even greater. (Duncan, Julian S., *Public and Private operation of Railways in Brazil* [New York, 1932], 183, quoted in Stein, Stanley J. *Vassouras, a Brazilian Coffee County, 1850–1900* [New York: Atheneum, 1976], 292, appendix. <https://archive.org/details/vassourasbrazili0000stei/page/292/mode/2up>).

waters and anchorages multiplied. One of the most alarming interactions took place in Paranaguá, at the time a port on the southern coast of the province of São Paulo, where a local fort exchanged cannon fire with a British warship, leaving one sailor dead, several wounded, and damage to the vessel.

In the escalation of recriminations that followed, England threatened to blockade the Brazilian ports and paralyze foreign trade. This could have led to an extremely unequal war with the leading economic, naval, and military power of the time. In the entire history of independent Brazil, this was the closest the country ever came to a direct conflict with the predominant power in the international system, with consequences that would probably have been disastrous for the regime and the country.

To borrow a phrase spoken much later and in a different context, “it would have been the wrong war, at the wrong time, against the wrong enemy.”^{IV} In fact, the deterioration of the situation in the south of the continent in 1849 heralded Brazil’s probable conflict with Rosas in Argentina, just as the he had reached an understanding with the British. A war on two fronts, one of them against the most powerful country in the world, would obviously pose a mortal threat to the Empire.

On the other hand, the worsening of the crisis itself created conditions for its resolution. The explosion in the number of disembarked slaves—60,000 in 1848 and 54,000 in 1849—had saturated the market and temporarily relieved the labor shortage. A more far-sighted section of public opinion was alarmed by the growing imbalance between the free and slave populations. Resentment was growing against the traffickers, most of whom were Portuguese and to whom many Brazilian farmers were indebted.

The economic prosperity favored by the stability achieved with D. Pedro’s coming of age provided resources to equip the Brazilian Navy and make it more effective in patrolling the coast. Politically, the Conservative cabinet of October 1849 represented possibly the strongest and most effective government the country had seen in many years. Two of its members would play central roles in the abolition of trafficking: Minister of Justice Eusébio de Queirós, in the internal sphere of approving and

IV The original quote, “The wrong war, in the wrong place, at the wrong time and against the wrong enemy,” was uttered by General Omar Nelson Bradley, chief of staff of the United States, in testimony on the Korean War before the United States Congress on May 23, 1951. Bradley was referring to the risk of a war against China.

applying the law, and Minister of Foreign Affairs Paulino José Soares de Sousa (future Viscount of Uruguay), in the diplomatic handling of the crisis and in building an internal political consensus for the solution.

Paradoxically, both men belonged to the dominant conservative wing of Brazilian politics, the so-called *saquaremas*, whose base of support was in the heart of the slave-holding province of Rio de Janeiro. When it came to a final solution, two additional circumstances helped neutralize the Conservatives' old resistance. On one hand, the young emperor had let the Parliament know that he wanted the law to be passed promptly. On the other, Bernardo Pereira de Vasconcelos, the staunchest opponent of abolition, had died of yellow fever two months earlier. Isolated in the Council of State, Honório Hermeto Carneiro Leão (future Marquis of Paraná), also one of the intransigent opponents of ending the slave trade, bent to the inevitable.

The understanding of this inevitability can be seen in a memorandum that Paulino wrote for the session of the Council of State, chaired by the Emperor, in which the decision was adopted. The document revolves around 13 questions that lead to a logical conclusion: since English power condemned the slave trade to imminent destruction, why would the imperial government not suppress it of its own accord?

Once the decision had been made, the law was passed in a few weeks (September 4, 1850). Eusébio took it upon himself to energetically enforce it throughout the territory. As a result, the slave trade was completely wiped out. After the clandestine importation of more than 50,000 Africans in both 1848 and 1849, the figure was reduced to 23,000 in the year the law was passed; it fell to 800 in 1852. In the following two years, the number of enslaved Africans imported to Brazil fell to zero, and ceased completely with the last landing of around 200 Africans in 1855.¹⁸

Nevertheless, the British remained reluctant to give up the Aberdeen Act, and it continued to disrupt relations between the two countries for almost 20 years, until it was repealed in 1869. The independent country's longest and most threatening international conflict had come to an end, leaving a complicated legacy of unresolved issues, grievances, resentment, and antagonism that would soon reappear in a new form.

Moral Judgment

The disagreements that stemmed from the abolition of the slave trade in Brazil included opposing views on who was to take credit for its suppression. Nabuco summarizes the controversy well: “The opposition, as well as the Foreign Office, will attribute the cabinet’s attitude to the pressure of the English cruise [patrol ships]; Eusébio, however, says that this pressure only made it more difficult to carry out the thinking that had previously been settled in the Council of Ministers.”¹⁹ His conclusion is thoughtful:

The truth is that without the interest taken by England in the question of trafficking, the slave traders would have had the strength to render any government vigilance useless, and that after a certain period the joint action of the English cruise in the Atlantic and the Brazilian authority on land contributed, in equal parts, one might say, to preventing the revival of slavery at sea.²⁰

The Pernambuco-born abolitionist is more emphatic in another passage:

It is to deceive ourselves by a fiction of patriotism to say that without this attitude of England at sea the traffic would have been stopped suddenly in 1850, as it was [...] it is ridiculous to think that without the terror of the English cruise we would have been able to annihilate the power of the traffic almost at a stroke.²¹

In such a vital issue for Brazilian society, it would have been ideal if the solution had come about solely due to national causes and agents. Unfortunately, this was not the case. The inability or impossibility of the authorities to find a timely solution, as the United States and Latin Americans in general had done, created space for British interference. As Nabuco wrote:

The British legation had taken on in Brazil the role of the *Anti-Slavery Society*; rebutting slavery was its sole function, the post of minister of the queen would perhaps fit better among us for a director of that society than for a career diplomat.²²

Never again in its more than 200 years of history has Brazil experienced a similar degree of interference and coercion on the part of a foreign power. Even at a distance of two centuries, it pains the Brazilian heart to recall the

humiliation and violence suffered by the country at that time. When all is said and done, however, it must be acknowledged that the destruction of the monstrous trade and the alleviation of the suffering of the poor victims of trafficking matter more than the insult to national sovereignty. Not all the reasons for its abolition were pure and disinterested, but the Brazilian position was and is morally indefensible.

No one understood this better than the poet Castro Alves. When he sees the “Gold-green flag of my land, / That the breeze of Brazil kisses and sways” on the mast of the slave ship, he does not hesitate: “Rather had you been torn in battle, / Than to serve as shroud to a people!...”^v In other words, he would rather see his country defeated in war than to lend its flag to “cover so much infamy and cowardice.”

Conclusion

Alan Manchester highlights a significant contrast in the Brazilian foreign policy response after 1831 to the two main elements of Britain’s position of predominance. Politically, the agents of the Empire set about systematically eliminating every element of control transferred from Portugal to Brazil between 1808 and 1827. This struggle began with the revocation of special privileges and culminated in the conflict over the slave trade. Its outcome would be, years later, the formal severing of diplomatic relations in an episode known as the Christie Affair (1863), discussed below.

In the case of economic dominance, however, there was never any intention of challenging or suppressing the British position. The Brazilian aim was to put England on equal footing with other nations, with competition determining which would prevail.²³ The most important thing was to free the country from the straitjacket of the 15% ceiling on import tariffs, set in the treaties with the United Kingdom and, after independence, extended to all countries by decree. At a time when import duties were the largest source of government revenue, the limitation condemned public finances to permanent penury.

The 1827 treaties expired in 1842, and two years having passed since the Brazilian notification of its intent not to extend them, the agreements

V “Auriverde pendão de minha terra, / Que a brisa do Brasil beija e balança, [...] Antes te houvessem roto na batalha, / Que servires a um povo de mortalha!...” [Castro Alves, “O navio negreiro (tragédia no mar),” 1880].—Trans.

ceased to exist in 1844. The same year saw the so-called Alves Branco Tariff, a reform by which duties on imports without national equivalents were raised to 30% and doubled in the case of products with equivalents in the country. The measure aimed above all at increasing revenue, but was also intended to offer some protection to national production. It lasted only a short time, until 1857, which is perhaps why its effects were very limited.

The experience of the tariff reform, despite its short duration, invites the question of whether the country's economic fate would have been very different had it not suffered the obstacles imposed by the trade treaties enacted between 1810 and 1844. A comparison with other Latin American countries that were not subject to comparable constraints does not suggest that tariff protection alone was a necessary and sufficient condition to promote industrialization and the modernization of the productive structure.

In Peru, for example, protectionist pressure succeeded in increasing tariffs in the 1830s, a time when Argentina also adopted an openly protectionist tariff code (1835). In Mexico, Lucas Alamán banned the import of cotton fabrics from England to protect the Mexican textile industry.²⁴ In none of these cases did the measures prove capable of triggering a structural transformation of the system of production, any more than they did in Brazil. In the first decades of the century of independence, the objective and subjective conditions for the industrialization of economies strongly integrated into the world economic system by the export model inherited from the Colony were lacking.

As Celso Furtado wrote:

It would be a mistake [...] to suppose that the privileges granted to England bear the main responsibility for the fact that Brazil did not become a modern nation in the first half of the 19th century, like the United States.²⁵

And further on:

Even leaving aside the consideration that an intelligent policy of industrialization would be impracticable in a country run by a class of large slave-owning agricultural lords, it is necessary to recognize that the first condition for the success of such a policy would have been a firm and broad expansion of the export sector. The main

cause of the great relative backwardness of the Brazilian economy in the first half of the 19th century was therefore the stagnation of its exports.²⁶

What prevailed for practically the whole of that first century was what Caio Prado Júnior defined as the “sense” of the Colony: an outward-looking productive system, based on plantations, with a workforce of African slaves or provided by the servitude of Indians, specializing in the production of minerals or tropical agricultural commodities destined for foreign markets. In terms of its essential economic elements, this economic-commercial system did not undergo profound changes with Latin American independence. Over time, the convergence of interests and the alliance between the mineral and agricultural export sectors and the import trade in manufactures from England or other industrialized nations was even strengthened.

If the end of the treaties and the recovery of the freedom to set tariffs did not boost industrialization, the increase in revenue at least helped to strengthen Brazilian room for maneuver and contributed to the era of prosperity that prevailed in the middle of the century. In addition to the improved fiscal situation, growth would have received some stimulus from capital, previously invested in trafficking, redirected to bank credit, trade and production. The expansion phase, interrupted by the banking crisis of 1857, marked the high point of the undertakings of Irineu Evangelista de Sousa, the future Baron and Viscount of Mauá.

Unhappy with the loss of its privileges, Great Britain tried to negotiate a new commercial treaty and maintain its special jurisdiction in Brazil. On arriving in Rio de Janeiro, a negotiator sent from London discovered to his surprise that his fellow countrymen, confident in the position of economic supremacy they had consolidated over decades, did not attach any importance to the treaty or the *conservatory*, i.e. the special jurisdiction for British subjects. They were satisfied with merely securing equal rights.

The facts proved them right. Ten years after the treaties expired (1854–1855), England continued to maintain practically the same trade superiority as before, supplying 55% of Brazilian imports, followed far behind by France (12%), the United States (8.3%), Portugal (6.9%) and Argentina (6.3%). The British trade surplus remained unchanged; only 20% of Brazilian exports were destined for British ports, less than their

primary market, by then the United States, with more than 26%. These figures do not accurately reflect reality, since they leave out the crucial role played by the British in Brazil's triangular trade with Sweden, Denmark, Hamburg, and Trieste.

The dominance of Great Britain in the financial and investment sector was also undeniable. The British held eight times more Brazilian domestic debt securities than all the other nationalities combined; all the Empire's foreign loans (four operations between 1824 and 1843 alone) had been taken out on the London market.²⁷ The irreversible end of political preeminence did not prevent England from preserving its supremacy in Brazilian shipping, trade, finance, and investment throughout the 19th century. In fact, this position only reflects the hegemonic position it occupied in the international economy of the period.

In conclusion: by 1850, Brazil had consolidated the power of D. Pedro II at home and fortified the public and parliamentary institutions that would ensure political stability for almost the entire second half of the century. On the international stage, despite the asymmetrical nature of its relationship with Great Britain and other European powers, Brazilian diplomacy managed to free itself from the limitations and constraints of unequal treaties, which it would not sign again until the end of the monarchical period. However, at the same time, a new era of border conflicts with Uruguay, Argentina, and Paraguay was already taking shape, and would dominate the next phase of foreign policy.

Notes

- 1 Alan K. Manchester, *British Preeminence in Brazil: Its Rise and Decline* (University of North Carolina Press, 1933), 221.
- 2 Octavio Tarquinio de Sousa, *História dos fundadores do Império do Brasil*—José Bonifácio, *Coleção Documentos Brasileiros* (José Olympio, 1957), 1:277.
- 3 José Murilo de Carvalho, *Coleção História do Brasil Nação, 1808–2010*, vol. 2, *A construção nacional, 1830–1889* (Objetiva, 2012), 87–88.
- 4 Quoted in João Pandiá Calógeras, *A política exterior do império: da Regência à queda de Rozas* (Companhia Editora Nacional, 1933), 3:260. Andréa's letter dates from October 18, 1836.

- 5 Amado Luiz Cervo and Clodoaldo Bueno, *História da política exterior do Brasil*, 2nd ed. (UnB; IBRI, 2002), 53.
- 6 Manuel de Oliveira Lima, *O reconhecimento do império* (H. Garnier, 1901), 288–289.
- 7 Flávio Mendes de Oliveira Castro, *Itamaraty: dois séculos de história* (FUNAG, 2009), 1:107.
- 8 Luís Gurgel do Amaral, *O meu velho Itamarati* (FUNAG, 2008), 86–87.
- 9 Carvalho, *A construção nacional*, 98.
- 10 João Pandiá Calógeras, *A política exterior do Império: as origens* (Câmara dos Deputados; FUNAG, 1989), 1:371–372.
- 11 Calógeras, *as origens*, 371.
- 12 Manuel de Oliveira Lima, *Dom João VI no Brasil* (Typographia do Jornal do Commercio, 1908), 1:416.
- 13 Calógeras, *as origens*, 372.
- 14 João Pandiá Calógeras, *A política exterior do Império: o Primeiro Reinado*, (FUNAG, 2021), 2:500–501, transcribes excerpts from the Queluz notice dated May 22, 1827.
- 15 Manchester, *British Preeminence*, 230–231.
- 16 Leslie Bethell, *The Abolition of the Brazilian Slave Trade: Britain, Brazil and the Slave Trade Question 1807–1869* (Cambridge University Press, 1970), 290.
- 17 Joaquim Nabuco, *Um estadista do Império* (Topbooks, 1998), 1:201.
- 18 Bethell, *The Abolition*, Appendix, 395–395.
- 19 Nabuco, *Um estadista*, 123.
- 20 Nabuco, *Um estadista*, 123.
- 21 Nabuco, *Um estadista*, 215.
- 22 Nabuco, *Um estadista*, 228.
- 23 Manchester, *British Preeminence*, 284.
- 24 Victor Bulmer-Thomas, *The Economic History of Latin America since Independence* 2nd ed. (Cambridge University Press, 2003), 33.
- 25 Celso Furtado, *Formação econômica do Brasil* (Fundo de Cultura, 1961), 112.
- 26 Furtado, *Formação econômica*, 126.
- 27 Furtado, *Formação econômica*, 316–317.

Part V

Heyday and Fall of the Empire (1850–1889)

While still shaking off the constraints of its treaties with Europe's great powers, imperial diplomacy turned its eyes to the threat that loomed on Brazil's southern borders. These two sets of problems belonged to different domains of international relations.

The first included interaction and sometimes confrontation with nations of incomparably greater power than the Empire's own. Dealing with the United Kingdom, the most powerful country in the world, implied a structural inferiority that was always difficult to overcome, as seen in the slave trade issue. In the second arena, the power differential between Brazil and some of its South American neighbors was not so great and, at the time, even favored the Empire, opening up possibilities for action that did not exist in its more asymmetrical relationships.

Interventions in the River Plate Region¹

Separated by the Atlantic from the so-called great game, 19th-century Europe's strategic balance of power contest, Brazil's more modest version was centered in the regional, or rather sub-regional, area of the River Plate basin. This was the only sector of the long Brazilian border line where there existed a human presence and exchanges, contacts, and transit from one side to the other. There, in contrast to the remote and inaccessible boundaries of the Amazon, populations lived side by side, intertwined by trade, migration, family ties, and, sometimes, conflict and political struggle. Indeed, with the exception of defensive wars against the French and Dutch in early colonial times and the invasion of French Guiana, practically all of Brazil's armed conflicts have taken place on lands that are now part of Argentina, Uruguay, and Paraguay.

¹ For further study, I highly recommend two works that update knowledge about the period, use recent authors from neighboring countries and evaluate the facts with balance and impartiality. They are *O Rio da Prata e a consolidação do Estado Imperial*, by Gabriela Nunes Ferreira, on the River Plate issue in general, and *Maldita guerra*, by Francisco Doratioto, perhaps the definitive book on the War of the Triple Alliance (bibliographical details at the end of this chapter).

In relation to these three neighbors and, prior to their independence, to Spain, a permanent tension interspersed with periods of war lasted almost 200 years, stretching from the foundation of Nova Colônia do Santíssimo Sacramento (1680) to the end of the War of the Triple Alliance against Paraguay (1870). After that date, though there were no more military clashes, there persisted acute episodes of hostility and divergence until the process of redemocratization in the mid-1980s created favorable conditions for overcoming inherited antagonisms. Of the total 190 years of fighting, tensions and rivalry, 142 years came during the colonial period.

These almost two centuries of history cover three distinct phases: 1) the dispute over Colônia do Sacramento, including the campaign to recover Missões on the upper Uruguay River (1680–1801); 2) D. João VI's period in Brazil, culminating in the occupation of the Banda Oriental and its incorporation into Portuguese territory in America (1808–1821); and 3) the post-colonial period, after Brazil's independence, with a territory that included the Cisplatina Province (1821–1828), followed by the separation and autonomy of this province under the name of Uruguay (1828), until the end of the War of the Triple Alliance (1864–1870) and the end of the war conflicts in the River Plate region (1822–1870).

Just three years after independence, Brazil faced its first international war precisely in this region: the Cisplatina conflict against the United Provinces of the Río de la Plata and its Uruguayan allies (1825–1828). In that case, military stalemate, exhaustion on behalf of the contenders, and the interested mediation of England led to compromise. Neither side achieved its ultimate goal: the Argentines did not recover their lost eastern province, and the Brazilians could not retain the Cisplatina. This gave birth to a new reality—independent Uruguay as it exists today. A truce of 22 years ensued (1828–1851), 10 of which were occupied by the Farroupilha Rebellion (1835–1845), an internal civil struggle in Rio Grande do Sul that spilled over into countless interferences and interactions with Uruguayan and Argentine factions.

Around the same period, Argentina was divided between the Federalist and Unitarian parties, and Uruguay between the Blanco and Colorado parties. Having consolidated his rule in Argentina since 1835, the Buenos Aires dictator Juan Manuel de Rosas intervened decisively in the long internal Uruguayan conflict, known as the *Guerra Grande* [Great War]

(1839–1851), supporting his Blanco ally Manuel Oribe against the Colorados of Fructuoso Rivera and Joaquín Suárez. It was at that time of imminent triumph of Rosas and Oribe that a phase of direct Brazilian intervention began, lasting approximately 20 years (1851–1870). These interventions coincided with the stabilization and strengthening of the monarchical regime in Brazil after the conclusion of the Farroupilha Rebellion, the end of the conflict with England over the slave trade, and an improvement in the Empire's economy and finances.

In contrast, Uruguay had emerged from the *Guerra Grande* only to plunge into a stage that historians suggestively call “civil anarchy” (1852–1875). Conflicts in the region became increasingly frequent and serious. The regional game began with an operation launched by Brazil against Oribe, the Uruguayan Blanco caudillo, in preparation for a larger offensive in 1851 and 1852 against his protector and ally, the Argentine strongman Rosas. On the Brazilian side, the main figures in planning and carrying out the strategy were, at first, President of the Council of Ministers (1853–1856) Honório Hermeto Carneiro Leão, Viscount and later Marquis of Paraná, and, above all, Minister of Foreign Affairs (1849–1853) and future Viscount of Uruguay Paulino José Soares de Sousa. Caxias^{II} commanded military operations on land and John Pascoe Grenfell headed the Brazilian Navy.

Driven by their own power objectives, Urquiza—the Argentine federalist leader who had revolted against Rosas—and the Uruguayan Colorados played a prominent role as allies of the Brazilian Empire. The campaigns, which lasted only a few months and were sometimes called the War Against Oribe and the War Against Rosas,^{III} ended in the defeat of both men, each of whom then disappeared from public life. Although defeated by arms, the Blancos continued under new leadership (Bernardo Berro and Atanasio Aguirre, for example) and remained the preponderant political force in Uruguay. The semi-protectorate established by the Brazilian government over the country was thus precarious. Skirmishes continued throughout the 1850s and early 1860s, culminating in the Brazilian intervention of 1864.

II Luís Alves de Lima e Silva, Duke of Caxias, the most eminent of Brazilian military officers, one of the leaders of the Conservative Party and prime minister (1803–1880).

III The term “war” should be reserved for conflicts between countries: the Cisplatine War, between the Empire of Brazil and the United Provinces of the Río de la Plata; and the War of the Triple Alliance against Paraguay.



At the time of the 1864 crisis, Conservatives in Brazil led by the Viscount of Uruguay had handed over power to the Liberals, who sent one of their own to Montevideo: Councilor José Antônio Saraiva. He was later replaced by José Maria da Silva Paranhos, the future Viscount of Rio Branco, a member of the Conservative Party then serving in the Liberal cabinet in Rio de Janeiro. As diplomatic means failed, the crisis escalated into a war against Aguirre's Blanco government, led at first by Joaquim Marques Lisboa, Admiral and Marquis of Tamandaré, the naval commander who actively helped the Colorado leader Venancio Flores conquer the Uruguayan government. Although it did not participate directly in the operations, Argentina, then led by the Liberal Bartolomé Mitre, favored Flores and was amenable to the Brazilian action. The intervention in Uruguay caused alarm in dictator Solano López's Paraguay, and served as the fuse for the Paraguayan War, or War of the Triple Alliance of Argentina, Brazil and Uruguay against Paraguay (1864–1870), that would follow.

As this summary shows, these conflicts occurred within the strict limits of the Platine region, the only area where Brazil had the capacity to take decisive direct action with the means at its disposal.

Many decades later, the Baron of Rio Branco would admit that, with some of its neighbors, Brazil could only communicate via Europe or the United States. He added that "our influence and good offices of friendship can only be exercised with some effectiveness over Uruguay, Paraguay, and Bolivia." In 1905, the date of his declaration, what had been evident in 1850 remained true: only in the Platine region did Brazil enjoy relatively easy communication and contact with two or three of its numerous neighbors, whose political and economic development and capacity for action were inferior to its own.

Around 1850, even Bolivia, mentioned by the Baron, and much more understandably Peru, Colombia, Venezuela, and the Guianas were no more than "neighbors in the manner of America," separated from the Empire by immense human deserts covered in impenetrable forests. Brazil had scant contact with this Pacific subsystem or with the Guyanas, the last remaining European colonies in South America. For much of the second half of the 19th century, the domain of Brazilian diplomatic initiative coincided with the historical core of today's MERCOSUR: Argentina, Uruguay, and Paraguay. Within the perimeter formed by the four countries,

Brazil and Argentina were already setting an axis of dispute for influence over the other two.

Within this vast area, rivalry was concentrated above all around Uruguayan territory, the southern tip of disputed land of undefined sovereignty for a long stretch of the colonial era. The very involvement of Paraguay in the events that would trigger the War of the Triple Alliance was a product of the vicissitudes of Uruguayan politics and the consequences they would have for its neighbors.

What happened in the 1850s and 1860s reflects, in a way, the sequence of previous Luso-Brazilian engagements, although this time the purpose was different. The outcome of the Cisplatine War and the independence of Uruguay had cured Brazil of any remnant of its old ambition to annex the Banda Oriental. The old territorial strategy had given way to new objectives: securing Uruguayan (and Paraguayan) independence and preventing the emergence, under the leadership of Buenos Aires, of a powerful reunification of the Viceroyalty of the Río de la Plata.

Origins and Causes

It is often repeated that the turbulent formation and consolidation of nations in the Platine region served as the backdrop, if not the primary cause, of Brazilian interventions there. While substantially correct, this statement requires additional explanation.

States in formation are not necessarily destined to become either the cause or victims of international wars. Although this complicated process does frequently lead to conflict, as reflected recently, for example, in the violent dissolution of the former Yugoslavia, the opposite case is perhaps more common. Formative instability instead most frequently manifests itself in internal struggles, as was the case in Brazil during the Regency period. So why did the difficult process of consolidating new states in South America, and especially in its southernmost reaches, spill over and cause so many conflicts between neighbors?

The answer is that external conflicts in the region preceded the creation of national institutions. They were already present in the colonial past and remained latent throughout the independence process. The annexation of the Banda Oriental by D. João VI and its subsequent transformation into

the Cisplatina Province of Brazil acted as a mechanism for transferring the antagonisms of the colonial powers to their successors.

José Bonifácio had sincere ambitions of friendship with Buenos Aires and wanted Uruguay to be given the special status of a state associated with Brazil, rather than a simple province like the others. However, his refusal (and powerlessness, even if he had so wished) to give up Cisplatina irreparably compromised his proposed alliance with Buenos Aires.

Buenos Aires was ultimately willing to resign itself to the independence of Uruguay, as in fact it had to do because of the stalemate in the war. However, it would never accept that its former countrymen from the Viceroyalty of the Río de la Plata, with whom it shared a language, culture, and history, should be abandoned to the dominion of the successors of the Portuguese enemy. In the international struggles that followed, no side or faction was completely innocent of aggression and provocation at one time or another. However, a hierarchy of blame obliges us to recognize the indisputable priority of Portugal and Brazil. After all, it was Brazil that incorporated Uruguay, not the Uruguayans who annexed Rio Grande do Sul (incidentally, some Uruguayans, such as Fructuoso Rivera, dreamed of doing just that in order to build the “Great Uruguay”).

Andrés Lamas, the Uruguayan statesman who knew Brazil best, attributed the origin of Brazilian intervention in Platine events to a “Rio Grande do Sul expansionism.” The Argentine historian Tulio Halperín Donghi approvingly transcribes this opinion, without clarifying that “expansionism” should be understood in this context as political and economic interference; in other words, an affirmation of the interest of the leaders of Rio Grande do Sul in Uruguayan lands and cattle, rather than an intended annexation of territory, an ambition that had already been definitively abandoned.

The emancipation of Uruguay in 1828 did not erase the marks left on the land by a long Portuguese and Brazilian presence, the remote origins of which dated back to the time of Colônia do Sacramento. Around 1840, it is estimated that of the total of 75,000 to 80,000 inhabitants of Uruguay (of which 14,000 were Argentine anti-Rosas exiles concentrated in Montevideo), Brazilians and Portuguese descendants made up almost a third (25,000). This group predominated to the north of the Rio Negro and in the border provinces, where more than 400 *estancias* corresponding

to around a third of the territory belonged to people from Rio Grande do Sul. In some cases, they extended to both sides of the border, which was yet to be definitively fixed.

The central leader of the Farroupilha Rebellion, Bento Gonçalves, offers a prime example of this interconnection, having fought under José Gervasio Artigas and married a Uruguayan woman during his time of residence in Cerro Largo. This was not an isolated case, as there were often blood ties or cronyism between the personalities from Rio Grande and Uruguayan leaders such as Juan Antonio Lavalleja, Fructuoso Rivera, and Venancio Flores.

Many decades after Uruguayan independence, at the time of the Federalist Revolt in Rio Grande do Sul (1893–94) and in the early years of the 20th century, Brazilian-Uruguayan figures such as the caudillos Gumercindo Saraiva and his brother Aparicio Saravia continued the tradition of these revolutionary leaders, and were equally at ease in the scuffles on either side of the border. Gumercindo, the main military leader of the *Maragatos*^{IV} from Rio Grande do Sul, died in battle in 1894, while Aparicio, the great Blanco leader from the countryside, was wounded in one of the last Blanco revolts against the government of President José Battle y Ordóñez. Aparicio died on the Brazilian side of the border in Santana do Livramento (1904).

In order to reconstruct the panorama of the south of the continent during this formative phase of nationalities, it is important to avoid both the myth of Brazil as an island of stability in an ocean of turbulent republics and the opposite view, that of a country in the same state of (dis)organization as its neighbors. It would be more appropriate to say that the Brazilian Empire was a few decades ahead in the task of centralizing and institutionalizing power compared to most South American countries, with the exception of Chile, where Diego Portales had pushed the country forward while Brazil was in its Regency phase.

Even at the worst moment of the Regency rebellions, the imperial government never completely lost control of the provinces, as was the case in Argentina, where Juan Facundo Quiroga in La Rioja, Estanislao López in Santa Fé, Justo José de Urquiza in Entre Ríos, Juan Manuel de

IV Nickname given in Brazil to the southerners who started the Federalist Revolt against the federal government (1893–1895).

Rosas in the province of Buenos Aires, and other caudillos dominated their regional fiefdoms as virtually independent states. The very dance of names for the new country—Provincias Unidas del Río de la Plata (1810) became the Provincias Unidas en Sud America thanks to the Tucumán Congress (1816), changing again to the Confederación Argentina in the early 1830s until the definitive adoption of the República Argentina—suggests the loose unity that prevailed at the time.^V

Two irreconcilable proposals for the organization of the state divided the Argentines. In reaction to the centralism of the colonial government of the Viceroyalty, the Federalists wanted to establish a federation in which the provinces would enjoy a high degree of autonomy. In contrast, the Unitarians considered centralization indispensable to unite the country in the turbulent period of consolidating independence and national organization. The main figures of the Federalist Party were Artigas (born in Montevideo and the future founding father of Uruguayan nationalism), Rosas, and Urquiza. Among the Unitarians, who had the support of the Buenos Aires elites, intellectuals, merchants and the city's population, the most prominent personalities of the time were Bernardino Rivadavia and Juan Lavalle.

In addition to their differences over the decentralized or unified structure of the state, the two parties differed in their ideological tendencies. The Federalists were inclined towards a more strongly nationalist and inward-looking posture, while the more cosmopolitan Unitarians, marked by the mercantile atmosphere of the great port of Buenos Aires, aligned themselves with liberal doctrines on the economy and trade. The armed clashes between these parties and their successors, complicated by power struggles between caudillos, condemned the country to an intermittent civil war that lasted from 1814 to 1880.

Meanwhile, on the other side of the river, two Uruguayan parties emerged that roughly corresponded to their Argentine counterparts. Bringing together most of the ranchers and the rural hinterland, the National or Blanco Party (named for the white color of its crests) was initially led by Lavalleja, who was succeeded by Manuel Oribe and Atanasio Cruz Aguirre.

^V The Constitution of Argentina of 1853 established three official names for the country: Provincias Unidas del Río de la Plata, República Argentina, and Confederación Argentina. A provision included in Article 35 of the current Constitution (August 22, 1994) establishes that the expression "Nación Argentina" shall be used in the formation and sanctioning of laws.

The party was opposed to the Colorados (so called for their red insignia). Associated with the interests of the urban sectors of Montevideo and with immigrant populations, and supported by the European powers and the port trade, the Colorados favored free trade, freedom for European vessels to navigate the Platine rivers and modernization of the financial system. The party's first great leader was Fructuoso Rivera, along with Joaquín Suárez, later replaced by Venancio Flores.

The parties on the two opposite banks of the River Plate had acquired an internationalized character before the consolidation of the two states themselves. As José Pedro Barrán observed: "the inhabitants of both nations first felt themselves to be Blancos or Colorados, Federalists or Unitarians, rather than Uruguayans or Argentines."¹ The affinities between them led to a kind of natural alliance: the Argentine Federalists with the Uruguayan Blancos on one hand, Unitarians linked to the Colorados on the other. Complicating the situation a little more, the Colorados drew closer to the Farroupilha rebels in Brazil, who were attempting to establish a Rio-grandense Republic. The rebels proclaimed their republic on September 11, 1836, just a week before the Battle of Carpintería (September 19), in which the two Uruguayan parties appeared for the first time, a suggestive coincidence that shows just how interconnected events in the region truly were.

The entire region comprising the current territories of Argentina, Uruguay and, to some extent, the state of Rio Grande do Sul was then in a phase that preceded the concentration of power in a central government capable of defending a monopoly on the legal use of coercive violence. In a way that resembled feudalism, power was fragmented and diluted in the hands of regional caudillos, men who brought together in their fiefdoms the various complementary dimensions of force. They were, at the same time, military commanders, political leaders, and large land and cattle owners—the means and sources of the wealth that funded actual private armies.

Summary Table of Main Events Related to the River Plate Issue

	Argentina	Brazil	Paraguay	Uruguay
1835	• The Federalist Rosas retakes the government of Buenos Aires.	• The Farroupilha Rebellion begins in Rio Grande do Sul.	---	
1836		• Proclamation of the Rio-grandense Republic.	---	• The National or Blanco and Colorado parties emerge.
1838	• Oribe goes into exile in Buenos Aires.	---	---	• Defeat of the Blanco Oribe by the Colorado Rivera, who replaces him in government.
1839	• Rosas intervenes in the Uruguayan civil war in support of Oribe.	---	---	• Beginning of the Great War (1839–1851) between the Colorados of Rivera and Joaquín Suárez and the Blancos of Oribe, allied to Rosas.
1840	---	• Anticipation of D. Pedro II's age of majority and end of the Regency period.	---	---
1842	---	---	• Formal proclamation of the independence of Paraguay, de facto independent since 1811.	---
1843	---	---	---	• Montevideo is besieged by Oribe with significant support from Argentine Federalist forces.
1844	• Rosas supports Oribe against Rivera.	---	• Carlos Antonio López rises to power: an end to Paraguay's stagnation and isolation and the promotion of foreign relations and trade.	• Oribe's attacks on Rivera begin.
1845		• End of the Farroupilha Rebellion and reintegration of Rio Grande do Sul.		
1849		• The Viscount of Uruguay returns to the Ministry of Foreign Affairs, where he remains until 1853 as the main figure responsible for Brazil's policy in the Plata region. • Hostilities resume on the border with Uruguay.	---	• Hostilities resume on the border with Brazil.

1850	—	<ul style="list-style-type: none"> • Eusébio de Queirós Law: official end of the slave trade and of the dispute with England over the issue. • “Patacão diplomacy”^{VI} begins with the subsidy agreement with Uruguay. 	—	<ul style="list-style-type: none"> • Beginning of Brazilian subsidies to the besieged Colorado government in Montevideo.
1851	<ul style="list-style-type: none"> • Alliance between Brazil, Colorado leader Rivera and Urquiza, governor of the Argentine province of Entre Rios, against Oribe’s Blancos. • Oribe’s defeat. • Alliance against Rosas signed between Brazil, Urquiza and the Uruguayan Colorados. 		—	<ul style="list-style-type: none"> • Brazilian forces enter Uruguay and join Urquiza’s troops and the Colorados. • End of the Great War and the siege of Montevideo with the capitulation of Oribe and the victory of the Colorados.
1851		<ul style="list-style-type: none"> • Beginning of the “system of treaties” with the signing of five treaties between Uruguay and Brazil, including the border treaty. 	—	<ul style="list-style-type: none"> • Five treaties between Uruguay and Brazil are signed, including the border treaty.
1852	<ul style="list-style-type: none"> • Battle of Monte Caseros: victory of Urquiza’s troops, supported by the Brazilian Navy and Army and the Uruguayan Colorados, over Rosas (February), followed by his exile in England. • End of Brazilian interventions in Uruguay and Argentina. 			<ul style="list-style-type: none"> • Colorados support Urquiza against Rosas.
1862	—		<ul style="list-style-type: none"> • Death of Carlos Antonio López and rise of his son Francisco Solano López. 	
1863	—	<ul style="list-style-type: none"> • The Christie Affair: relations with England are broken. 	—	<ul style="list-style-type: none"> • Beginning of the rebellion of the Colorado Venancio Flores, from Buenos Aires, against the Blanco government of Bernardo Berro.
1864	<ul style="list-style-type: none"> • Support from President Mitre for Saraiva’s position in Montevideo, with the help of the English representative in Buenos Aires, Thornton. 	<ul style="list-style-type: none"> • Councilor Saraiva, sent to Montevideo, presents an ultimatum to Aguirre, head of the Uruguayan Blanco government, who refuses it. • Navy and Army enter Uruguay and retaliation begins. 	<ul style="list-style-type: none"> • Solano López protests to Brazil and Argentina against possible attacks on Uruguay’s Blanco government. 	<ul style="list-style-type: none"> • Beginning of the Brazilian intervention in alliance with the Colorados of Venancio Flores against the Blanco government of Aguirre. • Bombardment and attack on Paissandu by Brazilian and Colorado troops.

VI Patacão was a silver coin worth 960 réis minted over other coins. The expression “patacão diplomacy” refers to the use of financial subsidies to support the Colorados in Uruguay.

		<ul style="list-style-type: none"> • Capture of the Brazilian steamer <i>Marquês de Olinda</i> (November) and invasion of Mato Grosso by two Paraguayan columns, without a declaration of war. 	<ul style="list-style-type: none"> • Beginning of the Paraguayan War 	
1865	<ul style="list-style-type: none"> • Support for the replacement of the Blanco government by the Colorado government in Montevideo. • Invasion of Corrientes by Paraguay. • Declaration of war on Paraguay. 	<ul style="list-style-type: none"> • End of the intervention in Uruguay. 		<ul style="list-style-type: none"> • End of Brazilian intervention and start of Flores' Colorado government.
1865	<ul style="list-style-type: none"> • Argentina, Brazil, Uruguay and Paraguay: Start of the War of the Triple Alliance with the signing of the treaty of the same name between the three countries against Paraguay. 			
1870	<ul style="list-style-type: none"> • Argentina, Brazil, Uruguay and Paraguay: End of the War of the Triple Alliance (or Paraguayan War) with the death of Solano López in combat (March 1). 			

MAIN BRAZILIAN, ARGENTINE AND URUGUAYAN LEADERS INVOLVED IN THE CONFLICTS
Brazilian leaders: Honório Hermeto Carneiro Leão (Viscount and later Marquis of Paraná), Paulino José Soares de Sousa (Viscount of Uruguay), Luís Alves de Lima e Silva (Duke of Caxias), John Pascoe Grenfell, Joaquim Marques Lisboa (Admiral and Marquis of Tamandaré), José Maria da Silva Paranhos, future Viscount of Rio Branco.
Unitarian Argentine leaders: Rivadavia, Lavalle, Mitre and Sarmiento (of unitarian origin, the last two are better known as liberals.)
Federalist Argentine leaders: Rosas, Manuel Dorrego, Urquiza. The Uruguayan caudillo Artigas was, in the beginning, the greatest figure of the Federalists.
Colorado Uruguayan leaders: Fructuoso Rivera, Venancio Flores, Joaquín Suárez.
Blanco Uruguayan leaders: Manuel Oribe, Atanasio Aguirre, Bernardo Berro.

Almost all the main figures in the Platine region at the time had the same profile: ranchers who were a mix of political leaders and military chiefs, such as the Argentines Rosas and Urquiza or the Uruguayans Lavalleja, Oribe, Rivera, and Flores. The situation was not very different in Rio Grande, where in practice the defense of the border was entrusted, not to a professional army still in its infancy, but to people like Bento Manuel Ribeiro, Bento Gonçalves, Davi Canabarro and Antônio de Sousa Neto, landowners capable of mobilizing their own forces without submitting to the hierarchy and discipline of career military officers.

The source of the power of these men was cattle, the raw material for jerky, the staple food of slaves and the lower classes. The Viscount of Uruguay, who knew the subject matter well, said in one of his official opinions to the Council of State that clashes of interest over the free circulation of standing cattle, especially from Uruguay to Rio Grande do Sul, were at the root of struggles in the region.

The *charqueadas*^{VII} of the province, mostly concentrated in Pelotas and Rio Grande, close to the eastern border, depended on the continuous influx of cattle, which fed local production, more expensive than Uruguayan and *Porteño* production. The imperial government's interest lay in supplying jerky at the lowest possible price, a policy that clashed head-on with pressure from Rio Grande to make imports more expensive and protect national production.

On the other hand, Brazil's neighbors were keen to tax exports of standing cattle, both for fiscal reasons and in an effort to add commodity value. This formed a triangle of opposing interests that were difficult to reconcile.

Additional complicating factors were the absence of a definitive agreement on the borderline and Uruguay's desire to recover the Missões territory, occupied in 1801. These factors combined to create a breeding ground for frequent disagreements and a precarious truce that needed only an external catalyst to break down and give rise to a new conflict between the countries of the region.

Brazilian Interventions in the River Plate Region, or the "Platine War"

The rise of the Federalist Rosas in Buenos Aires and the sharp escalation of his interference in Uruguay, a vulnerable point for Brazilian security, triggered a clash that had been brewing for several years. The slow creep towards conflict allowed the imperial government to prepare. Through trial, error, and correction the Empire found a favorable moment and the necessary political-military conditions for conclusive action. To simplify a chronicle rich in twists and turns, it can be said that, at the beginning of this period, Honório Hermeto Carneiro Leão, Viscount and future Marquis of Paraná, was the key policymaker in this arena. At its conclusion, Paulino José Soares de Sousa, future Viscount of Uruguay, was at the helm.

VII Places where cattle are slaughtered and jerky (*charque*) is prepared.

The Threat of Rosas and Buenos Aires—To understand the position of these statesmen, we need to bear in mind the commotion caused by the risk of secession in Rio Grande do Sul as a result of the Farroupilha Rebellion (1835–1845), and the Empire’s conviction that it could not remain indifferent to the evolution of threats to its integrity and survival in neighboring countries.

From the outset, the Farroupilha uprising had been closely linked to events in Uruguay. The rebels received material support and political encouragement from Uruguayan caudillos, who were also involved in civil strife in their own country. Not even during the Cabanagem^{VIII} in Pará, also a borderland, had the monarchy endured such a prolonged and externally-influenced ordeal. Once again, Brazil’s far south was the region most vulnerable to destabilizing impacts from outside.

Rosas’ effect on the Court in Rio de Janeiro was somewhat reminiscent of that exerted by Artigas more than a generation earlier. At one point, both men gave the impression that they were about to unify a sizable portion of the Viceroyalty, creating a power cluster capable of threatening territorial gains in Missões, putting pressure on the southern flank and Mato Grosso, and perhaps drawing Rio Grande into their orbit. It is no coincidence that the two decisive interventions in the River Plate region—by Portugal in 1816–1820 and by Brazil in 1851–1852—were aimed at neutralizing the two major leaders who had emerged at the foot of Brazil’s unprotected border.

While Artigas had come from the eastern periphery of the Viceroyalty and had exerted influence only in the river provinces, Rosas’ power sprang from the heart of the future Argentina: the province of Buenos Aires, the richest and most productive in the country, including the city and its port, which dominated trade and controlled customs income. Rosas’ Argentina exhibited a potential for growth and, eventually, hegemony that far exceeded that of the Uruguayan leader. If, even so, the Empire postponed its settling accounts with the *Porteño* strongman for more than a decade, the explanation for its delay lies in the obstacles that hindered Brazilian freedom of action.

One of these obstacles, the dispute with England over the slave trade, practically coincided with the worsening of Brazil’s relations with the

^{VIII} See Part IV, section “Increased external vulnerability.”

Porteños. The final urgency in settling the former challenge, by means of the Eusébio de Queirós Law, owed much not only to multiplying clashes with the British Navy, but also to the need, explicitly mentioned by Paulino Soares de Sousa, to avoid hostilities on two fronts. The minister commented that even a mythological hero like Hercules took care not to fight two enemies at once!

The second obstacle came from the Farroupilha Rebellion and lasted until its end in 1845. Before that point, it had not been convenient to harass Rosas and his allies, the Uruguayan Blancos, since they had remained relatively circumspect towards the insurgents, who were supported by political and material means (through the supply of horses for cavalry, for example) by Rosas' enemies, particularly by the Colorado leader Fructuoso Rivera, or Don Fructos, as he was known. Because of the problems created by such support, Caxias, appointed to govern and pacify Rio Grande do Sul, advised Rio de Janeiro to actively seek an offensive and defensive alliance with Rosas and Oribe against Rivera. The treaty of alliance was signed on March 24, 1843, by the Argentine diplomatic representative, General Tomás Guido, and Brazilian Minister of Foreign Affairs Honório Hermeto Carneiro Leão before being ratified by Emperor D. Pedro II.

At this point, Uruguay was once again immersed in its own chronic civil disputes, which had restarted around 1836 when Don Fructos had ousted the Blanco leader Oribe from power in Montevideo. One of the most effective military commanders in the civil war between the Federalists and the Unitarians in Argentina, Oribe was a close ally of Rosas. In 1838, he launched a seemingly endless campaign to regain power in Uruguay. The conflict lasted until 1851 and went down in history as the *Guerra Grande* [Great War]. In the early years of hostilities, Brazil was mired in the troubled Regency period and had withdrawn into a cautious neutrality. It was only prepared to abandon this stance in order to counter the threat of Rivera's support for the Farroupilha insurgents.

Rosas and Oribe's initial receptiveness to the prospect of an alliance with the Rio de Janeiro government was short-lived and soon dissipated as a result of two combined factors. The first was external: an agreement that suspended the threat of England and France to the Buenos Aires dictator. The second was internal: Rivera's decisive defeat in Arroyo Grande, Argentine territory. The apparent turnaround in his favor led

to a change in attitude on the part of the dictator of Buenos Aires, who began to consider the support (and limitations) of the alliance with the Empire of Brazil to be dispensable; he refused to ratify the agreement.

By rejecting the coalition that his representative in Rio de Janeiro had sought so insistently, the governor of Buenos Aires yielded to the conviction that time was running in his favor. The crushing defeat suffered by Rivera shortly before had created a feeling that the Uruguayan Blancos, Rosas' allies and dependents, would soon occupy Montevideo and impose their rule over the whole country. The failure of the various naval attempts at French and English intervention throughout the 1840s solidified the perception of the apparent invincibility of the Restorer, one of the titles given to the *Porteño* leader. The miscalculation would cost him power a few years later.

The international nature of the struggle was accentuated from 1843 onwards when, after the victory of Arroyo Grande, Manuel Oribe took complete control of the hinterland with the help of a large contingent of Argentine Federalists. He then besieged the Colorado government led by Joaquín Suárez in Montevideo. The siege lasted almost eight years, until 1851, and the "American Troy" only managed to survive thanks to French battalions, Buenos Aires Unitarians, and other foreigners. Great Britain played a crucial role and, like France, anchored warships in the port of Montevideo to keep maritime supply lines open and blockade Buenos Aires. French financial support was also essential, subsidizing the Suárez government to the tune of 40,000 francs a month.

In parallel to these events, the evolving and fluid situation in the area would soon take a decisive turn and affect the regional network of alliances and the correlation of forces Brazil had proposed its treaty to Rosas when it was still barely emerging from a period of acute turbulence. Although the Regency era had ended in 1840, it continued to produce liberal revolts in the provinces of Minas Gerais and São Paulo two years later. From the year of the failed treaty until 1849, Brazil's Foreign Office was run by a succession of no fewer than 11 ministers (including Paulino Soares de Sousa, in 1843 and 1844). Such transience did little to help define a coherent and stable policy on Platine issues.²

The vital challenges originating in the Platine region at the time led to a cabinet crisis in Brazil. Pedro de Araújo Lima, Viscount and future

Marquis of Olinda, departed both as foreign minister and the head of government. Marked by ominous memories of the Cisplatine War, Araújo Lima opposed armed action in the River Plate region, an opinion that displeased the young emperor, who was determined to pursue a more incisive policy.

This reversal of perspective would accelerate in the culminating phase of the conflict from 1849 to 1853. During these years, Olinda's substitute as foreign minister, Paulino Soares de Sousa, later Viscount of Uruguay, would finally have the time, power and political support to resolve with authority both the extremely serious slave trade dispute with England and the Empire's ill-defined and threatening relationship with Rosas and Oribe.

The Viscount of Uruguay was perhaps the most complete example of what José Murilo de Carvalho called the "builders of order" in imperial Brazil. These politicians came from the magistracy and were resistant to the radical legacy of the French Revolution. They were responsible for consolidating the parliamentary system that took shape following the *Maioridade* and the reaction against decentralization in the Regency period. To this day, Paulino's polemics directed at Liberals such as Aureliano Tavares Bastos remain an unavoidable reference in conservative thinking, critical of the possible adoption of federalism imitated from the United States. His writings on public law and the administrative organization of the state, as well as his opinions to the Council of State, stand out as landmarks of political reflection in 19th century Brazil.

Paulino was part of the so-called "*saquarema* trinity" of the Conservative Party, alongside Joaquim José Rodrigues Torres, Viscount of Itaboraí, and Eusébio de Queirós (the nickname "*saquarema*" was derived from the town of Saquarema, where Rodrigues Torres' country estate was located). The three men were exponents among coffee producers and exporters from the provinces of Rio de Janeiro, Minas and São Paulo. Allied with the Court's bureaucracy, they formed the power nucleus that would enable the Brazilian Empire to stabilize the internal slaveholding order and resist external threats from England and the River Plate region. Of the group, Paulino was most instrumental in solving the two existential international challenges facing Brazil in those years: the suppression of the slave trade and the removal of the threat posed by Rosas and Oribe.

It was up to him to draw up and implement a new policy, sometimes referred to as the “policy of interventions,” aided by the strengthening of the Navy and broadly positive recent economic performance. An increase in the government’s available financial resources—thanks to the rise in import tariffs made possible by the denunciation of the treaties that had frozen them at 15%—shows how the various foreign policy measures of that period intertwined and positively reinforced both each other and domestic developments.

Correlation of Forces and the Approach of War (1849–1851)—Unlike Brazil, which as a national project had reunified Rio Grande do Sul five years earlier, Argentina and Uruguay remained divided. Provinces and factions in the two countries found each other on opposite sides of the struggle, making the conflict more of an internationalized civil war than an international war *per se*.

The advantages of centralization and institutionalization of power in Brazil were not enough to assuage persistent fears of a return to the “spirit of anarchy” of the Regency. The future Viscount of Uruguay was acutely aware of this danger. In a letter to the Brazilian representative in London, in which he justified his desire to settle the slave trade dispute with the British, he wrote:

it is because I saw that the complications accumulated over the space of seven years regarding our relations with Generals Rosas and Oribe were causing an explosion, *and poor Brazil, having in itself so many elements of dissolution, might not be able to resist a war in the River Plate region* and the vexation and shock produced by the hostilities of the English cruisers [emphasis mine].³

Aware of the “many elements of the dissolution of poor Brazil,” the imperial government played the foreign alliances card to the hilt. In 1844, against Rosas’ protests, it became the first government to recognize the independence of Paraguay (officially proclaimed in 1842, although in practice it had existed since 1810/11) and signed an anti-Rosas alliance with its ruler, Carlos Antonio López, though this was soon abandoned due to the change of cabinet in Rio de Janeiro. At the same time, during a mission by the Viscount and future Marquis of Abrantes to Germany to deal with immigration and trade, Brazil queried England and France about the possibility of joint action against the governor of Buenos Aires.

Out of a mixture of self-sufficiency and disregard for Brazil's contribution, the two powers dismissed the idea, which was more of an insinuation rather than a concrete proposal.

A year later, the British and the French, motivated mainly by commercial interests, resumed the interventions in Platine affairs that they had already tried in the 1830s. Once again, they underestimated the resources needed to overcome the determined resistance of the Buenos Aires dictator and, at the end of the 1840s, were forced to negotiate a *modus vivendi*, elevating Rosas as an uncompromising defender of national sovereignty.

The same policy of accommodation was not available to Brazil, since negotiation, attempted several times, would have involved an unacceptable price: the permanent threat of Rosas' forces accessing Mato Grosso via the Platine rivers and a virtual Argentine protectorate over Uruguay, if not outright annexation, as would probably happen with Paraguay. Faced with the vacuum created by the Anglo-French abandonment, the Rio de Janeiro government, freed from the Farroupilha campaign and in the process of resolving the slave trade dispute, took the initiative by articulating a strategy of regional alliances—one that triumphed where the two largest imperialist powers of the time had failed.

The policy of intervention was the culmination of a long process that had included: 1) neutrality (1830s); 2) efforts to reach an agreement and alliance with Rosas (1843); 3) rapprochement with Paraguay; and 4) probes with London and Paris (1844). The exhaustion of these approaches left the Court in Rio de Janeiro facing a dilemma: either resign itself to Rosas' hegemony over Argentina, Uruguay, and Paraguay or go to war to destroy it.

Paulino presented the second alternative as inevitable in a speech to the Senate (May 1851). Responding to the question from Senator Francisco Jê Acaiaba de Montezuma, later Viscount of Jequitinhonha, "What do we care if the Argentine Confederation absorbs the Oriental State of Uruguay? How is that any of our business?" the minister replied:

Once the republics of Uruguay and Paraguay, which cover our borders, are absorbed into the Argentine Confederation, our provinces of Mato Grosso, São Paulo [at the time encompassing Paraná] and Rio Grande do Sul would become open [...] And who is to say that we would not then be demanded to execute the Treaty of 1777? [...]

Now, that null and void treaty would take away from us a vast and extremely important part of the province of Rio Grande do Sul [...] Through it, we would lose an important part of the province of Mato Grosso, which includes its capital [...] Would we, would the populations of these provinces [...] allow to be separated in order to belong to a nation with entirely different origin, language and habits?⁴

The decision to intervene was not unanimous, as can be seen from Montezuma's question and Araújo Lima's withdrawal from the cabinet. Intervention did, however, have the endorsement of the Emperor and the majority of politicians, who shared Paulino's fears, expressed in a debate with deliberately dramatic tones. For more than a century, before and after these episodes, suspicion that the Argentines were secretly working to reconstitute Platine unity would fuel the rivalry between Rio de Janeiro and Buenos Aires.

Even a moderate analyst like Joaquim Nabuco was convinced, as he wrote at the end of the 1890s, that "not even today is the hope of one day re-establishing the old viceroyalty, if not in its entirety, at least in the River Plate basin, completely dead among Argentine patriots." Shortly before, he quoted the Baron of Rio Branco's statement in 1875:

The international policy of Brazil, created by the Conservative Party and mainly by the illustrious Minister Paulino de Sousa, Viscount of Uruguay, consisted then, as it still does today, in maintaining the independence of the two states threatened by Argentine ambition: Paraguay and Uruguay.⁵

Perception carried more weight than did the actual intentions of the government in Buenos Aires. In any case, if the Argentines did indeed harbor the intentions suspected by Brazil, the country could not admit it publicly. Doing so would constitute a violation of the Preliminary Peace Convention of the Cisplatine War (1828), which guaranteed Uruguayan independence. For Rosas' Brazilian contemporaries, instead of words or formal plans, the dictator's concrete attitude sufficed: his procrastination in signing the definitive peace treaty; the claim that, after 15 years of the aforementioned convention, his commitment to grant Brazil free navigation of the River Plate and its tributaries had expired (Additional Article of the Convention); the protest against Brazilian recognition of Paraguay's

independence; and the refusal to ratify the treaty of alliance with the Brazilian government. All pointed to an Argentine agenda in the region.

As if that was not enough, the war declared by the *Porteño* caudillo against the government of Montevideo and the victory that his troops were in the process of delivering to Oribe would for all practical purposes hand over control of Uruguay to the Argentines. The impression of an apparent fusion between the two banks of the River Plate was sealed by the attitude of the diplomatic representative of the Argentine Confederation in Rio de Janeiro, who took as his own the complaints and demands of the head of the Blanco party.

Such recriminations and demands on both sides ended up providing the immediate trigger for the conflict. Inhabitants of Rio Grande do Sul who owned property in the Uruguayan interior accused the Blanco and Argentine troops of all manner of extortions and violence: requisition of cattle to feed the soldiers, confiscation of leather, prohibitive taxation on the export of standing cattle to Brazil, a ban on marking the cattle of ranchers who owned land on both sides of the border, forced conscription of Brazilians, farm robberies, arrests, murders, and atrocities. Hélio Viana claims that the Brazilian losses amounted to a staggering 800,000 head of cattle.

One of the border ranchers most affected by the looting and confiscations was a veteran Imperial combatant in the Farroupilha Rebellion. Francisco Pedro de Abreu, the Baron of Jacuí, known as Chico Pedro, launched reprisals by staging “*califórnias*,” or cattle raids, into Uruguayan territory. This prompted retaliation by Oribe’s forces, creating explosive tension in 1849 and 1850 along the border areas. The cumulative effect of so many irreconcilable disagreements motivated Tomás Guido, representative of the Argentine Confederation in Rio de Janeiro, to break off relations and leave the country. The rupture, which took place in September 1850, set in motion an unstoppable process that would lead, within 15 months, to a complete turnaround.

Outcome—Paulino outlined three preparatory conditions for a successful Brazilian outcome to the conflict: strengthening the Navy and the Army; preventing Montevideo from falling into the hands of Oribe and, indirectly, Rosas; and taking advantage of the internal divisions in

the Argentine Confederation to put together a broad alliance that included the main players in the Platine region.

The Navy was already undergoing a process of full expansion thanks to the purchase of new steamers and the incorporation of confiscated slave ships. By the end of 1850, its fleet numbered more than 40 warships, and had been able to play an important role both in the suppression of the slave trade and in events in the Platine region. As for Brazil's ground forces, mobilization proved to be time-consuming and difficult, causing operation delays and hindering political control of the outcome. This would be repeated in the war against Paraguay.

An indispensable condition was to prevent Montevideo from capitulating before military preparations were completed, since the entire country would fall into the hands of the Blancos and their allies from Buenos Aires if the Colorados' resistance in the capital was put down. As France began to gradually eliminate its financial subsidies after coming to terms with Rosas, Brazil was forced to take its place. Thus began the practice of "patacão diplomacy": the payment of credits and subsidies to the Colorado government, and later to Urquiza.

The Brazilian government acted at first indirectly and covertly to this end. They employed the services of banker Irineu Evangelista de Sousa, the future Baron and Viscount of Mauá and the most extraordinary example of a self-made man in 19th century Brazil. Mauá had been born in the border town of Arroio Grande and had started out as a modest clerk in the Court before building up an astonishing fortune in the narrow business environment of Brazil in the mid-1800s. Long before there was any talk of multinational companies, he set up a network of bank branches and other companies with a notable presence and influence in Brazil, Uruguay, and Argentina.

At Paulino's urging, the young banker took part, in the words of his biographer Jorge Caldeira, in a "curious secret agreement with three signatories: the governments of Brazil, Uruguay, and a mere Brazilian citizen who joined with the same status as the governments."⁶ This was the agreement of September 1850, whereby, with the approval of the Rio de Janeiro government, Mauá undertook to pay the besieged Colorado government in Montevideo 18,000 *pesos fortes* a month for 13 months. As the French gradually reduced their subsidies to zero, Brazil's financial

commitment increased; a year later, the payments amounted to 60,000 patacões a month.

From a certain point onward, Irineu Evangelista remained active but without the initial exclusivity. Brazil's loans became official and public, converted into laws approved by Parliament, duly included in budget lines and subject to meticulous accounting. The recipients varied: in addition to payments to successive Uruguayan governments, 100,000 patacões a month for 10 months went to the governments of Entre Ríos and Corrientes, allies against Oribe and Rosas; 300,000 patacões went to the Argentine Confederation, dominated by Urquiza, and so on.

It is impossible not to admire Paulino's audacity and initiative in pulling all the levers of power to achieve national objectives in the River Plate—including patacões, far from abundant in Brazil in those (and other) times. Born in debt to London at the dawn of independence and thus continuing throughout history, Brazil took on the role of creditor in this unusual episode, as Paulo Roberto de Almeida observed, "a rare situation in its financial diplomacy."⁷

The Brazilian loans carried interest of 6% a year. The Argentines paid off the debt in the 1870s, while in the case of Uruguay a full settlement was only made in 1918 by means of a benevolent agreement.⁸ Brazil got what it wanted, albeit at a high price, as we will see later when we estimate the economic cost of the Platine policy.

Mauá did not fare so well. He would even say that his involvement in these high strategic adventures had been his "original sin." He never recovered the huge sums of money he had given the Montevideo government and which he considered himself to be owed. At one point, his bank almost became the unofficial Central Bank of the Uruguayan government, which often led him to resist requests for compensation from his compatriot ranchers, which he considered excessive and exaggerated.

Be that as it may, the patacões helped secure the cooperation of the Colorados, who were already critically dependent on Brazil in political and military matters. The system of regional alliances was made complete by the accession of the provinces of Entre Ríos, governed by Rosas' most ambitious rival, Justo José de Urquiza, and through him Corrientes, bordering Brazil and Paraguay. A formal treaty of alliance was signed in Montevideo between the Empire of Brazil, the government of the Oriental

Republic of Uruguay (Colorado) and the State of Entre Ríos (May 29, 1851). Despite repeated requests, the dictator of Paraguay, Carlos Antonio López, chose to isolate himself from potential allies, a contrast to the later behavior of his son Francisco Solano in the crisis that led to the War of the Triple Alliance (1864).

The alliance ostensibly aimed to remove Oribe and the Argentine forces from Uruguayan territory but provided for an expansion of its goals should this cause Rosas to declare war against the allies. The Viscount of Uruguay's diplomatic maneuver was revealed in a letter to his representative in Montevideo: "By harassing Oribe for the grievances we have against him [...] without declaring war on Rosas (in the case of Article 18 of the Convention of 1828), we are dealing him a mortal blow."⁹

The minister feared that the British, satisfied with the understanding they had reached with the Buenos Aires leader, would plan to intervene on his behalf. This was reflected in the insistent offer of mediation by the British representative in Rio de Janeiro, recently arrived from Buenos Aires and a friend of the caudillo. To avoid providing a pretext for interference, which would threaten to frustrate the operation's intentions, it was essential not to take the initiative by declaring war; the 1828 convention required a period of six months before a new war could break out between Brazil and Argentina.

The calculation worked, as it fell to the governor of Buenos Aires to precipitate the declaration in August 1851, prompting the following comment from the Viscount: "the strange and original declaration of war that he has made enables us to take a more decisive position now."¹⁰

At that time, the Allied troops had not yet entered the campaign against Oribe. The delay was due to the state of dispersion and lack of preparedness in which Caxias, appointed president of Rio Grande do Sul, had found the Army. This delay allowed Urquiza to advance alone and, without a fight, negotiate Oribe's capitulation on favorable terms for the latter. Although annoyed at its secondary role and at not having been consulted, the imperial government resigned itself to the *fait accompli*.

Oribe's capitulation dates from early October 1851; it was then not long before the new Brazilian plenipotentiary, Honório Hermeto Carneiro Leão (Marquis of Paraná), formed a coalition against Rosas in Montevideo (November 21, 1851) with the same players from the previous alliance.

A few weeks later, a division of the Brazilian Navy under the command of Rear Admiral John Pascoe Grenfell forced its way through the fortress at Tonelero Pass and helped most of the troops commanded by Urquiza to cross the Paraná River at Diamante. Bartolomé Mitre and Domingo Faustino Sarmiento, the two great liberal intellectuals destined to preside over Argentina, were aboard the imperial flagship.

Caxias remained on the Uruguayan bank of the River Plate, ready to intervene if necessary. Meanwhile, the so-called Grand Army (25,000 men, most of them Argentines) clashed with the equivalent Rosista forces in the Battle of Caseros (February 3, 1852). A contingent of the Brazilian Army (4,000 men) took part in the battle under the command of Manuel Marques de Sousa, the future Count of Porto Alegre. The fighting ended in a few hours with the complete defeat of Rosas, who took refuge on an English ship and died in exile in England a quarter of a century later. Soon after the victory of the Grand Army, Urquiza took over the government of the Confederation in Buenos Aires.

The Brazil-Uruguay Treaty System

In less than two years, the interventions seemed to have removed obstacles that had to that point resisted two decades of fruitless efforts. Oribe and Rosas, the Empire's intractable adversaries on the River Plate, would never again threaten Brazilian interests. The human cost of the war had proved relatively modest; even the financial cost of the subsidies disbursed to the Colorados and Urquiza through "patacão diplomacy" could not be considered excessive compared to the significance of the result achieved.

Soon, however, the imperial government discovered that the solutions to some problems generated others, sometimes more serious ones. Thirteen years after the success of the Viscount of Uruguay's policy, Brazil would be dragged into the destructive War of the Triple Alliance, in no small part due to the consequences of the solutions imposed in 1851–1852.

These solutions were embodied in five treaties signed in Rio de Janeiro with the representative of the Colorado government of Montevideo as part of the so-called "treaty system." The Colorados' survival, it should be remembered, depended on financial subsidies and military support from Brazil, making the 1851 agreements similar, in certain respects, to the

“unequal treaties” extracted by Great Britain from D. João VI when he was equally dependent on subsidies and English naval and military force (1810). It is therefore not surprising that, seen by the Uruguayans in the same way as the Brazilians had seen the “unequal treaties,” the adjustments would come up against all sorts of obstacles to their application.

The subsequent Treaty of Limits enshrined Brazil’s rejection of the line of San Ildefonso and confirmed the conquest of Missões do Uruguai 50 years earlier. It reflected an existing reality on the ground, although not yet assimilated at the time by Uruguayan irredentism. Not content with this recognition, the imperial government imposed on Montevideo a dry border on the Jaguarão River and the Mirim Lagoon; that is, it reserved control of both banks, denying the Uruguayans navigation.

This step revealed a lack of moderation in the treatment of the smaller neighbor on this stretch of the border; more than half a century later, the Baron of Rio Branco unilaterally rectified the decision in Uruguay’s favor. The Baron never explicitly said he considered the way the Uruguayans had been treated to be a mistake, but his gestures and words at the time clearly indicate this was his conviction.

The Trade and Navigation treaty established the free export of cattle to Rio Grande, tax-free for 10 years, during which time jerky and other Uruguayan exports would enjoy equal conditions of entry into Brazilian territory. The extradition agreement obliged Uruguay to return escaped slaves to Brazil, while a subsidy agreement committed the Empire to an immediate loan and monthly subsidies to the Uruguayan government, with payment guaranteed by the mortgage of customs revenues.

The Treaty of Alliance made the special accord signed against Oribe perpetual. It also committed Brazil, if requested by the Montevideo government, to provide naval and ground support troops, whose presence could last up to five years. In this way, the Empire embarked on an adventure that is not without analogies with the frustrating and fruitless examples of nation-building of the kind carried out by the US in Afghanistan and Iraq. At a time when there was still no international conversation around promoting democracy and human rights, the treaty aimed to “fortify the Eastern nationality through inner peace and constitutional habits.” The words were those of yesterday, the illusions that motivated them perhaps the same as today.

Developments and Complications—For the system to work, the Uruguayan government needed to be strong and willing to comply with the treaties. Neither of these conditions was met. One of the weak points of the Brazilian policy was precisely the Colorado government's lack of real political capacity, despite funding and support from Brazil. In the words of Honório Hermeto (Marquis of Paraná): “unfortunately, the party that defended the stronghold of Montevideo against the assembled forces of Rosas and Oribe represents a tiny fraction.”¹¹ Once political normality was restored, the Blancos wasted no time in retaking power, refusing to approve the treaties in the legislature.

The Uruguayan perception that the treaties ran counter to national interests and were the result of an imposition by a foreign power made it impossible to persuade the majority of the country's politicians to support the measures. It was therefore left to Brazil to force the will of the local government through the muscular policy applied by Honório Hermeto, the Marquis of Paraná. The Brazilians mixed the threat of force, financial pressure, and collaboration from Urquiza, who was at first reluctant. Thanks to these instruments, small concessions in the texts and, secretly, the fear that the Brazilians would spark a new revolution, Paraná obtained acquiescence to the system, classified as a *fait accompli*, from the Blanco government *a regañadientes*, as they would say in the River Plate region: through gritted teeth.

Under these bad auspices, implementation was bound to be precarious. There were constant complaints of violations: a ban on the export of cattle, the re-establishment of the old taxes, refusal to hand over escaped slaves. The old caudillos—Rivera, Lavalleja, Oribe—disappeared from the scene one by one. The Colorado Venancio Flores stood out among the replacements, ruling briefly as an interim leader in the mid-1850s without enjoying any greater stability than his adversaries in the Blanco governments, which were challenged by recurrent conspiracies and revolts. The treaties remained as unpopular as before. Tension increased and exploded in the early 1860s in a strange replica of the events of 1850–1851, though this time with heightened consequences.

While Brazil's permanent intervention in Uruguay managed, with great difficulty, to postpone a return to the previous situation, on the opposite bank of the River Plate the 1850s would usher in a definitive

unification. The final struggle would once again cause a split between the Argentine Confederation, under the command of Urquiza, and the province of Buenos Aires, led by Mitre and the remnants of the former Unitarians. The latter would achieve reunification after the victory of Pavón (1861).

Brazil's relationship with Urquiza was characterized by mutual distrust and frequent run-ins. A definitive peace treaty, anticipated since the end of the Cisplatine War, never materialized. The 1857 boundary treaty did not come into force due to the lack of ratification. A final rupture came after Brazil's refusal to contribute 1,000,000 patacões to fund Urquiza's offensive against Mitre. Nevertheless, Brazil achieved its essential objectives: freedom of navigation in the rivers, recognition of Paraguayan independence, and the assurance of Uruguayan independence, solemnly enshrined in the Treaty of Friendship, Commerce and Navigation (1856). With Mitre, who is credited with describing Pedro II's regime as a "crowned democracy," the relationship would prove to be much more friendly and solid.

The Road to the Paraguayan War

The 1850s and 1860s clarified the outlook for Brazil's largest neighbor. But developments in Paraguay and Uruguay paved the way for the deadliest of all wars in the history of South America. The conflict, contrary to what was feared at the time of Rosas, would not pit Brazil against Argentina; to everyone's surprise, the two regional powers would be allies against a country that had deliberately kept itself on the margins not only of diplomacy but also of normal coexistence with the rest of the world.

Even today, a century and a half later, it is hard to believe that complications with Uruguay could have affected the Paraguayan dictator so much as to draw him into a war against the coalition of the rest of the River Plate basin! A war between Brazil and Argentina would not have surprised anyone; it would even have had a certain logic to it, given the rivalries and clash of interests that have made it the default "conflict hypothesis" of the two countries' general staffs. On the other hand, a long war, lasting more than five years and uniting all the Platine nations against Paraguay, was on its face an absurd eventuality that no one could have foreseen.

To begin with, the adversary could not have been more unlikely. Paraguay in the early stages of independence was a state of singular

characteristics, uniquely irreducible in its fierce isolation in the heart of the land. It was a kind of South American North Korea in its hereditary despotism, the Spartan control of its population, and the reduction of contact with the outside world to the bare minimum. In an attitude typical of the defensive option of solitude, it did not show any interest in the formal recognition of independence until 1842, although it had enjoyed full autonomy since 1810/1811.

Its first ruler, José Gaspar Rodríguez de Francia, *El Supremo*, made moves worthy of a Qing Dynasty emperor in the arrogance with which he repelled attempts, including from Brazil, to establish regular consular and diplomatic relations. Who would have thought that one of his successors, Francisco Solano López, would provoke a suicidal war by suddenly insisting on playing a central mediating role in Uruguayan disputes from which his country, despite being asked, had abstained in the past?

It is also surprising that the initiative for war came from Asunción. Brazil certainly had serious unresolved issues with the country, particularly regarding the border and free navigation of the Paraguay River. However, these challenges were not on the Empire's priority agenda, which at that time was totally absorbed by the vicissitudes of Uruguay. There was no record of any act or initiative on Brazil's part against Paraguayan territory and, if Paraguay felt sincerely threatened by the Brazilian offensive in Uruguay, it was not because of any deliberate intention on the part of the Empire, but rather due to inattention.

Brazil was once again struggling in Montevideo with the difficulties that the treaty system had contained without resolving. Neither the subsidies nor the limited presence of its forces, requested in 1854 and rescinded two years later, had managed to overcome the state of intermittent civil war. Nor was the Empire able to prevent the repetition of attacks on Brazilian interests that the adjustments had intended to prevent. Writing to José Maria da Silva Paranhos, the future Viscount of Rio Branco, Paulino, Honório Hermeto's successor in the Uruguayan capital and author of the system itself, explained the calculation that had motivated it: "The financial difficulties were the ones that gave us the treaties [...] let us see if we can still take advantage of those difficulties to consolidate the policy founded by the treaties."¹²

All things considered, it had to be concluded that the policy based on the treaties had not been consolidated. Faced with the impasse, should Brazil double down or resign itself to a strategy of containment, with minimal involvement in the neighboring country's internal disputes?

The second option entailed abandoning the policy of financial and military intervention, not necessarily repudiating what had been done in 1850–1852. The imminence of Rosas' victory and the threat it posed to Uruguayan independence had justified the previous intervention. Once that danger ceased to exist, the main reason for the policy disappeared along with it. From then on, the Empire's objective was to put an end to the endemic civil war in Uruguay, certainly a desirable outcome given the interests of Rio Grande do Sul. It was, however, an internal Uruguayan problem that was much harder to reach through external intervention.

On its own, renouncing the policy of intervention would not have created so many external difficulties for Brazil and would perhaps have prevented the episode of 1864 and the pretext it provided for the Paraguayan attack. However, this potentiality came up against an obstacle that concerned internal Brazilian politics: the interests of a considerable number of Rio Grande do Sul leaders. Gabriela Nunes Ferreira, in *O Rio da Prata e a consolidação do estado imperial* [The River Plate and the Consolidation of the Imperial State], writes that Rio Grande acted as a transmission belt for the Platine conflicts to Brazil. The reason for this fateful role was due not only to its geographical location on the border, but also to the symbiosis between the economic and commercial interests of the southern province and Uruguay around the export of cattle.

An additional argument has to do with the legacy of the Farroupilha Rebellion. The movement had ended not so much by being crushed in battle, but through a mixture of military victories and a skillful policy of reconciliation and pacification led by Caxias. From then on, the Court tried to accommodate the leaders of Rio Grande do Sul in order to avoid reviving previous resentments and rebellions. Geographer and historian Demétrio Magnoli builds on this reasoning, deducing that:

The strategic place occupied by the Rio Grande oligarchy—the border strip with the Platine area—gave it a power it would not otherwise have had and contributed decisively to the fact that, from

that time onwards, imperial policy towards Uruguay was largely subordinated to its will.¹³

This perverse symbiosis would bring back a replayed version of the 1850 conflict with an almost identical script, down to the details of the accusations, retaliations and types of violence involved. In some episodes, even old characters like Chico Pedro reprised their old roles with the return of the infamous *califórniás*. The chronology was also reminiscent of the past: it all began, or began again, with rebellion in Uruguay.

After several Blanco governments had held control in Montevideo, the Colorado Venancio Flores unleashed a revolt against President Bernardo Berro in April 1863. His uprising was organized in Buenos Aires and seen with sympathy by Argentine President Mitre. The internationalized nature of the southern parties was once again apparent. Uruguayan Colorados, Argentine Unitarians and the remnants of the Rio Grande do Sul Farroupilhas were all liberals with ideological affinities and personal ties. Mitre had lived in exile in the Uruguayan capital and loathed the Blancos as much as he hated Rosas. The Brazilians in the Uruguayan hinterland also provided Flores with contingents of forces. They either suffered the consequences for their involvement in the civil war or simply became innocent victims of the anarchy prevailing in the country.

Early in 1864, Brigadier Antônio de Sousa Neto, a former Farroupilha leader (he, not Bento Gonçalves, was responsible for the proclamation of the Rio-Grandense Republic after the victory at the Battle of Seival in 1836) was sent as an emissary to the Court. There he would find a propitious climate for a strong reaction on the part of many politicians and the press, but not from Caxias, who advised caution. Shortly before, the country had suffered the humiliation of the blockade and capture of ships by the British squadron in the middle of the port of Rio de Janeiro during the Christie Affair, the cause of the rupture of relations with the United Kingdom (1863). The deficit of self-respect left by the incident cried out for reparation and fueled a bellicose spirit in the press, in public opinion, among conservative and liberal politicians, and in the Emperor himself. The Liberals, who had succeeded each other in power through six governments since 1862, decided to send one of the party's most prestigious men, José Antônio Saraiva (Councilor Saraiva, as he would

become known), on a special mission to the River Plate region in order to obtain reparations.

The Crisis of 1864—Given the way it was conceived—an ultimatum demanding compensation for material damage and punishment for crimes against Brazilians under threat of armed reprisals—the initiative offered only two outcomes: capitulation or open conflict. The first solution proved to be politically unfeasible for a government beset by rebellion, pressured by the exalted members of its party and disinclined to give in to a foreign power that was seen, rightly or wrongly, as supporting the insurgents.

Saraiva belonged to a rare breed, the phlegmatic Bahians, according to his fellow Bahian and political adversary, the Baron of Cotegipe. A man of thoughtfulness and balance, he soon realized that the possibility of achieving satisfaction without war would require the prior pacification of Uruguay. In fact, civil peace was a prerequisite both for repairing past offenses and for preventing future ones, since the failure of the treaties to prevent abuses showed that they stemmed from chronic instability.

On arriving in the Uruguayan capital in April 1864, Saraiva did not immediately deliver the ultimatum to the government, then headed by Atanasio Aguirre. He instead persuaded the cabinet in Rio de Janeiro to first allow him to try to mediate a peace agreement between the factions. From the moment he arrived until the effort to reach a peaceful settlement was abandoned, he worked tirelessly to bring about negotiations between the adversaries. He came close, even reaching an agreement that was signed but later repudiated by a vacillating President Aguirre, who was hostage to the most intransigent wing of the Blancos.

This extremely brief outline of an intricate story, full of comings and goings, does not do justice to the complexity of the negotiations. It is worth mentioning that, on Mitre's initiative, the Brazilian envoy enjoyed the effective personal collaboration of the Argentine Chancellor, Rufino Elizalde, and the British minister in Buenos Aires, Edward Thornton. Although the collaboration failed, it laid the foundations for what would become, with the addition of Uruguay, the tripartite alliance in the war against Paraguay.

The convergence between Argentina and Brazil highlights the fundamental difference separating the crisis of 1864 from that related to Rosas and Oribe. This time, Argentine and Brazilian interests coincided

in opposition to the government in Montevideo. Unable to expect anything from Buenos Aires, controlled by his irreconcilable Unitarian enemies, Aguirre entertained the illusion of obtaining help from Urquiza, defeated in Argentina but still in control of the provinces of Entre Ríos and Corrientes. A glance at the map shows that Uruguay, which has no border with Paraguay, could only receive aid through the two Argentine provinces connecting the two countries. The bet on Urquiza failed, like everything else in the Blanco strategy, except in relation to support from Asunción. The Blancos were unable to save themselves and would remain out of power in Montevideo for more than 90 years. However, by fueling and amplifying Solano López's fears, resentments, and ambitions, they contributed to a chain of events that would set the entire region ablaze for years to come.

Chronology of the Paraguayan Intervention—By the end of 1862, at the age of 36, Francisco Solano López had come to absolute and supreme power. The third dictator in Paraguayan history, he inherited control from his father along with advice that he should resolve problems with his neighbors, especially Brazil, by pen and never by war. As fate would have it, less than two years after Carlos Antonio López's death and faced with his first trial by fire, his son would disregard that advice.

More than half a century after independence, Paraguay had begun to experiment with opening itself up to the world, in terms of trade, arms imports, and arrival of foreign military technicians. The country also began to attempt asserting its presence and prestige in the River Plate Basin.

In contradiction to its ambitions, Paraguay had not equipped itself with the necessary diplomatic personnel to achieve its goals. It only had a consul in the city of Paraná, capital of the province of Entre Ríos, commercial agents in the ports of Buenos Aires and Montevideo, and two representatives for the whole of Europe! Except for one or two special missions, the country lacked its own channels of information and communication with its neighbors. At the time when it most needed objective data to make vital decisions, it depended on information and distorted analyses supplied by Uruguayan Blanco emissaries interested in garnering its support.

Francisco Doratioto, author of the best, most complete and reliable history we have of the “damned war,”¹⁴ makes insightful observations about the harm that neglecting diplomacy did to the country:

These misunderstandings [the misinterpretations of the threat of a Brazilian attack on Paraguay or the supposed danger to Uruguayan independence] [...] could perhaps have been avoided if the Paraguayan government had had reliable information instead of that provided by [...] the Uruguayan representative in Asunción.

Doratioto contrasts this gap with the contribution of experienced Brazilian diplomats who, “during the war, played an important role in politically reinforcing the military action.”

On the other hand, the Paraguayan army had been carefully strengthened, as had the defenses of Humaitá, which guarded the only practicable access to the country via the river. When pressed to act at the climax of the Uruguayan crisis, Paraguay found itself prepared for war, but not peace. Attempts at pacification led by Saraiva, Elizalde, and Thornton were exhausted, and the Brazilian emissary’s instructions forced him to finally present the Blanco government with the ultimatum he hoped never to have to use (August 4, 1864). Desperate for any other help, the Blancos hurried to convey the terms of Saraiva’s demand to Solano López, trying to convince him that the forthcoming Brazilian attack would be aimed at occupying part of Uruguay and anticipating similar aggression against Paraguay.

On August 30, 1864, the Paraguayan dictator sent a note of protest to the imperial government, indicating that he considered a possible attack on Uruguay to be a disturbance of the regional balance and warning of the possible consequences. Most of the Platine actors did not take the threat seriously, an understandable misjudgment given the unprecedented nature of this first expression of international activism on the part of Asunción. The exception was the Blanco government, which had prior knowledge of the protest and hardened its stance in the belief that it would be rescued by the Paraguayans.

The insistence of the Brazilian government on an ultimatum with a short deadline, without being in the least prepared to follow through, is strikingly contradictory. A squadron commanded by Admiral Tamandaré

had positioned itself in Uruguayan waters from the outset, while again the mobilization of ground forces progressed at a slow, difficult pace.

The decision to send Saraiva with the ultimatum was made in April 1864, but it was only presented to Uruguay on August 4, just six days before its deadline. It then took two months, until October 12, for the first Brazilian detachment of troops to enter Uruguayan territory in an incursion that lasted no more than 10 days. The bulk of the ground forces would only enter operations in December, four months after the ultimatum. One gets the feeling that, unlike Paraguay, Brazil had adopted a policy capable of leading to war, but in practice it was gambling everything on the chances of diplomacy, neglecting its preparation for the fight.

While the Brazilian mastodon struggled to set off, Solano López quickened the massing of and training of the Paraguayan troops. Learning of the first Brazilian intervention in Uruguay in October, he ordered without warning on November 11 the immediate capture of the steamer *Marquês de Olinda*, which carried the new president-designate to the Province of Mato Grosso. On November 13, the Brazilian Legation in Asunción sent a protest to the Paraguayan Chancellery; in return, it received a note dated the previous day, breaking off diplomatic relations. At the end of December, two Paraguayan columns invaded Mato Grosso.

There is Paraguayan documentary evidence to indicate that, despite the initial fears of an attack by the Brazilian Empire, the audacity of Solano López's offensive was driven by the belief that the element of surprise and Brazil's lack of military preparedness would deliver victory. A fatal miscalculation explained Solano López's actions, as the British minister in Buenos Aires realized. Thornton, who had traveled to Asunción to try to dispel fears about Brazil's intentions on the Uruguayan question, reported to London that the issue was merely a pretext for the dictator to attack Brazil, occupy the disputed territory and, from a position of strength, negotiate a border settlement with Rio de Janeiro.¹⁵

Whatever the imprudence or inattention of imperial diplomacy in Uruguay or in relation to Paraguayan administrations, the fact is that there was no direct attack or threat to Paraguay from Brazil. There is no doubt that Solano López took responsibility for unleashing a war that would cost the lives of thousands of people, including his own. He was the main perpetrator of this painful South American tragedy. Doratioto draws the

same conclusion in a detailed and thoughtful study of the documentary evidence from the time: “Of all the rulers that fought the Paraguayan War, only Solano López had actually prepared for a regional conflict [...] the imperial government was taken by surprise by the Paraguayan attack on Brazilian territory.”¹⁶

The Tripartite Alliance and the Paraguayan War

Having delivered the ultimatum in August, Saraiva returned to Rio de Janeiro in early September, but not before signing a reciprocal aid agreement with Buenos Aires to solve the problems in Montevideo. In this way, he shored up a climate of trust that had begun with the joint efforts to pacify Uruguay. Nabuco said that it was “thanks to Saraiva that the new combination of forces in the River Plate region was made around the Empire, and not against it; [and also thanks to him] that there came to be a Brazilian Triple Alliance, and not one hostile to Brazil.”¹⁷

For Nabuco, it was a pity that the politician from Bahia could not add persistence and a love of fighting to his list of noble qualities. Nabuco deplored the fact that Saraiva had resigned from his mission, leaving Brazil’s Platine diplomacy in the lurch at “the most critical and difficult moment of all, in the months of September, October and November, that is, between the beginning of the reprisals and the war with Paraguay.” The war could not have been avoided, “in view of the prejudices, illusions and character of López,”¹⁸ Nabuco wrote, but the presence of Saraiva, with the prestige and authority he enjoyed in the Liberal cabinet, would have been enough to prevent the hiatus in diplomacy “when it most needed to be in the hands of a statesman.”¹⁹

With the emissary’s withdrawal, the government appointed another statesman to succeed him: Paranhos, who had already dealt with the Platine problems in Honório Hermeto’s mission and would become the greatest Brazilian expert on these issues. The future Viscount of Rio Branco would only arrive in the River Plate in December, however, and in the meantime the direction of events passed into the hands of Tamandaré, who took a decidedly military course. Allying himself with Venancio Flores, he united the rebels with Brazilian forces in the bombardment and assault on the Uruguayan city of Paissandu. These operations took place more or less at the same time as the Paraguayans invaded Mato Grosso and were preparing

to attack Rio Grande do Sul (between the end of December 1864 and the beginning of January 1865).

The news of the fall of Paissandu and the execution of the commanders of its defense by the Colorados—in revenge for atrocities perpetrated years before by the Blancos in the so-called Quinteros Massacre (1858) in Arroyo Grande, as well as during other battles—shocked and upset the Uruguayan capital. Aguirre publicly promoted the burning of the treaties with Brazil and attacks on the imperial flag. He then left the presidency at the end of his term, replaced by the president of the Senate, Tomás Villalba. Under his leadership, and thanks to the mediation of the Italian representative, Paranhos negotiated the agreement of February 20, 1865, by which Flores took power, fundamental Brazilian complaints were met, and Uruguay went from being an enemy of the Empire to an ally in its fight against Paraguay.

What followed was one of the strangest episodes in Brazil's diplomatic history. Without firing a shot, Paranhos' negotiations made the bombardment and assault of Montevideo unnecessary, sparing countless Brazilian, Uruguayan and other lives. An attack would further have cost Brazil the sympathy and collaboration of the Argentines. As Nabuco remarked: "We would have entered the war with Paraguay with America and the world against us, if Montevideo had been treated like Paissandu."²⁰ The Argentine historian and politician Ramón J. Cárcano had the same opinion, here referring to the performance of the future Viscount of Rio Branco: "The capitulation of Montevideo is a triumph of his skill. From a government and a people who were sworn enemies, he turned them into allies and friends, binding them to the fate of the Empire."²¹

A diplomat and politician first and foremost, Paranhos disregarded the recent emotional outbursts of his counterparts, preferring compromise to imposition by arms. He abstained from including in the agreement any demand for the immediate punishment of excesses and outrages against the flag perpetrated by the previous Uruguayan government. In this he clashed with Tamandaré and, to an even greater extent, the Liberal cabinet, which was committed to a total victory without compromise, capable of absolving the humiliation of the Christie Affair and diverting attention from a crisis sparked by the recent bankruptcy of Casa Souto, the largest Brazilian bank at the time. When the terms of the agreement

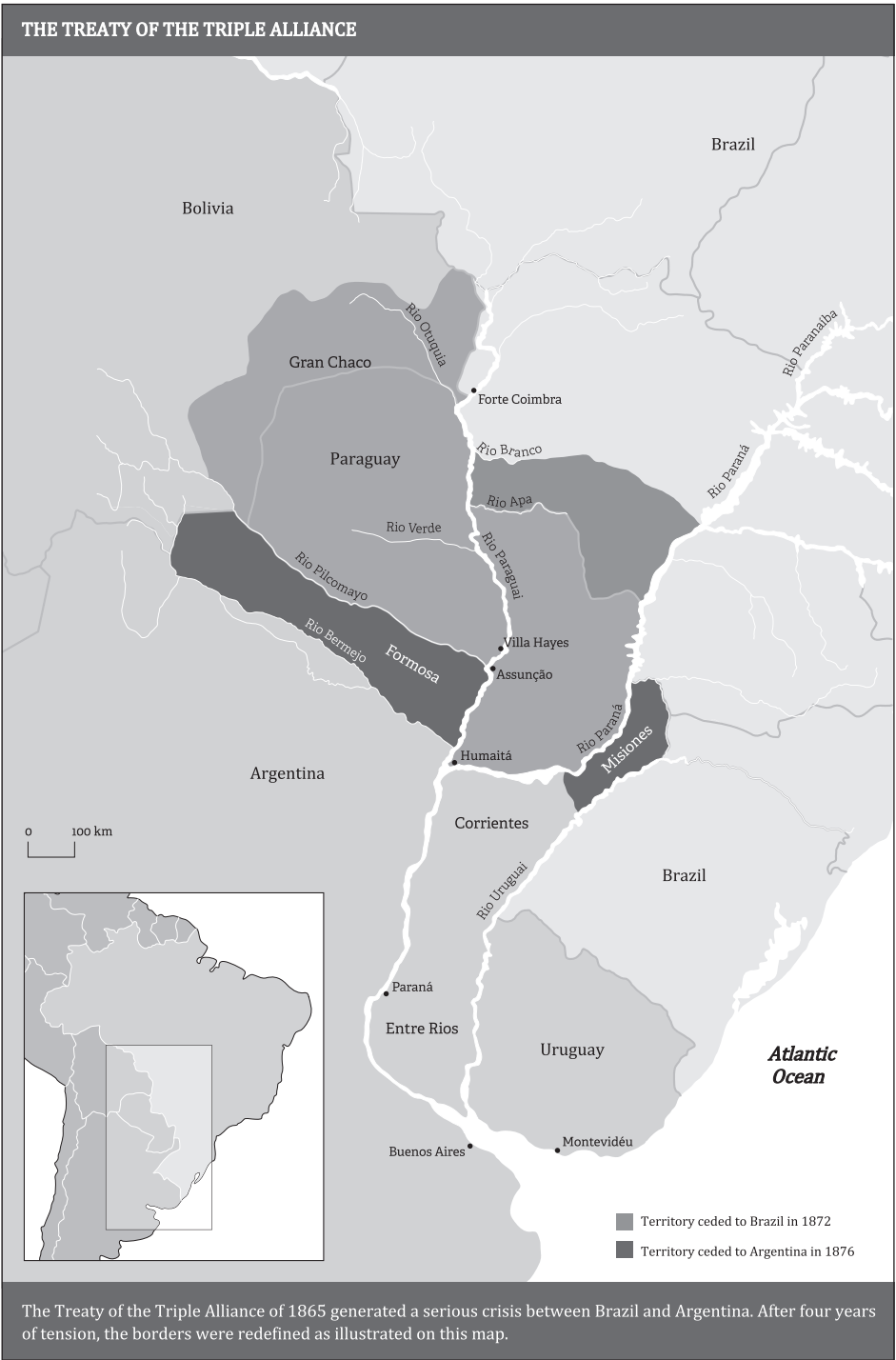
became known in the Court, the envoy was summarily dismissed. His approach had run counter to the stated interests of the government and the Emperor's bellicose inclinations. Still, his solution was preserved almost in its entirety.

Months later, the dismissed plenipotentiary's defense of his actions would inspire the core of Machado de Assis' "*O velho Senado*" [The Old Senate]:

Galleries and tribunes were full of people [...] It was one o'clock in the afternoon when the president gave the floor to the senator [...] Paranhos usually spoke with moderation and pause; he would clench his fingers, [...] and his voice would come out meditated and colorful. On that day, however, his eagerness to defend himself was such that the first words were shouted rather than spoken: "Not vanity, Mr. President." [...] After a moment, his voice returned to its usual pitch, and the speech continued as on other days. It was nine o'clock in the evening when he finished; he was as he had been at the beginning, there was no sign of fatigue in him or in the audience, which applauded him. It was one of the deepest impressions that parliamentary eloquence has left on me.²²

During his mission, Paranhos had tried unsuccessfully to settle an alliance with Argentina against Paraguay. Even Mitre, perhaps the Argentine president most favorably disposed towards Brazil in history, was unable to go that far. Unexpectedly, Solano López, in his contempt for diplomacy, made the alliance possible by violating the territory of the province of Corrientes after the government in Buenos Aires had denied him permission to cross its national territory to invade Rio Grande. The attack on Corrientes took place in mid-April 1865; on May 1, the Empire of Brazil, the Argentine Confederation, and Uruguay signed the Treaty of the Triple Alliance in Buenos Aires. Francisco Otaviano de Almeida Rosa, a Liberal politician and occasional poet (author of *Quem passou pela vida em branca nuvem* [Whoever passed through life in a white cloud]), signed the treaty on behalf of Brazil.

At Francisco Otaviano's insistence, and overcoming Argentine reluctance, the treaty guaranteed Paraguay's independence and the integrity of its territory. Its future borders with Brazil and Argentina were already outlined in the text, a provision that would later generate a serious



diplomatic disagreement between Rio de Janeiro and Buenos Aires that lasted throughout most of the 1870s. In the agreement, which was kept secret, the allies vowed not to stop fighting until Solano López was deposed; they would not sign separate peace deals with the dictator. The Triple Alliance was the crowning achievement of competent diplomacy—aided, it is true, by an adversary who misused and annulled, through disastrous diplomatic conduct, the undeniable military advantages it had long and carefully accumulated.

The Evolution of the War—Once the conflict started, the audacity of Paraguayan attacks was such that, as Joaquim Nabuco noted, it was only after each blow had landed that they became possible to imagine. In his view, this was a war without oracles or prophets: “Neither the Emperor, nor Paranhos [...] nor Mitre, nor Urquiza.”²³ The unpredictability of Paraguayan behavior and the Empire’s militarily weakened state explained, according to him, the “disorder” of the allies subsequent reaction.²⁴

López hoped to achieve a landslide victory thanks to a kind of blitzkrieg, before the term was coined, against Mato Grosso and Rio Grande. At the other end of the spectrum, Mitre, who expressed the opinion of the allies, thought that Asunción would fall in just three months. In reality, the conflict would drag on for more than five years and would cause infinitely more suffering and sacrifice than anyone had anticipated. How can one understand such a miscalculation?

Perhaps the deepest reason stems from the transformation then taking place in the nature of warfare itself. The destructive and defensive power of arms and armaments had evolved as a result of the Industrial Revolution. The Paraguayan War began as the American Civil War ended, and Doratioto reminds us that both were prolonged and drawn out, in contrast to the much shorter conflicts of the past. Almost half a century later, the First World War also lasted more than four years. It also contradicted initial expectations and repeated the pattern: an initial phase of rapid movement, followed by the exhausting stalemate of trench warfare and, finally, the demoralization of the combatants.

For today’s reader, who thinks in terms of the current disparity of forces between Brazil, Argentina and Uruguay on one hand and Paraguay on the other, it is difficult to understand why the allies were unable to swiftly liquidate what should have been a much weaker adversary. In fact,

estimated figures for 1860 indicate that Paraguay had no more than 400,000 inhabitants, compared to 1.7 million in Argentina, 9 million in Brazil, and 250,000 in Uruguay, a total of less than half a million against 11 million. However, the picture changes when one looks at the troop numbers at the start of operations: 77,000 for Paraguay, 6,000 for Argentina, 18,300 for Brazil, and 3,100 for Uruguay, totaling 27,400 men—an almost threefold advantage for the Paraguayans.²⁵

An intangible, harder to assess factor is what could be called the military spirit: discipline, blind obedience, and despotic and inflexible rules on the Paraguayan side compared to the three flaws appointed by Nabuco on the Brazilian side: softness, the indolence due to the country's climate, the race and social habits and patronage—a somewhat vague euphemism that disguises an allusion to the regime of slavery and civic apathy. He adds that fortunately the moral fiber of the country was not dead, a trait that enabled Brazil to display in a short time “the greatest military panorama yet seen in South America.”²⁶

Anyone wishing to learn more about the military evolution of the conflict should read Francisco Doratioto's fascinating and balanced account. For our more limited purpose of studying diplomacy, it suffices to know that after the failure of the blitzkrieg with Paraguay's naval defeat at Riachuelo and the capitulation of its occupying forces at Uruguaiana (September 1865), the fighting shifted to Paraguayan territory invaded through Passo da Pátria (April 1866). A slow battle for position followed until the allies conquered the fortress of Humaitá (February 1868). Under the command of Caxias, who had replaced Mitre, the conflict entered the definitive phase of the *Dezembrada* battles, which lasted through the occupation of Asunción (January 1, 1869).

Sick and convinced that the bulk of the fighting was over, the Brazilian general retired to Rio de Janeiro that same month. The Emperor, however, was determined not to give López any chance at resurgence. He appointed his son-in-law, the vacillating Count of Eu, to command the so-called “Cordillera War”: pursuit of the tyrant that saw him captured and killed by a detachment of Brazilian cavalry in Cerro Corá on March 1, 1870, the date that ended the war.

Final Balance—After scrutinizing various troop and casualty calculations, Doratioto estimates that Paraguayan losses ranged from

9% to 69% of its total population of between 286,000 and 450,000 inhabitants. This translates to a minimum of 28,300 and a maximum of 279,000 killed—nowhere near the fanciful figures of one million dead that are sometimes quoted (more than double the population of the country at the start of the conflict). In any case, the enormity of the gap between the minimum and maximum estimates is enough to show the uncertainty that still hangs over this issue today.

The total number of participating Brazilians amounted to almost 140,000 men, of whom an extremely high proportion of 50,000 (more than a third) likely perished. Argentina lost an estimated 18,000 men out of 30,000 combatants, and Uruguay 5,000 out of 5,500. These are daunting figures given the populations of the time, although they do not come close to the 640,000 Union dead and the almost 300,000 Confederate dead in the American Civil War (1861–1865). Moreover, most of the deaths (two thirds or more) did not occur in combat, but were the result of epidemics, disease, hunger, physical exhaustion and forced migrations imposed on the Paraguayan civilian population.²⁷

Doratioto calculates that the war effort cost Brazil the equivalent of almost 11 years of its annual budget, generating a continuous deficit in the 1870s and 1880s; foreign loans contributed much less to financing these expenses. More complicated is estimating the opportunity cost of the war—that is, what was lost in terms of potential investment in infrastructure and modernization of the economy. Hence the words of the Baron of Cotegipe in a letter to the Baron of Penedo in May 1866, as recorded by Doratioto: “Damned war, it sets us back half a century!”

Controversy over the caliber of Brazil’s military conduct during the war has not ceased since the time of the fighting and will probably remain forever inconclusive. One of the best responses to criticism at the time came from Caxias himself in a speech to the Senate, where he presented a convincing version of “the fog of war”:

Once the facts are in, and the enemy’s terrain, strength and maneuvers are known, nothing is easier than to criticize operations and to indicate more advantageous plans from afar, in all calm and cool-headedness [...]. But the same does not happen to those who find themselves on the battlefield, walking in the dark, in an entirely unknown country, beset by natural difficulties [...] *the Paraguayan*

*War was fought as we moved blindly forward. There were no country maps to guide us [...] [emphasis mine].*²⁸

A century after the conflict, some Paraguayan newspapers would devote daily columns to evoking its memory, with the understandable intention of highlighting the bravery of the Paraguayan people through the more or less favorable moments of their tragic national epic. In contrast, in the country where the Baron of Rio Branco had advised that “there are victories that should not be celebrated,” the anniversary passed almost in silence. A few days after March 1, 1970, a note published by the Ministry of the Army stated that Brazil had waited until that time to make a statement because it preferred to commemorate a hundred years of peace rather than a hundred years of war. I cannot think of a better way to end the narrative of this immeasurable South American tragedy.

Peace and the “Argentine Crisis” (1870–1878)

The indisputable predominance of Brazilian forces in the final two years of the war created advantages for imperial diplomacy. The Brazilians leveraged their position to impose their own ideas on the peace arrangements, though at the cost of sparking serious disagreement with Argentina. The resulting “Argentine crisis” would continue for much of the 1870s and even arouse fears of a new armed conflict.

The divergence stemmed from an article in the Treaty of the Triple Alliance that defined in advance what Paraguay’s future borders with Brazil and Argentina should be. In the latter case, this not only confirmed what had to that point been de facto Argentine sovereignty over the territory of Misiones, on the left bank of the Paraná River, but also assigned to Buenos Aires, on the right bank of the Paraguay River, the entire Chaco Boreal up to Bahia Negra on the border with Mato Grosso, with the exception of any rights invoked by Bolivia.

In an age when long-distance communication took time, diplomats enjoyed a great deal of autonomy and often had to resolve unforeseen difficulties without any reassuring recourse to higher authorities. Having arrived in the Argentine capital before his instructions, Francisco Otaviano was compelled to negotiate and sign the alliance based on his personal judgment. He understood that it was not his place to object to Buenos

Aires' territorial claims in the treaty in relation to Paraguay, since the Argentines had not objected to Brazilian claims of the same nature.

Months later, the Foreign Affairs Section of the Council of State would express a different inclination, issuing an extremely critical opinion on the Treaty of the Triple Alliance. Their judgment was due to the influence of Pimenta Bueno, the future Marquis of São Vicente, who was considered the authority par excellence on Paraguayan affairs thanks to a mission he had led to Asunción years earlier. He had the support of another prestigious member of the Conservative Party, the Viscount of Uruguay, and also of the Viscount of Jequitinhonha. For the Conservatives, what caused "intense sorrow [was] the stipulation of Article 16. The Argentine Republic rules over the entire left bank of the Paraná River up to the Iguazú River and, what is even more, of the entire right bank of the Paraguay River up to Bahia Negra, next to the Coimbra fort!"²⁹

The supporters of the Conservative Party's traditional policy position lamented the fact that the Brazilian plenipotentiary had agreed to an expansion of Argentine territory giving it a border with Brazil in Mato Grosso and allowing it to surround Paraguay on three sides—south, east, and west. In this way, taking into account that Argentina would also incorporate the territory of Misiones, the door was wide open for the eventual annexation by Buenos Aires of what was left of Paraguay. According to Nabuco, the Foreign Affairs Section's opinion "can be said to be the starting point of our diplomacy in relation to the Alliance Treaty. Since it was formulated [...] the government has been afraid of its own work [...], and it will take its diplomacy more than 10 years to undo in this part what it had done in one day."³⁰

For the duration of the war, the differences between the two countries remained relatively dormant. As the fighting drew to a close, however, they soon came to the surface, fueling mutual suspicions about expansionist designs at Paraguay's expense. Between 1869 and 1876, Paraguay had practically become "a protectorate of the Empire," whose diplomacy guided "the foreign policy of the weak Paraguayan governments to resist the Argentine claim on the Chaco."³¹ The political reorganization of the destroyed enemy was carried out under the personal and direct guidance of Paranhos, whose long stay in Asunción inspired the Argentine foreign

minister to make the ironic comment that he would be canonized if Rome knew the living conditions prevailing in the Paraguayan capital.

The minister, Mariano Varela, was also the author of the phrase that “victory does not give rights,” which was immediately picked up on by Brazilian diplomacy to weaken any invocation of the treaty in favor of Argentina’s territorial claim over the Chaco. The positions of the nominal allies hardened even more after the Conservatives replaced the Liberals in Brazil, while Mitre gave way to Sarmiento in Buenos Aires.

The signatories of the Triple Alliance had pledged not to “conclude peace treaties [...] except by perfect agreement between all” (Article 6). However, with the Argentine representative having abruptly withdrawn from the Asunción negotiations, the Baron of Cotegipe, envoy of the Conservative government already headed by Paranhos, decided to sign for a separate peace with the Paraguayans (February 1872).

With this, Brazil’s two basic objectives were guaranteed: freedom of navigation on the Paraguay River and an established border along the Apa River, the same line proposed that Carlos Antonio López had refused two decades earlier. In those negotiations in 1856, Paranhos had clearly defended the principle of *uti possidetis*, which would guarantee Brazil the *yerba mate* producing area of Dourados. The Paraguayans, in contrast, continued to advocate for the validity of the Treaty of San Ildefonso, the interpretation of which would allow them to invoke rights to a boundary on the Branco River.

In reality, Article 16 of the Treaty of the Triple Alliance offered the Empire the chance to extend slightly farther south of the Branco River, as far as the Iguaré River. Paranhos had already given up on this claim 20 years earlier, as confirmed in the Peace Treaty of 1872. Partly for this reason, future critics would claim that Brazil had failed to take advantage of the military victory to enlarge its territory, which is only half true. It is true that the area incorporated into the national territory was already sparsely occupied by Brazilians and that the treaty did not call for any further expansion of the country’s previous claims. It is no less true, however, that Paraguay had always refused even these claims and would only accept them because of its defeat in the war.

As justified as the initiative to sign a separate peace treaty may have seemed to the Conservative government, the decision caused significant

damage to supporters of the Brazilian alliance in Buenos Aires. Some sectors in Argentina went so far as to classify it as “perfidious and disloyal.” There were two moments when the two countries came close to armed conflict, the first shortly after Brazil signed its separate treaty with Paraguay and again, years later, with the failed mission of Argentina’s Foreign Minister Carlos Tejedor to Rio de Janeiro.

After four years of tension and upheaval, the Argentines finally managed to sign a peace treaty with Paraguay under which the territories of Misiones and the Central Chaco would belong to Buenos Aires. Part of the Chaco region, situated between the Verde and Pilcomayo rivers, including Villa Occidental (today Villa Hayes) would be submitted to the arbitration of President of the United States Rutherford Hayes. In 1878, Hayes decided in favor of Asunción, in line with the desired outcome of imperial diplomacy. Two years earlier in 1876, the withdrawal of Brazilian troops occupying the Paraguayan capital had been completed—the last chapter of this great human catastrophe.

Nabuco’s conclusive judgment is, as usual, irrefutable:

Unfortunately, there was not always the frankness among the allies that should govern the treatment of a question of this order; and only fatigue, sacrifices, the experience of the campaign from which they had emerged, were the reason for their not fighting a deadly war against each other over the Paraguayan Chaco. This state of public opinion in both countries was highly regrettable after five years of comradeship on the battlefields...³²

The space set aside for Platine complications in the history of Second Reign diplomacy may seem disproportionate, but this is an inevitable consequence of their predominance at the time. These concerns were central to the first two decades of the 40-year period and, though with decreasing intensity, much of the third decade as well. Many believed that the very survival of the Empire depended on peace and war in the River Plate region. For this reason, the greatest political minds of the era dealt with these issues personally: Honório Hermeto, Paulino Soares de Sousa, Paranhos, Caxias, without forgetting São Vicente, Saraiva, Cotegipe and many others, none of whom were career diplomats.

Never again in the future, especially in the republican era, would the leading politicians of Brazil devote so much attention and personal

involvement to international problems, except for during World War II. It was as though, as stability was consolidated in the region and the eventuality of war became implausible, diplomacy had left the Olympian domain of big politics and once again become the routine job of specialists.

The Rest of the Story: The Christie Affair

Around 1850, Brazil had faced two mortal crises at the same time: confrontation with the Royal Navy over the slave trade and the threat of the Rosas–Oribe coalition in the River Plate. It had solved the first challenge through unilateral action and the second one through war. Thirteen years later, the coincidence of a new conflict in Uruguay and against Paraguay came while diplomatic relations with the world's greatest power, Great Britain, were worsening.

If this time a rupture between the two countries could not be avoided, the primary responsibility lay with the British minister in Rio de Janeiro, the eponymous William D. Christie. Christie's behavior serves to illustrate the serious consequences that can result from a government placing support in the wrong diplomatic agent. In many respects, this account should belong to the previous period of Brazilian history, since it basically represents a delayed effect of resentments inherited from conflict over the slave trade, which had ended a decade earlier.

The end of the slave trade had not been enough to settle the contentious issues accumulated over 30 years of discord. In a heavy climate of prejudice, the British cabinet led by Palmerston, with Russell in the Foreign Office, chose for the difficult post in Rio de Janeiro a diplomat described by Leslie Bethell as "impulsive, arrogant [...] hostile towards 'inferior' and weaker nations." He was convinced, according to his own writings, that "fear is the only effective guarantee of justice," and force the only instrument of political control.³³

With such a disposition, which to be sure reflected the opinions of his superiors and, in general, Victorian arrogance, Christie turned two police incidents that could have been resolved with a little more diplomatic persistence into a pretext for more forceful measures. The first was a long-standing issue: the looting of the remains of the *Prince of Wales*, which had wrecked off the coast of Rio Grande do Sul. The second and more recent was the arrest in the Rio de Janeiro neighborhood of Tijuca of some

plainclothes officers disembarked from the British warship *Forte*. It is hard to believe that disagreements over episodes in the police chronicle led to the absurd naval blockade of Rio de Janeiro for six days (December 31, 1862 to January 5, 1863) and to the seizure of five Brazilian merchant ships!

Despite the revolt that the violence caused among the population of Rio de Janeiro, the official Brazilian reaction consisted of momentarily yielding to England's superior brute force and then seeking satisfaction through diplomatic means. The government paid, under protest, the compensation claimed in the case of the looted shipwreck and agreed to submit the issue of the alleged offense against the British Navy to arbitration by King Leopold of Belgium. While the arbitration was taking place, the imperial government demanded an apology in London for the violation of national sovereignty and the payment of damages for the seizure of its ships. Faced with the British refusal, it took the extreme decision to break off diplomatic relations in mid-1863.

Soon afterward, the arbitrator established that there had been no offense against the British Navy, which paved the way for mediation offered by Portugal. Thanks to arbitration and mediation, a compromise was reached whereby the British government would send its representative in Buenos Aires, Edward Thornton, on a special mission to Rio de Janeiro. Once received by the Emperor, the envoy would declare that His Britannic Majesty denied "any intention of offending the dignity of the Empire," would express "regret" for the "circumstances" of the severing of relations, would accept without reservation the king of Belgium's report and would express his intention to appoint a minister for Brazil.³⁴

This was a compromise, not full satisfaction, because the United Kingdom refused to pay reparations. Save for honor, the pecuniary issue, as Joaquim Nabuco wrote, "was insignificant to prevent the re-establishment of relations, especially after we had twice resorted to the London financial market after suspending them."³⁵ For this reason, or because the war against Paraguay made it inadvisable to refuse, the British proposal was accepted. D. Pedro II received Thornton in the allied camp at the surrender of the invading Paraguayan forces in Uruguaiana (September 1865).

The break had lasted less than two years and had not affected economic ties, as Nabuco recalled when he mentioned the two loans raised in London. For Alan K. Manchester, the severing of relations was almost like the

symbolic liquidation of the last vestiges of English political preeminence inherited from Portugal, and which the Brazilians had begun to dismantle since the Regency.³⁶ In fact, this obvious realization—that the interruption of relations eliminated any last residue of British influence on the Court’s decision-making—should be enough to demonstrate the absurdity of revisionist theories regarding England’s imagined manipulation of Brazil in unleashing the Paraguayan War, which began during the rupture.

Curiously, back in London the clumsy Christie would later complain in books that agents in the service of Brazilian diplomats had spent the fabulous sum of £ 30,000 a year to mount a successful operation to sway public opinion in their favor. In what today we would call an act of “public diplomacy,” the campaign consisted of the publication of “inspired” letters and articles in English magazines and newspapers, attacks and criticism of Russell in Parliament by intellectuals and politicians, including the famous free trade champion Richard Cobden, and even the awarding of honorary degrees by Oxford University to the Baron of Penedo, Brazil’s minister in London. Once again, diplomacy helped to compensate in part for the country’s lack of military power.³⁷

Navigation of the Amazon

Brazilian foreign policy at this time began to reinforce the pattern already outlined in relation to its treaties with England, the prohibition of slave trafficking and, in general, issues in which the power differential made direct confrontation inadvisable. Once the tools of political resistance were exhausted, Brazilian foreign policy’s temporary submission to British superior force served as a strategic retreat, buying time for diplomacy to achieve reparations or changes to concessions granted under coercion. Realistic in its assessment of the correlation of forces at play, the country adjusted its behavior and methods according to whether it was dealing with countries of more or less similar power to its own or much more powerful nations. An example of the difference can be seen in the evolution of the imperial government’s position on the navigation of international rivers.

For a long time, Brazil pursued an “absolutely incoherent” policy on this issue, in the words of Pandiá Calógeras: it did not authorize the navigation of the Amazon by upstream peoples, such as Peruvians and Colombians, and at the same time demanded from the Argentines and

Paraguayans its own right to navigate the lower waters of the River Plate. The contradiction reflected the country's opposing geographical situations in relation to the Amazon and the River Plate, where the outlet to the sea was in the hands of Argentina, while Paraguay controlled the middle course of the Paraguay River and, consequently, Brazil's access to Mato Grosso.

The contradiction did not escape the Council of State, which in an 1845 opinion signed by Bernardo Pereira de Vasconcelos stated:

If, as owners of the Paraguay [river], or part of the Paraguay, Paraná and Uruguay, we consider ourselves to have a perfect right to navigate these rivers up to their mouths in the sea [...] it will not be decorous for us to dispute the navigation of the Amazon with the inhabitants of Bolivia, Peru, New Granada, Ecuador, and Venezuela.

Recognizing that “our interests regarding the navigation of rivers are different or contrary in various parts of the Empire,” Vasconcelos solved the problem not by applying a general principle of law—the freedom of navigation—but with a solution typical of the Conservatives’ casuistic empiricism.

It would be better, he said, to “invoke conventional law to establish the use of the rivers that cross and divide Brazil”—that is, to negotiate “conventions” with the interested parties one by one. Brazil would thereby retain its power to measure the extent and conditions of the concessions it offered in each case.³⁸ Along these lines, an exhaustive attempt was made to obtain the freedom to navigate the Platine rivers through negotiation. When these failed, Brazil resorted to armed confrontation with Rosas’ Argentina and López’s Paraguay, with a view to resolving the problem in the post-war adjustments by means of treaty commitments (conventional law).

In the far north, Brazil agreed to negotiate freedom of navigation for upstream countries if they agreed to sign definitive treaties on boundaries to the country’s satisfaction. Navigation was therefore used as a currency to define borders.

The problem changed when the pressure to open the Amazon started to come not from neighboring countries, but from the United States with support from England and France. The Americans were then at the height of their expansion in the name of Manifest Destiny (an expression

coined in 1845).^{IX} The Mexican-American War, which took almost half of Mexico's territory, took place between 1846 and 1848. The adventures of filibusters like the notorious William Walker ravaged the poor countries of Central America.

With a flourishing merchant navy and robust export trade, the North Americans took advantage of the forced opening of China by the British in 1842. In the first half of the 1850s, they took the lead in "gunboat diplomacy" by forcing the Japanese to open their ports to trade. As a recent history of American foreign relations recalls, "during the age of Manifest Destiny, the United States greatly expanded its territory and acquired vast riches in natural resources, [...] laying the foundation for its future status as the world's greatest power."³⁹

Almost at the same time that Commodore Mathew Perry was forcing open Japan's doors, another US naval officer, Lieutenant Mathew Maury, criticized the "Japanese" closure of the Amazon in the press and in books, supported in Rio de Janeiro by the gestures and demands of the US minister, William Lorsdale.⁴⁰ Alarmed by the potential threat to a gigantic, sparsely populated and poorly defended territory, the imperial government bought time, delaying concession to the Americans as long as it could. D. Pedro himself said he was not opposed to the measure in theory but considered it imprudent until Brazilian presence and activities capable of neutralizing foreign interests had been created in the region.

By the mid-1860s, it had become increasingly difficult to maintain the closure. The triumphant liberalism of the Victorian era, which had been consolidated with the abolition in Britain of the protectionist Corn Laws and the opening of ports and trade in 1852, set the tone for debate and inspired public policy and doctrines. In Brazil, the campaign was echoed in the writings of the champion of liberal thought, Tavares Bastos.

At the end of 1866, at a critical moment in the Paraguayan War, Brazil finally established by decree the unconditional opening of navigation of the Amazon to all nations—an act that would not prevent the government, in 1902 and again in 1903 at the height of the Acre crisis, from prohibiting navigation of the river to agents of the Bolivian Syndicate, to which Bolivia had leased the territory.

IX For a better understanding of the "Manifest Destiny" theory, see Introduction.

Definition of Border Policy

Brazil's border policy was not born polished and complete like Pallas Athena from the head of Zeus, to use imagery that would suit 19th-century tastes. Nor is it true, as school textbooks of the past used to claim, that the Brazilian government always upheld the criterion of *uti possidetis* in substitution for the Treaty of San Ildefonso provisions. In a superb and up-to-date study, Synesio Sampaio Goes Filho debunks these and other myths about Brazil's boundaries.⁴¹

He points out, for example, that

the doctrine of the non-validity of the Treaty of San Ildefonso and the consequent recourse to *uti possidetis* [...] was gradually established in imperial diplomacy, after several years of indecision, in which there was no shortage of official documents defending the full validity of the Treaty. There was no shortage of opinions [...] from the Council of State, until at least 1846, in which *uti possidetis* was not considered a convenient rule for Brazil.⁴²

One explanation for this indecision appears in the 1846 opinion that rejected Brazil's first treaty with Venezuela, based on the *uti possidetis* of 1810, because the Foreign Affairs Section of the Council "could not ascertain what these limits were and is not qualified to ascertain whether the adoption of *uti possidetis* will not harm the Empire in other demarcations."⁴³

In other words, this hesitancy in the definition of the policy derived at least in part from a lack of knowledge of the geographical reality of the immense and mysterious territory, a situation that would last for almost a century. It suffices to recall the tragic Rondon–Roosevelt expedition on the eve of World War I to discover the exact route of a waterway, then aptly named the River of Doubt, today named after US President Theodore Roosevelt.

In addition to the geographical uncertainty, other causes for hesitation lay in the high turnover of the command of Brazil's diplomatic affairs (bear in mind that 11 ministers succeeded one another in just a few years) as well as in the general instability and weakness of the country until the middle of the 19th century. One of the immediate effects of the consolidation of monarchical power was the long tenure (almost four years) of the Viscount of Uruguay in the Foreign Ministry, which gave

him the time and opportunity to systematize what would become the Brazilian doctrine of borders. The first two treaties inspired by the new doctrine date back to this period, both from 1851, the first with Peru and the second with Uruguay.

It is to Paulino Soares de Sousa credit that he realized the advantages of a position advocated since 1837, sometimes contrary to the opinion of the Council of State and the Foreign Ministry, by Duarte da Ponte Ribeiro, the true pioneer of Brazil's adoption of *uti possidetis*. Contrary to what one might imagine, the starting point in the process leading to change in the Brazilian position did not come of its own initiative, but rather that of Marshal Santa Cruz, president of the short-lived Peruvian-Bolivian Confederation. During negotiations in La Paz, Ponte Ribeiro proposed, in accordance with instructions he had received, that the border should follow the line defined in the 1777 Treaty of San Ildefonso. He was surprised to find that the Confederation would not recognize the validity of colonial treaties between Spain and Portugal, instead offering a counter-proposal based on the principle of territorial possession.

The Brazilian envoy realized the unexpected advantage he was being offered and, in a move not often seen by diplomatic officials, confronted his own government to persuade it to change its previous position. Thanks to his conviction and perseverance, he ended up having decisive influence on the construction of a new policy that was better suited to national interests. He became the ideal prototype of the diplomat mentioned at the beginning of this book, the scholar who patiently prepares, step by step, the legal and cartographic arguments that will weigh most heavily on boundary negotiations. He was not the only diplomat and official of the monarchy who contributed in this way. Miguel Maria Lisboa, in Colombia, Ecuador and Venezuela, Joaquim Caetano da Silva, researching archives and libraries in Europe, Joaquim Nascentes de Azambuja, and a few others also distinguished themselves in this effort.

However, what makes Duarte da Ponte Ribeiro the ideal example of an agent of knowledge diplomacy is his astonishing activity over 52 years of service in practically all the most sensitive posts in the Americas: Montevideo, Buenos Aires, La Paz, Lima, Santiago, Caracas and Mexico City. No fewer than 180 studies and memoirs came from his inexhaustible pen! Author or advisor on hundreds of maps and annotated border routes,

he combined theoretical knowledge with the expertise of a negotiator and political representative in conflict situations.

Synesio Sampaio Goes paid tribute to him by writing that, although he never achieved the international prestige of Rio Branco or led foreign policy as a minister, Ponte Ribeiro “with his many works on dozens of stretches of our border, with the various treaties he negotiated or signed, contributed decisively to building and executing the Empire’s admirable boundary policy.”⁴⁴

Proposing possession as a factor in determining borders, however, was only one element of Brazilian policy. Before arriving at *uti possidetis*, it was necessary to decide whether the Treaty of San Ildefonso, preferred by all or almost all its neighbors, was still in force. The Brazilian government had even admitted its applicability at the outset of negotiations. After all, its stipulations did not differ much from the lines drawn by the Treaty of Madrid, except on one decisive issue: if the 1777 document were to apply, Brazil would have to give up the Missões territory, which had been incorporated through military control since 1801.

To overcome the impasse, the Brazilian side played a skillful hand. The Treaty of San Ildefonso, whose official title included the adjective “preliminary,” was no more than that: a preparatory document to “serve as a basis and foundation for the definitive treaty of limits,” as the preamble put it. It should have been followed by demarcations on the ground and a definitive settlement. The demarcations were never completed, and the final treaty was never negotiated. Therefore, the preliminary treaty could only be used as an aid to clarify doubts.

In order to claim the lack of “written law for the demarcation,” the imperial government began to maintain that San Ildefonso had been annulled by the Peninsular War of 1801. In the Badajoz peace agreement signed between Portugal and Spain after that war, the 1777 treaty had not been expressly revalidated, as would have been common practice for previous agreements between the two Iberian countries. There was no return to the previous territorial status quo established at San Ildefonso; Spain had refused to return Olivença, which it had occupied during the brief fighting in 1801, and Portugal had retained Missões. The lack of any mention of the previous stipulation regarding revalidation was therefore not the result of forgetfulness, but of tacit revocation.

Thus, by 1850 the Brazilian doctrine for setting border limits was practically complete. In fact, it is clearly set out in two documents authored by Paranhos: the minutes of the failed negotiation with Paraguay (1856) and a memorandum opening negotiations with the Argentine Confederation (1857). Its fundamental elements were: 1) the lack of written law on the matter, since colonial treaties had been annulled by later wars; 2) the principle of prior possession as the main basis for indicating the border; and 3) in the absence of possession, the 1777 treaty of San Ildefonso as an auxiliary basis for drawing up boundaries.

This was an extraordinary turnaround from the initial negotiating positions. The unfavorable Treaty of San Ildefonso became merely subsidiary and conditional, while the principle of *uti possidetis* became the near-exclusive criterion. The only thing left to do was to convince the other parties that it was also in their interests to adopt this new approach. As this outcome was not a given, Brazil made freedom of navigation of the Amazon conditional on fixing the boundaries.

The lure worked in its biggest initial test: the Treaty with Peru (1851), significant for being the first treaty to enshrine the doctrine and link navigation to border agreements. The doctrine would prove effective again in the Treaty with Venezuela (1859). Colombia, on the other hand, clung to San Ildefonso, and no agreement was reached despite repeated attempts. A little later, an agreement with Bolivia (1867), sometimes referred to as the Treaty of La Paz de Ayacucho, also fell in line with the new doctrine.

Although two other treaties, one with Uruguay and a peace and boundaries agreement with Paraguay, reflected these same principles, the imbalance of power had more influence in these cases than the weight of the arguments themselves. The border established in 1851 with Uruguay did not advance beyond the line that had already been drawn when the Cisplatina Province was incorporated into Portugal after the defeat of Artigas (1820/1821). However, it should be noted that, in the year the treaty was signed, the Colorado government in Montevideo was completely dependent militarily and financially on the Empire. Harshly contested, the document would be eventually adjusted in favor of Uruguay at the initiative of the Baron of Rio Branco (1909). As for the Paraguayan treaty, it is enough to remember that at the time it was signed (1872), Brazilian troops were still occupying Asunción.

The doctrine may have put an end to Brazilian vacillation, but concrete progress towards establishing its borders nevertheless followed a long and inconclusive road that was full of setbacks. In most cases, it was necessary to go through two, three, four or more negotiations. These sessions were separated by long intervals, with new governments succeeding each other in the opposing capitals and insisting on starting from scratch. The problem was almost never resolved in a single attempt. Even when the culminating stage of consensus and signature was reached, things often went back to square one for lack of congressional approval or ratification.

The result was that, when it came to an end the Empire could, strictly speaking, boast of two definitive treaties fixing the boundaries with Venezuela and Paraguay, respectively. The borders with the Guianas remained open, as did that with Colombia. Adjustments with Peru and Bolivia would withstand time and criticism, but an important part of these two borders would undergo significant changes during and after the Acre crisis. The final boundary with Argentina would have to await the arbitration of President Grover Cleveland, and that with Uruguay, as mentioned, would be reviewed by Rio Branco.

The demarcation campaigns on the ground took place amid epic difficulties. Those who have visited the headquarters of the old Boundary Demarcation Commissions will have seen portrait galleries featuring selfless demarcators killed by indigenous people, tropical fevers, drownings, snake bites, and disasters of all kinds. These pioneers explored and cleared unknown lands. It is hard to believe, for example, that Brazil's highest mountain, the Pico da Neblina on the border with Venezuela, was only discovered during the 1964 demarcation campaign, almost a hundred years after the treaty of limits was signed!

Even though in most cases definitive treaties were still missing, a considerable portion of Brazil's gigantic land border had been sketched and delineated by the end of the monarchical period. Thanks to the doctrine perfected by imperial diplomacy, the body of knowledge that had accumulated over decades of negotiation and the development of astute middle-ground bargaining positions, the diplomacy of the Republic inherited an effective instrument, which only needed the time to bear fruit.

For a long time, territorial and navigation issues were the mainstay of Brazil's diplomatic relations with the almost inaccessible neighbors on

the continent with whom it enjoyed practically no commercial, economic or other exchange. The merits of the Empire's diplomats and governments lay in the perseverance with which they pursued negotiated solutions to all these issues.

Opinions from impartial observers, even from countries that were Brazil's adversaries in negotiations or doctrines, recognize that it ultimately prevailed thanks to the continuity of its policy, the coherence of its doctrine and the professionalism of a diplomatic corps that was insulated from the oscillations caused by the instability of its neighbors. Border policy certainly represents the most indisputable example of the constructive potential of knowledge-based diplomacy and the soft power of negotiation and compromise.

The Twilight of the Empire

Joaquim Nabuco expressed the transformation that had taken place in South America's international panorama in the final three decades of the 19th century in a lapidary formula:

The war with Paraguay was of such decisive importance for our national destiny, and also for that of the entire River Plate region, that it can be seen as the *watershed of contemporary history*. It marked the *heyday of the Empire*, but it was also the *main cause of the decadence and fall of the dynasty* [...] [emphasis mine].⁴⁵

Some victories, such as that of the United States in World War II, inaugurate the beginning of a new hegemony; others, such as that of France in the Great War of 1914, are equivalent to the last glow of a fading star. The Brazilian case resembles the second category more than the first. Even after the war, military spending to curb Argentina's territorial ambitions in relation to Paraguay, added to interest on internal debt (mostly contracted for defense purposes), would continue to absorb almost half of the total expenditure of the Empire.⁴⁶ The problem was aggravated by the war, but it had become practically a constant for almost the entire duration of the monarchy.

Few people today realize how much it cost in economic terms to maintain internal unity and stability in the first decades of independence, and security on the Platine borders afterward. By the end of the 1820s,

the Cisplatine War had raised the Empire's military spending to 50% of central government expenditures; the percentage rose even higher during the Farroupilha Rebellion. From the *Maioridade* (1840) to the Paraguayan War (1864–1870), these expenses never fell below 35% and, in the war years, jumped to 65%. The military budget would only begin to decline in the last days of the Empire.⁴⁷

We will never know what progress could have been made if that money and energy had been invested in basic education, railroads, ports, and the modernization of Brazil's productive apparatus. That is what Cotegeipe was thinking when he blamed the Paraguayan War for setting Brazil back 50 years. One cannot help but regret that, in large part due to antagonisms inherited from the colonial regime, independent Brazil was condemned to at least 60 years of constant financial pressure to defend itself.

It is also odd that the weight of the military budget is not mentioned when the causes of slow economic growth in the 19th century are discussed. The high percentage of defense spending is one of the characteristics of that era that almost completely disappeared in the Republic, a change that is not taken into account when listing the factors leading to more positive economic performance since then.

By the end of the 1870s, the foreign policy of the Empire had achieved all the goals to which it had aspired. It had secured the independence of Uruguay and Paraguay, avoided the dreaded reconstitution of the Viceroyalty of the Río de la Plata, permanently removed its adversaries from power in Buenos Aires, Montevideo and Asunción, and obtained free navigation of the Platine rivers and its desired borders with Uruguayans and Paraguayans. After 30 years of war and tension, it was as if the exhausted monarchy had lost the energy and will to reform and modernize itself.

It was not that attempts to deal with slavery, the main obstacle on the road to real modernization, were entirely lacking. Shortly after the end of the war, the Paranhos cabinet passed the Law of Free Birth in 1871. The blow this legislation dealt against slavery would prove fatal. Its effects, however, would only be felt over a very long period of time. As before, Brazilian policymakers had adopted a gradualist approach that, while reducing costs to a minimum, also reduced and delayed its subsequent benefits. Senator Nabuco de Araújo had rightly said in a speech in 1870 that timing is the essence of political endeavors: "Reforms, however little

they may be, are worth a lot at the time, they do not satisfy afterwards, even if they are extensive.”

The abolition of slavery in Brazil followed a rocky and desperately slow path. In 1867, the government submitted a respectful appeal from the French Emancipation Board to the Emperor for review by the Council of State. The Council’s response to the French call for abolition indicated that the majority of the members of the Council would rather buy time than decide the issue. Seven of the 11 councilors refused to set a deadline, and only Montezuma, the Viscount of Jequitinhonha, called for immediate abolition. Pimenta Bueno favored abolishing the practice on the last day of the 19th century. For his part, the Marquis of Muritiba preferred the distant year 1930, when any remaining captives would be redeemed at half price! The application of legislation on unborn children of slaves similarly left much to be desired. Fourteen years later, a law that freed slaves over 60 years of age (in a country where life expectancy was less than 30 years) would still face the obstinate opposition in the Chamber of Deputies from the “*junta do coice*,”^x under the leadership of the son of the Viscount of Uruguay, Paulino Soares de Sousa, the “cousin Paulinho” of the Rio de Janeiro landowners. As a result, the monarchy was fated to live with the “servile institution” almost until the end; the abolition of 1888, the last on the American continent, came three years after that of Cuba, a Spanish colony, and 23 years after emancipation in the United States.

Other important reforms of the period followed a similar pattern of half-measures and time-consuming, ambivalent and poorly concluded initiatives. The Saraiva Electoral Reform (1881) succeeded in instituting direct elections and eliminating two-tier voting, but reduced the number of effective voters from 880,000 to 96,411. The very political stability of the regime was illusory because it coexisted with paralyzing administrative instability. In the nine years from 1880 to the fall of the Empire, 10 governments and four legislatures succeeded each other in power, none of which managed to see out its full four-year term. Sérgio Buarque concludes that this administrative instability, accompanied by the turnover of hundreds of high- and mid-level officials, made any continuous, long-term action impossible.

X This expression, originally used to refer to the pair of oxen positioned closest to the cart in an ox-drawn carriage, meaning they are furthest back compared to the other oxen, came to be used metaphorically to describe the most conservative faction of pro-slavery parliamentarians in the Brazilian Empire.—Trans.

The “Argentine Miracle”

Buarque also noted that, meanwhile, “Argentina, once immersed in constant turbulence and despotism, seemed to have entered an unprecedented and incomparable phase of material progress.”⁴⁸ In fact, the decade of decline and the final crisis of the Empire coincided with the beginning of the Conservative Republic (oligarchic, for the detractors) across the border, a golden age of rapid economic, demographic, and cultural advance. Indeed, 1880 saw a number of transformative events: the last armed clash of Argentina’s civil war, a solution to its port problem through the “federalization” of Buenos Aires, and the start of General Julio Argentino Roca’s first presidential term.

Roca would end up dominating two-thirds of this 36-year phase of history. He served two non-consecutive six-year terms as president and controlled the majority party for another 12 years while out of office. In addition to Roca, the 1880s generation, which succeeded the generation of Argentina’s liberal founders Mitre and Sarmiento and maintained their economic approach, included presidents such as Carlos Pellegrini, Roque Sáenz Peña, Manuel Quintana, and Figueroa Alcorta. The period ended in 1916 with the election of Hipólito Yrigoyen, leader of the Radical Civic Union, a party of the rising middle classes and the children of immigrants.

A country of abundant fertile land but lacking people and capital, the pacified Argentina would become a perfect complement to the urbanized Europe of the Industrial Revolution. The continent was an importer of food and had both a surplus population ready to emigrate and a surplus of capital in search of profitable investments. British funding and investment would build the infrastructure for railroads, ports, meatpacking plants and refrigerated ships for transporting beef. Immigrants, mostly Italians but also Spaniards and Jews from Eastern and Central Europe, provided the labor force. In a few years, Argentina developed a prosperous agro-export economy peripheral to the British Empire, at first exporting wool and then, in the 1890s, frozen and chilled meat and, increasingly, wheat, corn, and flax.

In parallel and even preceding these developments by a few years, the Argentines resumed their territorial expansion south, which in Rosas’ time had stretched to the meridional reaches of the province of Buenos Aires. Before becoming president, General Roca had commanded the Conquest

of the Desert, which overcame the resistance of indigenous communities and advanced into inland Patagonia. The country's old fixation on the estuary of the River Plate and the Banda Oriental, a potential source of conflict with Brazil, was replaced in Argentine foreign policy by the desire to define its southern limits with Chile. In the future, that orientation would be channeled into claims over Antarctica and a reopening of the dispute over the Malvinas Islands with England.

At the time, Uruguay was also moving towards replicating, on a smaller scale, the Argentine model of stability and wealth through the agro-export economy based on temperate crops. The golden age of President Battle's rule was approaching, which would see the construction of the welfare state and reflect Uruguay's image as the "South American Switzerland." The conditions of turbulence and unrest that had fueled Brazil's policy of intervention in the River Plate basin for decades were completely gone.

Comparison of Economic Performance—After careful analysis of various estimates of economic growth, Marcelo Abreu and Luiz Corrêa do Lago suggest that Brazil's economy may have grown at an annual rate of between 0.3% and 0.4% per capita over the imperial period. The extremely modest average reflects enormous regional variation, ranging from zero or negative rates in the Northeast (where 42% of the country's total population lived in 1890) to 1.5% to 2% growth in the coffee-growing region.

Angus Maddison's estimates, cited by the same authors, put Brazil's GDP per capita in 1820, on the eve of independence, at \$646, compared to \$759 for Mexico, \$1,257 for the United States, and an average of \$1,245 for 12 developed countries in Western Europe. Seventy years later, at the beginning of the Republic in 1890, those figures would be \$794 for Brazil; \$1,011 for Mexico; \$2,151 for Argentina; \$3,392 for the United States, and \$4,009 for the United Kingdom. Brazil's slow growth would have greatly accentuated its differences with other Latin American countries and developed countries at the time. From 1820 to 1890, Brazil's real GDP per capita grew by only 22.9%, a rate of just under 0.3% per year.⁴⁹

Between 1850 and 1913, on the eve of the Great War, the world experienced an unprecedented boom in trade, investment and other capital flows. It was also at this time that tens of millions of people left Europe to settle in new countries. These 63 years perhaps deserve to be called the "first phase of globalization," a privileged moment in which the

predominance of free trade created exceptional advantages for increasing exports of primary products to industrialized economies.

Favored by temperate ecological conditions and fertile soil, Argentina left the rest of Latin America far behind in its ability to take advantage of this golden age of “cows and wheat.” The rate of increase in its exports over the period was 6.1% compared to 3.7% for Brazil. The Argentines also distinguished themselves in terms of export diversification by selling new products abroad without reducing the importance of existing ones. Foreign sales were concentrated in wheat, corn, flax, rye, barley, chilled and frozen beef, lamb, wool, and hides. Argentine exports accounted for 30% of the continent’s total, even though the country’s population accounted for just 9.5%.⁵⁰

Brazil’s economy, by contrast, was heavily dependent on coffee production. The commodity accounted for around 60% of its foreign exchange earnings and, as the source of 70% of the world’s supply of the product, the country was unlikely to be able to further increase its market share. Accelerating its export rate depended on diversification, of which the only notable example was rubber. Brazil’s other traditional exports—sugar, cotton, tobacco, hides and skins—steadily declined in relation to coffee.

These disparities between the two countries widened the gap in agricultural productivity per worker to six to one in favor of Argentina; the per capita income of Argentina exceeded that of Brazil by five times. Smaller but still considerable differences also manifested themselves in the ability to attract immigrants. From 1851 to 1870, around 220,000 immigrants entered Brazil, for an average of roughly 11,000 a year. In the subsequent 10 years from 1871 to 1880, the figure was 219,000, raising the average to 21,000. In just the next five years, until 1885, 133,000 immigrants entered the country. After 1884, when the government of the province of São Paulo began to pay the full cost of boat tickets, immigration accelerated, reaching close to 252,000 arrivals between 1887 and 1889, of which 152,000 went to São Paulo.⁵¹ Nevertheless, the percentage of foreigners in the total Brazilian population never exceeded 10%.

In Argentina, the massive influx of immigrants into a sparsely populated territory had a much greater impact, with foreigners accounting for more than 30% of the population at the beginning of the 1890s (in Buenos Aires

the figure reached 50%). Total population grew almost two and a half times between 1869 and 1895, from 1,877,490 to 4,044,911. Immigrants accounted for half of this increase and more than half of the expansion of the workforce.⁵² In regions with a particularly high concentration of immigrants, traditional Argentine society practically disappeared. In Brazil, a comparable phenomenon occurred in some southern states and, to a lesser extent, in São Paulo.

Consequences for the Evolution of Foreign Policy

Such major changes in the relative position of the two countries did not quite constitute an inversion in the pre-existing correlation of forces, but they came close. Sooner or later, these shifts would have to produce tangible changes in each country's foreign strategy. Brazil maintained the upper hand in some traditional factors of power, territory, and population, with 14.3 million inhabitants (1890 census) compared to 4 million in Argentina. However, the widening disparities in economic performance made it impossible to maintain the type of military and, above all, naval superiority that had forced Argentina to give way in drawing up the boundaries in the Chaco.

It was Argentina's efforts to equip itself with a modern army and navy that would from then on stimulate the rivalry between the two countries, which had lost its old *raison d'être* with developments in the River Plate region. This metamorphosis did not escape the notice of contemporaries in Brazil. Campos Sales and other leaders of the Republican Party widely used the argument of the "Argentine miracle" in favor of the Republican cause. From his golden exile at the Consulate General in Liverpool, Paranhos Júnior, the future Baron of Rio Branco, complained that Argentina already had (in 1882) naval squadrons, torpedoes, and a modern army, all of which Brazil lacked.

Much of what would come later can be explained by the changes that took place at the twilight of the Empire: Brazil's compensatory realignment and rapprochement with the United States, Rio Branco's policy of seduction with Uruguay and other neighbors, as well as prestige initiatives developed in an effort to compete to some degree with the brilliance and iridescence of Buenos Aires' economic and cultural progress.

Still, all this would have to wait. The diplomatic panorama of this period was not at first marked by innovation. After the Christie Affair, Brazil's relationship with London remained important in terms of finance and investments in railroads and public services, but never returned to its previous political closeness, not to mention the English predomination of the times of D. João and the First Reign.

With the European monarchies, affinities manifested themselves more through protocol than through policy. It was noteworthy, for example, that the government decreed a period of official mourning on the occasion of the death of the heir to the Russian Empire and, subsequently, of the Queen Mother of Holland, but refused to pay the same tribute at the time of the commotion caused in Rio de Janeiro after receiving news of the assassination of President Abraham Lincoln.⁵³ Brazil's solemn ceremonial reception for the diplomatic representative of the short-lived Mexican Empire of Maximilian, Pedro II's double first cousin, represented an additional manifestation of this more than monarchical, dynastic solidarity.

Actions of this kind obviously did not make Brazil's relationship with the United States any closer or friendlier. There was no shortage of disagreements and mistrust between the two countries, contrary to what the Baron of Rio Branco would later have us believe, as he attempted to demonstrate that his *unwritten policy of alliance* with Washington dated back to the monarchy.

One curious episode reveals how the Americans were perceived at the Court. In 1851, Carvalho Moreira, the future Baron of Penedo, applied for a post as resident minister at a European court, but was instead appointed envoy extraordinary to the United States government. The Emperor, who kept a close eye on everything, asked the reason for the change and received the following explanation from Minister Paulino Soares de Sousa:

the post of resident minister there [in Europe], and in certain courts, is more appreciated than that of envoy extraordinary in Washington, where the salary is comparatively small, the climate terrible and the resources scarce, and one has to handle extremely thorny issues with an ambitious, cunning and powerful government.⁵⁴

It is surprising how clearly the Viscount of Uruguay grasped the essential character of the US government, in this and other instances. Despite the unattractive description of the post, Penedo had to resign himself to going

to Washington to deal with the “extremely thorny” business of navigation on the Amazon, in which he did quite well. Compared to the qualities of this famed Brazilian diplomat, those of numerous US “political appointees” to the Court at Rio de Janeiro Court left something to be desired. They became infamous for a rich chronicle of dust-ups, diplomatic gaffes and improper business dealings. Referring to some of these improvised diplomats, Cotepe wrote that they were more like businessmen than negotiators (“*mais negociastas que negociadores*”).⁵⁵

Adding to Brazil’s difficulties with the US were its sympathies for the Southern cause during the War of Secession. The Empire had recognized Confederate belligerency and granted the South use of Brazilian ports. Likewise, the favorable stance towards Solano López displayed by US envoys to Asunción and their refusal to comply with the river blockade of the Paraguayan capital in the culminating phase of the war had a similar effect. Shortly afterwards, however, relations began to evolve more positively thanks to the transformation of foreign trade. From 1873 onward, coffee was allowed free entry into the American market, which had become the most important destination for both coffee and rubber, Brazil’s second largest export. Brazil continued to accumulate growing surpluses in the US market at this time, which served to offset its traditional trade deficits with the United Kingdom and Germany.

In terms of public relations, a successful visit to the United States by the Emperor, who introduced himself simply as Pedro de Alcântara, helped prepare the ground for future rapprochement. Like any other citizen, he paid for his ticket to visit the Philadelphia Fair on the centenary of American Independence (1876), a “republican” behavior that would shock Brazil’s “imperial” leaders today in their lavish travels in foreign countries.

More than 20 years after his time in Washington, the familiar figure of Penedo would once again stand out in navigating a highly sensitive matter. The Bishops’ Question was an internal political problem but one that would inevitably unfold before the Holy See. The conflict stemmed from a double anachronism inherited from the Portuguese monarchy: the union of Church and state, and regalism, i.e. the subordination of ecclesiastical jurisdiction to civil power even in the appointment of bishops and the validity of encyclicals and bulls. In the event, two bishops, the Capuchin friar D. Vital Maria de Oliveira of Olinda and D. Antônio de Macedo Costa

of Belém, had condemned religious brotherhoods that accepted Freemasons as members. The bishops' opinion was denounced to the minister of the Empire, on whom the brotherhoods depended, and the two men were arrested and put on trial. The issue dragged on from 1872 to 1875, with Penedo's mission to Rome taking place between 1873 and 1874.

The mission's aim was to obtain a word from the Holy See that would prevent any repetition of a similar conflict. At one point, Penedo persuaded the Vatican's secretary of state, Cardinal Antonelli, to send a letter to the Bishop of Olinda. The letter, which was not originally intended for publication, reproached the bishop for his lack of consultation with Rome and the hasty nature of his condemnation of the brotherhoods. This happened in Rome at the end of December 1873. A few days later, Bishop Vital was arrested in distant Pernambuco. When the news became known, Pope Pius IX and Cardinal Antonelli protested the arrest and retracted the letter. They said they had received assurances from the Brazilian envoy that no hostile measures would be taken against the bishops if the Holy See agreed to reprimand them in the letter. In his book *Missão especial a Roma* [Special Mission to Rome] (1881), Penedo denies the Holy See's version of events, and doubts remain to this day about what really happened.

Be that as it may, the two bishops were sentenced to four years in prison with hard labor. Their sentence was then commuted to simple imprisonment before they were granted amnesty in September 1875, at the urging of the Conservative cabinet headed by the Duke of Caxias but against the wishes of the Emperor. Indeed, throughout the episode, D. Pedro showed unusual rigidity and intransigence, recalling his attitude to the Platine issues and his determination to continue the Paraguayan War until Solano López was removed from power. Although it did not weigh as heavily as abolition or the military question in the fall of the monarchy, the Bishops' Question certainly had something to do with Catholics and the ecclesiastical hierarchy's later indifference and lack of interest as they witnessed the deposition of the Emperor.

In the final years of the Empire, republican propaganda increasingly resorted to criticism of foreign policy as a way of demoralizing the regime. One of the recurring themes was Brazil's isolation, separated from Europe by distance and from its American counterparts by institutions, in Sérgio Buarque de Holanda's formula.⁵⁶ Pamphleteers such as Saldanha Marinho,

Lúcio de Mendonça, Silva Jardim and Quintino Bocaiuva chose the Platine policy of interventions and the Paraguayan War as points with which to disparage the monarchical tumor.

For example, in exploring D. Pedro's central role in guiding diplomacy, Saldanha argued that in foreign affairs Brazil really had only "one minister, and a permanent one at that, in the person of the king [...]," and that the purpose of these affairs was to "discredit republican regimes and highlight the monarchical institution in America."⁵⁷ In support of the isolationist thesis, he cited the widespread antipathy in the Americas and elsewhere towards Brazil during the Paraguayan War, with protests voiced by Peru, Chile, Bolivia, and Ecuador at the publication (1866) by the British of the text of the Treaty of the Triple Alliance. This was especially true of the terms relating to the future reserved for Paraguayan national territory.

The imperial government was aware of its sensitive position, and in response made conciliatory gestures, negotiated agreements with neighbors not involved in the conflict, and protested in Madrid against the bombardment of Valparaíso by a Spanish squadron (1866). Unfortunately, once the war was over, a series of events—the alarming development of the "Argentine question," rapprochement with Chile in the War of the Pacific, and a game of possible alliance with the Chileans against the Argentines and Peruvians—all prolonged tensions and gave the impression that the Empire was unwilling or unable to find a way out of its permanent cold war with Argentina.

The challenge resembled that of the slave trade. However sincere the Emperor's desire to abolish trafficking, the "servile institution" would remain interwoven with the monarchy until the end. So too did war or armed peace in the River Plate region become a permanent fixture of the last years of the Empire. In both cases, as well as in frustrated reforms on elections, primary education, and the use of public lands, the regime proved unable to rectify its position. The paralysis brings to mind the final scenes of Buñuel's *The Exterminating Angel*, in which some invisible force prevents dinner guests leaving a party through the exit door.

Something new began to appear in Brazilian public opinion. Again, an insightful record of the phenomenon comes from Sérgio Buarque: "if there were men among us who were intimately linked to Platine predilections, it was those pioneers of Brazilian republicanism."⁵⁸ Compared to the

majority of their Conservative counterparts, the Liberals tended to be less wary and suspicious of supposed Argentine designs, and even leaned towards a permanent alliance with Buenos Aires. Francisco Otaviano and Senator Nabuco de Araújo, for example, held this position at the height of the “Argentine question.”

However, this division by party was not clear-cut. It should be remembered that Liberal governments had been responsible for responding to complaints by Rio Grande do Sul, the ultimatum sent to Montevideo, the rejection of the conciliatory agreement signed by Paranhos in 1865, and the intervention of 1864.^{XI} The Liberal Party also controlled the cabinets in the early stages of the Paraguayan War, until Caxias was appointed commander-in-chief and the Liberals were ousted in July 1868. Insulated from complicity in the policy of intervention, the Republicans were free to proclaim their Platine sympathies without having to test them in the harsh realities of power.

The author of *Raízes do Brasil* also makes the amusing observation that Platine predilections were revealed even in clothing. The Republican leader, Quintino Bocaiuva, the son of an Argentine mother, had spent years living with his family in Buenos Aires. On his return, he set the fashion for use of the “soft, wide-brimmed hat” at the Court, a mark of Buenos Aires influence. Likewise, among the military, Argentine influence became evident in “the balloon pants, close relatives of the *bombachas*, the *rebenque* attached to the wrist by a silver chain, the hair long and oiled, the cap on the side.”⁵⁹

However picturesque or superficial these aspects might have been, they heralded a meaningful distancing from the antagonism that had driven the River Plate confrontations. In this sense, the Republican Manifesto proclaimed: “Our efforts are aimed at suppressing this state of affairs, putting ourselves in fraternal contact with all peoples and in democratic solidarity with the continent of which we are a part [...] We are from America and we want to be Americans.” Being American in this formula meant, therefore, not only replacing the monarchy with a republic; it also meant changing the foreign policy basis of the last half century, which had achieved its objectives but at a human, financial, and political toll that was no longer tolerable in a new age.

XI See chapter “Interventions in the River Plate Region.”

Diplomats at the End of the Empire—When the Empire ended in 1889, the Secretariat of State for Foreign Affairs in Rio de Janeiro employed 31 civil servants, from the director-general to its three couriers. Abroad, it had as many as 74 civil servants, half in Europe and half in the Americas.⁶⁰ The expansion of the Empire's diplomatic staff had been as sluggish as that of the economy.

What were these diplomats like? Let us start with the man who had been director-general since 1869, Joaquim Tomás do Amaral, Viscount of Cabo Frio, whose name is always accompanied by the adjective “venerable” in the documents of the time. When inaugurating Amaral's bust shortly before his death in 1907, the Baron of Rio Branco evoked the figure he had met in 1859 in his father's drawing room:

I retain very much alive the impression of respectful sympathy caused by Your Excellency's tall stature and upright bearing, the distinction of your manners and the indulgent attention with which you sought to satisfy my schoolboy curiosity, by discreetly discussing with me events in the River Plate and Paraguay, of which Your Excellency had been an eyewitness.

Decades later, Luiz Viana Filho described Amaral as an old man with white hair, “tall, a little stooped from the years, wearing a black circular cap on his head, his nose rubicund and violaceous.” Pandiá Calógeras referred to his character as “slightly sarcastic, perceptive, without illusions and deeply dedicated to the service of the Ministry.” Álvaro Lins recognized his “unquestionable competence,” adding that it was “cold, dry, lacking in imagination and creative spirit.”

And what of the other, less memorable figures? In the conference he dedicated to “our diplomats,” Oliveira Lima recalled: “I got to know the last generation of diplomats of the Empire well and became familiar both with the official dignity that can be pointed out as a common trait in them, and with their dainty, private susceptibility in personal affairs.” He goes on to say that the monarchy facilitated the social position of

our diplomats in Europe, both in related courts and in those that were not. Their admission was quicker and more cordial in aristocratic circles [...] In Vienna, Madrid, London or St Petersburg, the Brazilian minister was the Emperor's minister.

Referring specifically to Penedo and the eminent position he held in London society and the world of finance and intelligence, Lima pointed out that the great diplomat “spent what was his own to give the Brazilian representation the character of largeness that did not fit within the budget.”

He does not forget those who had to work in more difficult and unfavorable circumstances: Miguel Maria Lisboa climbing the Andean mountains on a mule’s back, Ponte Ribeiro giving the “impression of a maniac, clutching rolled-up maps and going around newspaper offices with them, crying out against foreign incursions into national territory,” a diplomacy that was “poorly traveled, poorly paid, poorly fed” and nevertheless “completed in less than a century such an enormous task as fixing our vast borders.”

Alongside these illustrious characters, many—perhaps most—could recognize themselves in the self-portrait of another notable but fictional diplomat of the Empire, Machado de Assis’ Counselor Ayres^{XII}: “The diplomacy I exercised in my life was more a decorative function than anything else; I made no treaties of commerce or boundaries, I made no alliances of war.”

It is possible that nothing harmonizes so much with the twilight of the end of the Empire as the Proustian evocation bequeathed to us by Oliveira Lima of the sweet sunset of the old Baron of Alhandra and his wife in Russia:

She was English; the baron had been for a long time Brazil’s representative at various Italian Courts, before unification, and had become extremely fond of that soft, sentimental and then somewhat mysterious existence, of which Stendhal has left us masterly descriptions [...]. The couple had grown old in a sweet union, even closer after their only son had been stolen from them in a duel, and were reminiscing by the fireplace about half a century of diplomatic gossip, among which that tragic episode stood out. Both of them wrinkled like two parchments, strangers to any strictly national concern, she unmindful of her England, he of his Pernambuco, they dreamed amidst the frosts of St. Petersburg of the Italian land that had been so hospitable to them, even though they had suffered there—all the more reason not to forget it.

XII Counselor Ayres, a retired diplomat, is the narrator and protagonist of *Memorial de Ayres* (1908), the final novel by Brazilian author Machado de Assis. Presented as a diary covering the years 1888–1889, the novel offers Ayres’ reflections on Brazilian society and politics.—Trans.

Notes

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- 3 José Antônio Soares de Sousa, *A vida do visconde do Uruguai* (Companhia Editora Nacional, 1944).
- 4 Quoted in Ferreira, *O Rio da Prata*, 145–146 and note 33.
- 5 Joaquim Nabuco, *Um estadista do Império* (Topbooks, 1998), 1:483.
- 6 Jorge Caldeira, *Mauá: empresário do Império* (Cia. das Letras, 1995), 217.
- 7 Paulo Roberto de Almeida, *Formação da Diplomacia Econômica: as relações econômicas internacionais no Império* (FUNAG, 2001), 197.
- 8 Joanna Santos de Souza, *A diplomacia do patacão: queda de Rosas e a nova configuração de forças no Prata (1850–1858)* (Master's thesis, Universidade de Brasília, 2013), 74.
- 9 Quoted in Ferreira, *O Rio da Prata*, 167.
- 10 Ferreira, *O Rio da Prata*, 194.
- 11 Ferreira, *O Rio da Prata*, 202.
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- 15 Doratioto, *Maldita Guerra*, 78–79.
- 16 Doratioto, *Maldita Guerra*, 79.
- 17 Nabuco, *Um estadista*, 506–507.
- 18 Nabuco, *Um estadista*, 506.
- 19 Nabuco, *Um estadista*, 506, note 33.
- 20 Nabuco, *Um estadista*, 510, note 39.
- 21 Quoted in *Coleção História Geral da Civilização Brasileira*, ed. Sérgio Buarque de Holanda, tome 2, vol. 2, *O Brasil monárquico: do Império à República*, (Difel, 1972), 31.
- 22 Machado de Assis, *Obra completa* (Nova Aguilar, 1986), 2:642.
- 23 Nabuco, *Um estadista*, 510, note 40.
- 24 Nabuco, *Um estadista*, 534.
- 25 Doratioto, *Maldita Guerra*, 91.
- 26 Nabuco, *Um estadista*, 537–538.
- 27 Doratioto, *Maldita Guerra*, 483.
- 28 Quoted in Nabuco, *Um estadista*, 512–513.
- 29 Nabuco, *Um estadista*, 591.
- 30 Nabuco, *Um estadista*, 592.
- 31 Doratioto, *Maldita Guerra*, 464.
- 32 Nabuco, *Um estadista*, 2:940.

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- 35 Nabuco, *Um estadista*, 1:602.
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- 37 Manchester, *British Preeminence*, 283, note 114.
- 38 Quoted in Ferreira, *O Rio da Prata*, 66.
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- 43 Goes Filho, *Navegantes*, 206.
- 44 Goes Filho, *Navegantes*, 215.
- 45 Nabuco, *Um estadista*, 1:511.
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- 47 Marcelo de Paiva Abreu and Luiz Aranha Corrêa do Lago, "A economia brasileira no Império, 1822–1889," *Texto para Discussão* 584, Departamento de Economia PUC-Rio, 34.
- 48 Holanda, *O Brasil monárquico*, 350–351.
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- 50 Victor Bulmer-Thomas, *The Economic History of Latin America since Independence*, 2nd ed. (Cambridge University Press, 2003), 60, 63.
- 51 Bulmer-Thomas, *The Economic History*, 12.
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Part VI

The Foreign Policy of the First Republic (1889–1930)¹

“People watched in amazement, astonished, surprised, without knowing what it meant.” This description of the Proclamation of the Republic by an eyewitness, the Republican journalist Aristides Lobo, preserved forever the nature of the event. Lobo’s article, published two days later in *Diário Popular*, made it clear that “the Government has a purely military hue [...] the fact was theirs and theirs alone, because the collaboration of the civilian element was almost nil.”

The original sin of having been born of a military coup would leave a lasting mark on the Republic. Although it is not often said, the *15 de Novembro* in Brazil is the celebration not of a popular revolution but of a coup. Perhaps that is why the holiday has never truly caught on in the public sentiment. Social forces, economic trends and political currents had converged to overcome the monarchy. However, before a natural systemic evolution had had time to take hold, it was force that precipitated the rupture of the institutional order.

In its passivity and the implementation of control mechanisms, the Second Reign certainly dampened the progress of reform. It was not, however, despotic; it had been tolerant or indifferent to the republican movement, which in theory enjoyed the same instruments of proselytization and electoral action that were open to political parties in general. Taking advantage of this relatively benign context, a small group of politicized officers was able to channel the grievances of the barracks into the mill of the republican cause. All that remained was to give the aging system a final push.

These officers staged what would become, in a strict sense, the first military coup in Brazilian history: organized, led, and carried out by Army

¹ I owe a debt of gratitude to three fundamental books for the study of Brazil’s international relations in this period: *A República e sua política exterior (1889–1902)*¹ and *A política externa da Primeira República: os anos de apogeu (1902–1918)*,² both by Clodoaldo Bueno; and *Entre América e Europa: a política externa brasileira na década de 1920*,³ by Eugênio Vargas Garcia. At the same level of quality, I would highlight a small masterpiece of concision and clarity, *O Brasil no Rio da Prata (1822–1994)*,⁴ by Francisco Doratioto.

soldiers (to the exclusion of the Navy and civilians alike). These men were driven by a mixture of doctrinal convictions, desires for modernization, and corporate resentment. It was the first, and by no means the last, appearance of the “party in uniform” on the political scene, destined to endure at the very least until 1985.

We will never know what kind of new regime would have sprung from the type of propaganda and parliamentary action that had ensured the abolition of slavery. Despite the 20 years that had passed since the publication of their 1870 manifesto, the historic Republicans had made little progress. Faced with the inertia of the system, they preferred to opportunistically join the military movement, waiting for a favorable moment to take the lead.

Independent Brazil had waited 67 years for its first military coup. It would not have to wait more than two for its second: nine months after the Constitution was promulgated (February 24, 1891), President Marshal Deodoro da Fonseca dissolved Congress by decree and proclaimed a state of siege (November 3, 1891). This time, barely 20 days passed before the counter-coup of November 23 induced Deodoro to hand over power to Vice President Floriano Peixoto. The chronology of military uprisings, *pronunciamentos* and repression accelerated at shorter and shorter intervals.

Once it had entered the political system, the virus of militarism would lead to recurring crises that were apparently inseparable from the regime. Proclaimed “in a white revolution,” wrote José Maria Bello euphemistically, the Republic “began to pay its overdue tribute to the chronic *caudillismo* of the continent.” In a short time, the civil war that would tear Brazil apart for several years would begin, “awakening” in Bello’s words “dormant or unknown instincts of hatred and death among its best people.”⁵

The Republic got off to a bad start politically and a worse one economically, with the inflation of the Encilhamento period. Against this backdrop, it is surprising that its foreign policy fared better than expected.

Internal Changes and the International Context

In terms of internal developments, the profound institutional changes brought about by the abolition of slavery, the foundation of the Republic and the adoption of a federal form of government separated this period from the previous one more clearly than with what followed

after the 1930 Revolution, the traditional end date for the First Republic. The proclamation of the Republic and, shortly before that, the abolition of slavery, constituted an indisputable and notable transformation of the preceding political, institutional and social conditions.

The presidential republic and the end of slavery, which had constituted a deeply ingrained institution in the country for 350 years, coincided with the unprecedented inflow of immigrants from Western Europe, Japan, and the Middle East. The Old Republic was the pinnacle of immigration in Brazilian history: from 1890 to 1930, 3.8 million immigrants arrived in the country (the 1900 census estimated the population at 17 million). Immigration secured an evolution towards wage labor that had begun earlier and contributed to the formation of an internal consumer market, helped by demographic expansion, internal migration, and urbanization.

The coffee sector, whose expansion had characterized the last decades of the Empire, reached the apogee of its political and economic influence in the First Republic. The commodity weighed preponderantly, though not exclusively, in the definition of Brazil's macroeconomic orientation and its decisions on foreign exchange and foreign trade. "The empire of the farmers [...] only began in Brazil with the fall of the Empire," said Sérgio Buarque, referring specifically to the farmers of the country's advanced areas, i.e. coffee.⁶

The accumulation of capital in the hands of coffee producers and exporters, combined with the consumer market and labor provided by immigrants, fostered the conditions for industrialization, which was buttressed by the difficulty of financing imports and the subsequent crises in the coffee economy. Industry, in turn, would generate jobs and reinforce the trend towards urbanization.

The internal logic and continuity of the 41 years of the Old Republic did not correspond to anything similar in the global context of the time, which spanned three heterogeneous phases of world history. More than half of that period—the first 25 years, from 1889 to 1914—coincided with the declining phase of the Victorian era of European hegemony, the Age of Empires, and the intensification of imperialist and nationalist rivalries. The slightly more than nine years of the Baron of Rio Branco's ministry (1902–1912) were contained within this quarter century.

This period was followed by the four to five years of the Great War (1914 to 1918), its diplomatic conclusion in the Treaty of Versailles (1919), and the frustrated attempt to rebuild the international order that had been shattered by the conflict and the dissolution of three multinational empires: Austria-Hungary, Tsarist Russia, and the Turkish-Ottoman Empire.

Finally, the unstable closing decade of the First Republic was overlaid with the turbulent 1920s, the beginnings of multilateralism with the League of Nations, the trauma of hyperinflation, the consolidation of the Bolshevik Revolution, the birth of fascism, the collapse of the New York Stock Exchange in 1929, the advent of the Great Depression, and the crisis of the 1930s.

New Trends in Foreign Policy

During this phase, three facets of the international context gave structure to Brazilian diplomacy. Each was capable of giving rise to deep and systemic trends, destined to last well beyond 1930 as differentiating characteristics of the course of Brazil's foreign policy.

The first factor consisted of the emergence and affirmation of the political power and economic iridescence of the United States. The second was the intensification of a closer and more cooperative relationship between Latin American countries, whether in the form of Pan-Americanism sponsored by Washington or through autonomous Latin American initiatives. Finally, the third was the learning of a new type of diplomatic action within the framework of the League of Nations' incipient multilateralism, the initial stage of a strong tradition of multilateral diplomacy that would develop over subsequent periods of Brazilian history.

In more succinct terms, the three structural transformations of foreign policy during the First Republic can be summarized as follows: 1st) closer relations or "unwritten alliance" with the United States; 2nd) the systematic solution of border issues and an emphasis on greater cooperation with Latin American countries; and 3rd) the first steps towards multilateral diplomacy, in regional, Pan-American or, through the League of Nations, global terms.

The major renewing trends in the foreign policy of the First Republic, interwoven and mingled throughout the various stages of these 40 years, are singled out here only for the sake of clarity. It is now time to return

to the chronological order of events and summarize how they began to take shape in the 13 stormy years following the proclamation of the Republic, from its consolidation to the advent of the Baron of Rio Branco (1889–1902).

The Birth Pangs of the Republican Regime (1889–1902)

The new republican regime left a flattering impression on international observers: the monarchy had been easily overthrown with an initial absence of violence and Brazil's new leadership had offered appropriately magnanimous treatment to the outgoing Emperor and imperial family. This facilitated formal recognition from Argentina, Uruguay and the United States and unofficial acceptance by other nations. One of the provisional government's first collective decisions was to accept Argentina's proposal to negotiate a solution to the pending border issue.

Two months after the proclamation of the Republic, amid warm feelings of fraternity in light of Brazil's new political proximity to its sister Latin American republics, the inexperienced Brazilian Foreign Minister Quintino Bocaiuva and the Argentine Minister Estanislao Zeballos negotiated and signed a treaty in Montevideo (January 25, 1890) to divide the disputed territory in half. The idealistic and romantic spirit that presided over the negotiations was evident in the preamble to the agreement, which placed the issue "under the auspices of the institutional unity of America and for the sake of the feelings of fraternity that must subsist among all the peoples of this Continent."

Bocaiuva's inexperience shone through in the phrase attributed to him: "We have plenty of land; what we lack is judgment." The minister did, in fact, lack judgment, as he would soon discover how intractable territorial issues tend to be, whether between governments or private individuals. Opposition to giving up territory would become practically unanimous in Brazil, extending from the Jacobinist sectors of the Army to the intransigent monarchists, reinforced by the exiled Emperor's voice. The following year, the Chamber of Deputies rejected the treaty by 142 votes to 5, returning to the agreement from the end of the Empire which had submitted the dispute to the arbitration of the President of the United States, who was expressly forbidden to suggest that the dispute be resolved by a division of the territory.

The incident highlights one of the flaws of early Republican diplomacy: the tendency to sacrifice concrete national interests to sympathies and illusions of ideological affinity. This was one of the first manifestations of a phenomenon that had been rare in the Empire but would return from time to time in the Republic, including in recent examples of foreign policy in relation to ideological “sibling” parties and countries.

This premature illusion was also the first expression, in the Republic, of the expectation that some new event could represent a definitive improvement in Brazilian relations with Argentina. This feeling has been replicated even to this day in the form of presidential visits, slogans such as “everything unites us, nothing separates us,” meetings of presidents at the border, coincident positions such as the “Spirit of Uruguaiana,” attempts to overcome disagreements such as those over hydroelectric projects on the Platine rivers, the development of MERCOSUR, and ideological closeness.

In the case of the Montevideo treaty, the combative mobilization of remnants of the Empire’s old Conservative Party suggests the heavy legacy of antagonism and resentment towards Brazil’s neighbors left by the monarchy. One of the ideological constants of the country’s foreign policy is a reluctance to admit ruptures in the diplomatic tradition. However, there is no denying that the new republican, American-oriented pacifist stance contrasts sharply with the Platine diplomacy of the Second Reign, dominated by the “policy of interventions.”

In the twilight of the Empire, the spirit of mistrust and hostility that underlined the interventionist policy would only slowly dissipate. This came from 1880 onward, after the resolution of the “Argentine question” and the consolidation of national states in Argentina and Uruguay, which suppressed the conditions for instability and internal struggles that drove Brazilian interventions. The Baron of Rio Branco clearly saw the change in a well-known text in which he took stock of imperial policy and considered the cycle of interventions to be over for good.

Developments in the River Plate region coincided with the final years of an already declining empire. It is very likely that, had the monarchy survived, it would have been no less sensitive to the need to change its relationship with its southern neighbors, as the monarchical regime was not intrinsically more aggressive or militarized than the republican one.

In their eagerness to explicitly distance themselves from the imperial legacy, the Republicans introduced into the 1891 Constitution a provision that required prior recourse to arbitration before the possibility of war, as well as Article 88, which banned war of conquest.

Rapprochement with the United States

The Republic discovered North America at the same time as it approached Latin America. At this stage, it was normal to speak of “Americanism” as encompassing the entire Western Hemisphere, and the conceptual basis of Pan-Americanism. When positivists invoked the “fraternity of the American homelands,” this was what they had in mind. The end of the monarchical exception in the Americas should mark the introduction of a foreign policy aimed at both the United States and Hispanic America, in contrast to the real or imagined diplomatic isolation of the imperial regime, which was believed to be more in tune with European monarchies.

At around the same time as it began to move closer to Argentina and its other South American neighbors, the Republican government redefined its relationship with the United States. A couple of months before the proclamation of the Republic, the first conference of American countries had opened in Washington. Brazil was represented by a delegation led by Lafaiete Rodrigues Pereira. He carried instructions in the spirit of imperial diplomacy, which had always been suspicious and skeptical of plans for commercial integration, unification of legislation and compulsory arbitration, such as those included on the meeting’s agenda.

With the change of regime, Salvador de Mendonça, who had been Consul General of the Empire in New York for more than a decade despite being a signatory of the Republican Manifesto, took over as head of the delegation. The spirit and content of the instructions he received were driven by the provisional government’s desire to get closer to American proposals, which covered a vast range of topics from the standardization of legislation, weights and measures (not yet achieved even today), and the compulsory arbitration of disputes to the integration of trade and customs.

Convened by US Secretary of State James Blaine (Cleveland administration), the inter-American meeting gave some advance warning of Washington’s intention to establish an exclusive area of influence in the Western Hemisphere. The amateurish preparation and the premature

nature of the initiative meant that little progress was made on most of the agenda. The seed of the future institutional framework was planted, however, with the establishment of a trade agency from which the Pan American Union, now the Organization of American States (OAS), would be born. At the time considered modest, this result proved to be more lasting and, ultimately, more relevant than the unrealistic suggestions of unifying markets or establishing continental standards.

The most daring goal floated at the convention was a proposal to form a customs union that would cover the entire continental space “from Alaska to Tierra del Fuego.” The initiative clashed with the interests of Argentina and Chile, economies that competed with the US in temperate agricultural products and focused entirely on British and European markets. Exuding the self-confidence that came from their newly won prosperity on the periphery of the British Empire, the Argentines were then, and for many years would remain, the only Latin American country with any aspirations to rival US leadership.

At the start of the conference, Argentina stood out for the quality and anti-US belligerence of its delegates, including Roque Sáenz Peña and Manuel Quintana, both future presidents of the country. In contrast to the famous Monroist formulation of “America for the Americans,” Sáenz Peña, a prolific phrasemaker, ended his greatest speech at the congress with the slogan “America for humanity” (the aforementioned “everything unites us, nothing separates us” also belongs to him). The speech was a triumph with the conference’s Hispanic delegates.

At that early stage of economic integration, the proposal for a customs and trade union was obviously unfeasible. In reality, the Zollverein—the customs alliance of German states with which the project was compared—had nothing in common with the situation of extraordinarily heterogeneous countries in the Americas, ranging from the United States to Haiti. Thus, the committee set up to examine the proposal quickly concluded that it should be shelved. The Argentines could not resist the temptation to contrast their country’s free-trade regime with the notorious industrial protectionism of the United States. They ended up ironically hoping that one day the US would convert to the benevolent principles of commercial liberalism.

Inexperience and improvisation left their mark on this shaky attempt at hegemony. At the last minute, two translators had to be found for delegates who only spoke English or Spanish and could not understand each other. The friction began with the outright opposition of the Argentines and Chileans to the choice of Secretary of State Blaine, who was not formally part of his country's delegation, as president of the conference. José Martí, the future hero and martyr of Cuban independence, left a delectable chronicle of the discussions. His phrase "*Argentina lleva la voz de la rebelión*" [Argentina takes the lead as the voice of rebellion] captured the tone of the duel between ambitious and disorganized Americans and proud Argentines from the "*generación de los ochenta*" (the 1880s generation, the great Argentine generation of liberal statesmen).

Many of the other Hispanic countries sensed the ominous signs of impending US imperialism. Exiled for 15 years in the belly of the beast ("*el interior del monstruo*"), Martí saw in Blaine's own ideological regression the symptoms of what, a few years later, would lead to the Spanish-American War (1898): the annexation of Puerto Rico, the virtual protectorate imposed on his Cuban homeland by the Platt amendment to the Cuban Constitution, and the subjugation of the Philippines. Those who felt threatened by the proximity of the colossus found their champion in Argentina. Mexico and Brazil, the two larger countries, either had no fear or hoped to profit from this proximity, playing the role of discreet supporting players in the debates and barely making a mark in the proceedings.

Despite its rudimentary nature, the first inter-American conference anticipated the themes that would characterize the difficult relationship between the emerging North American power and its continental neighbors from the ensuing century to the present day. Washington's constant oscillation between intervention and cooperation; the suspicions of Hispanic Americans, torn between apprehension and aspirations for assistance; Argentina's leadership in the camp opposed of the United States' designs; Brazil's expectation of benefits from closer ties with the Americans; everything, or almost everything, was already evident in these initial clashes.

In the customs union proposal, there was even a curious foreshadowing of the future idea of the FTAA, a commercial integration of the entire continent under the aegis of the United States. Once the initiative was ruled

out, and its reduction to a free trade area rejected, a new suggestion was adopted. With Brazilian and Mexican support and, once again, inflexible Argentine and Chilean opposition, the idea surfaced that the countries of the Americas should enter into bilateral or multilateral trade reciprocity treaties, gradually weaving a network of preparatory links towards a more ambitious goal.

Salvador de Mendonça wasted no time and soon concluded with Blaine the first trade agreement in January 1891. This marked Brazil's first such agreement since the decision had been taken, at a distant date in the Empire, to no longer sign trade treaties with nations possessing stronger economies than its own. Under the agreement, certain Brazilian exports that already enjoyed free entry to the US market would continue to benefit from tariff exemption (coffee and rubber, above all). This would also be extended to some other products, especially sugar from the Northeast. In return, Brazil would waive tariffs on wheat, wheat flour and other foodstuffs imported from the United States and reduce tariffs on tools, agricultural implements, and other industrial products to 25%.

Conforming to the kind of curse that so frequently weighs on trade agreements in Brazil, the 1891 agreement faced stiff opposition at every stage: negotiation, ratification, and implementation. The Deodoro government, considering it a matter of honor, approved the accord by decree, which was one of the reasons for his conflict with Congress. The agreement, which was to come into force in April 1891, lasted until it was renounced in 1894, first by the United States and then by Brazil.

In practice, the results it produced failed to validate either the exaggerated expectations of Brazilian gains or the fears that the domestic market would be flooded by US products. The biggest disappointment was in sugar exports, which were expected to aid in the economic revival of Brazil's Northeast region. Sales did increase at first. However, Brazilian producers could not withstand competition from the British Caribbean and from Cuba and Puerto Rico, which were still Spanish colonies, once the Americans set aside Brazilian exclusivity and extended tariff exemptions to these regions.

Civil War and Foreign Interventions

Shortly after Africa's decolonization, the French agronomist René Dumont wrote a book titled *L'Afrique noire est mal partie* (Black Africa got off to a bad start). The title could aptly describe the First Republic. The coup d'état and the militaristic tone of the starting point justified fears for the future. The nature of a nation's founding act usually leaves a lasting and indelible mark. Such was the case in Republican Brazil. What was apprehension in the tumultuous early years of 1889 to 1892 would soon become the terribly certain nightmare of civil war in 1893 and the years that followed.

The Navy, marginalized by the exclusive power of Brazilian land forces, and the state of Rio Grande do Sul, where the positivist doctrine of the Republican dictatorship was taken to extremes, emerged as primary sources of resistance. The causes driving each of these key players were particular to them; their shared opposition to the government, however, underscored the need for coordinated strategy and action, which was only attempted when it was too late.

Originally, neither of these movements openly advocated for the restoration of the monarchy. Here, José Maria Bello's assessment sounds plausible:

The Rio Grande revolution [...] as well as the Brazilian Naval Revolts, notwithstanding the secondary motives that could serve as their pretext and the final misrepresentation of their objectives, reflected, [...] to a large extent, the reaction of the civil culture and liberal traditions of the country against the tyranny of a man, a torturous surprise to his own supporters [...].⁷

The clashes began in February 1893, with the invasion of Rio Grande by a column of lancers (mostly Uruguayans) loyal to the Federalist caudillo Gumerindo Saraiva, who had crossed over from Uruguay. The appeal in the dramatic and clear-sighted telegram from the party's greatest leader, the old Liberal leader of the Empire, Gaspar da Silveira Martins, was frustrated: "Party leader, I advise; coreligionist, I beg; from Rio Grande, I plead: civil war, no! One does not need it in order to seize power and contain the federal government."⁸ Months later, on the eve of the anniversary of independence, Admiral Custódio José de Melo would hoist the white flag

of the revolt aboard the battleship *Aquidabã*, supported by all the ships in the squadron anchored in Guanabara Bay.

The international problems raised by Brazil's civil war revolved primarily around the actions of the Navy. Weeks after the uprising began, the commanders of foreign warships dispatched to the bay to protect their nationals—the United Kingdom, the United States, France, Portugal, and Italy—told the rebels that they would oppose bombardments and attacks on the city by force. At the request of the sitting government, they brokered an express agreement (October 5, 1893) declaring Rio de Janeiro an “open city” and dictating the terms of combat, limited the fighting to ineffective artillery duels between the rebel ships and fortresses at the mouth of the bay.

Clearly interfering in a matter of national sovereignty, the initiative of the foreign naval forces seemed to be an unexpected and welcome help to the government, depriving the rebels of their main, if not only, advantage: the threat to the federal capital. Custódio's inexplicable apathy did the rest. That is, until December, when Admiral Saldanha da Gama's adherence to the revolt gave it new life. Just as the European countries, convinced of the Brazilian armada's defeat, began to reduce their forces, Saldanha set up a customs blockade. Then came a second intervention, this time specifically from the United States.

Salvador de Mendonça had been actively managing the acquisition of ships and weapons in Washington to form a legalist squadron, and he persuaded the US government to send a naval force of five powerful warships to break the blockade. The new US commander lined up his ships in Guanabara Bay and forced Saldanha to give way. As the US-assembled legalist squadron approached, the commander of the rebellion and some 500 of his followers sought asylum aboard the Portuguese corvettes *Mindelo* and *Afonso de Albuquerque*. This in turn opened a diplomatic conflict with Floriano, who demanded the surrender of the rebels (March 1894).

Finally leaving the port of Rio de Janeiro, the two small corvettes, overloaded and in precarious sailing conditions, headed for the River Plate. Half of the asylees (led by Saldanha after a brief stay in Europe) then circumvented surveillance to cross the border and join the remnants of the federalist rebels. Feeling tricked, Floriano ordered relations with Portugal to be severed.

There was widespread fear in the country that the vice president, as Floriano Peixoto insisted on being called, would not easily relinquish the despotic power he exercised with the enthusiastic support of the legion of Jacobin extremists from the “patriotic battalions.” At the advent of the Republic, the people had witnessed the assumption of power by the Army “as if they were watching a military parade.” This time, a considerable portion of the politically conscious population had been mobilized and would remain so, probably the first example of popular mobilization in republican history.

In these most uncertain times, São Paulo provided the main bulwark of support for the legal government against the threat of the Republic’s dissolution. The state remained committed to consolidating the regime with an eye on succession by a civilian native son. This is indeed what transpired, to the surprise or relief of many. On the day before November 15, 1894, Floriano took the train to his modest residence in the suburbs, leaving the seat of government at Itamaraty Palace in the hands of a minister who would transfer power to a man chosen months earlier in the first direct presidential election of the Republic: Prudente José de Moraes Barros, a long-time republican and former president of the Constituent Congress.

The “iron marshal” myth had allowed Floriano to benefit from two blatant foreign naval interventions, expressly requested by his government. Thanks to popular catchphrases, such as his readiness to greet “with a bullet” any sailors that England and France might disembark on Brazilian shores, he managed to disguise something more most serious: the decisive advantage he gained from the intrusion of foreign forces, which had helped him prevail in the internal struggle for power. At the time, this concrete violation of sovereignty was sanctified, or rather ignored, by the radical Republicans because, although embarrassing, it was done for a cause considered noble by them.

By a twist of history, the Americans would plot another intervention in Brazilian domestic politics 70 years later in favor of the 1964 coup. The infamous Operation Brother Sam even mirrored the earlier formula of dispatching US warships into Brazilian waters to assist the conspirators in the eventuality of a civil war. This contingency did not materialize, and the plan never got off the ground. Nonetheless, it still provokes the condemnation of History that that its counterpart from 1894/1895 was

spared although in fact it had been the only effective foreign military interference Brazil has ever suffered.

Internal Pacification

José Maria Bello draws an unimpeachable portrait of Prudente de Morais: “He epitomizes respectability; fundamentally authoritarian, reserved, proud, distant and of rare moral fortitude. Few public men in the Republic would so closely resemble the positive type of politician created during D. Pedro II’s empire: possessing a balanced and unassuming intellect, impeccable probity, a somewhat formalistic gravitas, haughtiness, civic spirit, an unwavering aversion to any shadow of militarism.”⁹

The pacification of the nation—the main, almost exclusive priority of Prudente de Morais’ government—consumed all his energy during the four-year term. The most pressing part of the program—putting an end to the fighting—was achieved shortly after Saldanha da Gama sacrificed himself with a handful of loyalists in a kind of “chivalrous suicide” at Campo Osório, near the Uruguayan border. The remnants of the Federalist rebellion would disperse or seek asylum in neighboring countries, until negotiation and a general amnesty approved by Congress (October 1895) closed the final chapter of the civil war.

It would cost much more to persuade the military to return to their barracks and to demobilize now radicalized civilian sectors. Riots, bombings, attacks on newspapers, uprisings at the Military School, and turbulence at the Military Club (which remained closed until 1903) would continue to agitate the overheated atmosphere of the federal capital for some years to come, as described well by Lima Barreto in *O triste fim de Policarpo Quaresma* [The Sad End of Policarpo Quaresma].

The State of Rio Grande and the Navy had barely been pacified when, in the backlands of Bahia, a new mortal threat to the Republic was thought to be detected. As it happened, however, this would turn out to be nothing more than a manifestation of the messianism and misery of the deep interior. The War of Canudos, between the republican regime and the extremely poor backland residents (*sertanejos*) of Canudos, a rural community led by messianic leader Antônio Conselheiro, dominated the year 1897. The fighting claimed the lives of all the rural community’s defenders and another 5,000 members of the successive Army and police

expeditions that eventually annihilated the would-be messiah's campaign. During a reception for battalions returning from the front, Prudente de Morais escaped an attempt on his life thanks only to the heroism of Minister of War Marshal Machado Bittencourt, who was killed by the assassin's dagger (November 1897).

The impact of the unprecedented assassination attempt sent shockwaves through the country. It provided the head of state with something he had been lacking to that point: popular support and approval for a "state of siege" that would allow him to complete the work of pacification. After that, Prudente Morais had no time or resources left for more constructive achievements, although he did try to lay the foundations for financial recovery, which remained incomplete. The conclusion of the first civilian quadrennium marked the end of nearly nine years of the Republic's consolidation phase. It was a period marred by massacres, summary executions, beheadings of prisoners, hatred, and violence, and had nearly returned Brazil to the barbarism of the worst times of the Regency, when repressive soldiers from the Cabanagem paraded in Belém with necklaces of human ears hanging from their necks.

External Successes

In such years of economic fragility and political instability, diplomacy was also expected to falter under the strain of the disintegrating factors affecting other sectors of the state. What comes as a surprise is that the modest bureaucratic apparatus of imperial diplomacy was able to withstand the upheaval and neutralize external threats provoked by internal security precariousness. It went further and ended up securing the new regime's first successes, so desperately needed.

Much credit was due to the diplomatic professionalism forged in the Empire and embodied in state servants who ensured that the Ministry of Foreign Affairs continued to function during the turbulent transition to the Republic. The republican movement also generally refrained from systematic purges or purifications of civil servants, although there was no shortage of episodes—sometimes violent—of intolerance and persecution. Some prominent politicians like Joaquim Nabuco chose to "mourn the monarchy," either for a period of 10 years, as the author of the phrase had done, or forever. Among government employees, on the other hand,

there were relatively few cases of resignation or cleaning out because of monarchist conviction.

An emblematic figure of continuity, but by no means the only such case, is that of Joaquim Tomás do Amaral, the Viscount of Cabo Frio, who had served as director-general of the Secretariat of State since 1869! Born during the time of D. João VI, Amaral was 70 years old when the Republic was proclaimed, an unusually advanced age for the time. He continued in office for another 18 years, albeit with declining influence, from the time Rio Branco became foreign minister (1902) until his death in 1907. The Viscount and some of his colleagues deserve much of the credit for having led, in the uncertain days of the Navy Revolts, the relationships with foreign navies and the US government that proved decisive in defeating the insurrection and ensuring the success of the so-called Marshal's diplomacy (that is, the diplomacy of Marshal Floriano Peixoto).¹⁰

There was no shortage of opportunistic attempts by the major powers to take advantage of Brazil's weakness through incursions on the Amazonian borders and elsewhere, as had happened during the similarly unstable period of the Regency. In January 1895, during the Prudente de Moraes administration (1894–1898), Great Britain surreptitiously—as befitted its reputation of the “perfidious Albion”—occupied Trindade Island in the middle of the South Atlantic under the pretext of using it as a base for the construction of a submarine cable. The episode was somewhat reminiscent of the British occupation of the Malvinas Islands at a critical moment of disunity in Argentina.

In Brazil's case, the outcome of this episode was fortunately quick and auspicious. Foreign Minister Carlos Augusto de Carvalho, who had remained in office from the end of the Floriano government, refused the arbitration trap offered to him by Lord Salisbury. This was at the height of Victorian imperialism, which would culminate shortly afterward with the Boer War in South Africa. Rejecting the argument that the island was abandoned territory and therefore *res nullius*, Brazil obtained reparation for the dispossession more than a year later (August 1896). The result was thanks to Portugal's mediation, skillfully conducted by the Portuguese representative in London, the Marquis of Soveral, notorious from the social and amorous chronicles of the Victorian era. Between the occupation of

Trindade and the incident's resolution, Brazilian diplomatic relations with Portugal had been reestablished thanks, ironically, to English good offices.

The Trindade incident inflamed the spirits of the radical republicans in Brazil, left orphaned by the death of Floriano Peixoto. At times, demonstrations and threats to the British legation raised fears of a more serious clash with British power. Rio Branco, always cautious, even advised his friend and minister in London, João Artur de Sousa Correia, to "remind the warriors of our land that the British have been taking French islands by force."

In Paris at the time, the Baron was preparing an arbitration agreement with France over the border between Amapá and French Guiana. He feared that a violent outcome to the Trindade episode would induce the French, imperial rivals of the British, to simply occupy the contested territory. It was a reasonable hypothesis. Archival documentation shows that in the second half of 1896, the French Ministry of the Colonies had advanced plans for military occupation as far as the Calçoene River, where armed clashes had been recorded against Brazilian prospectors and settlers.

These forgotten examples of real conflict pitting Brazil against the two great representatives of the age of imperialism, the United Kingdom and France, shed light on Rio Branco and Nabuco's efforts to seek the protection of the US against the European danger. To a large extent, the misunderstanding that surrounds the policy of rapprochement and the so-called unwritten alliance with the United States today stems from insufficient attention to a key fact: Brazil was the only Latin American country with open borders with three European powers, at a time when world hegemony was in the hands not of the United States, but of Great Britain and France. For Brazilians at the time, the threat of encroachment in the Amazon came from Europe, not from the US, which at the time was focused on Cuba, Puerto Rico, or Mexico.

A second factor explains the trust placed in the Americans. Without even mentioning the decisive support they had given Floriano in consolidating the Republic (no wonder a monarchist like Eduardo Prado denounced the United States in *A Ilusão Americana* [The American Illusion]), the greatest triumph of Brazilian foreign policy in the early Republican period had been achieved thanks to President Cleveland. In February 1895, between the occupation of Trindade Island and the reestablishment of relations with

Portugal, Washington provided the backdrop for Brazil's complete victory over Argentina in the arbitration of the Palmas issue, often inaccurately referred to as Missões.

This triumph marked the rapid rise of the Baron of Rio Branco, who had spent nearly 20 years as a consular officer in the obscure and comfortable exile of the Consulate General in Liverpool. Rio Branco's great opportunity came about by chance: the death of Baron Aguiar de Andrada, who had been entrusted with defending Brazilian rights in litigation. Baron Aguiar de Andrada had been a diplomat of far greater prestige than the forgotten Paranhos, who did not belong to the diplomatic corps but rather the then-separate consular corps. Appointed by Floriano himself, Rio Branco, a self-confessed monarchist, provided a nation sorely lacking in self-esteem and foreign recognition with its first indisputable success, capable of legitimizing the Republic.

In recounting the Trindade incident, we find the Baron engaged in the patient preparation of a second triumph, one that would make him an unavoidable choice for foreign minister: the arbitration of the Guiana border issue with France. This was another complete victory, without any territorial concessions, and came five years after the first, under the Campos Sales government (1900). Two years later, the Baron would become foreign minister in the subsequent government. Although chronologically situated in the early period of the First Republic, these two issues are better understood, given the subject matter, within the framework of Rio Branco's border policy, where they will be considered in more detail.

Financial Diplomacy and the First Examples of Presidential Diplomacy

Before examining the Baron's approach to borders, it is worth turning our attention to three aspects of international relations that marked the turn of the 20th century in Brazil: the renewal of financial ties with foreign countries, the initial steps of presidential diplomacy, and the worsening of tensions with Bolivia as a result of revolts by Brazilian rubber tappers in Acre. All this would happen during the four-year term of Manuel Ferraz de Campos Sales (1898–1902).

Born in the same year as Prudente de Moraes and a contemporary at the São Paulo Academy of Law, Campos Sales was also an attested

republican from the time of the Itu Convention.¹¹ Like his colleague, he was from São Paulo, specifically from the new lands of the interior, improperly called the West in contrast to the old Paraíba Valley. He was born in Campinas, while Prudente, born in Itu, had settled in Piracicaba. Beyond this common background, Campos Sales' character contrasted with the reserve and austere coldness of his predecessor. José Maria Bello sums him up as follows: "expansive, attractive, vain, loving the showy appearance of things, a fluent writer and eloquent speaker [...] his culture as a lawyer and journalist afforded him broader mental horizons and facilitated greater plasticity in political action."¹¹

One of the strange peculiarities of the political customs of the First Republic was that presidents elected in March had to wait almost as long as a human pregnancy before taking office on November 15! Campos Sales became the first president-elect to spend that time traveling abroad, preparing for his government and enjoying a few months away from the bad air that usually plagues the end of reigns. The problem that most threatened his administration came from the cumulative effect of the deterioration of public finances since the advent of the new regime.

High coffee prices had initially helped the Brazilian economy and balanced trade. Soon, however, an enormous expansion in production, which doubled between the year of the proclamation of the Republic and 1897, would be accompanied by the collapse of average prices, which in that period plunged from £4 to £0.50 a bag! Currency devaluation and the extraordinary expenses of the civil wars exacerbated the effects of an imbalance in foreign trade and monetary inflation inherited from the *Encilhamento*.¹²

Congress had approved the budget for 1898 with a deficit of almost £5.5 million, reduced by one million through various operations, including the suggestive sale of naval ships to reinforce the US Navy in the Spanish-American War. It must be said that this transaction reveals how the Brazilians of the time felt no cultural or political solidarity with the Hispanic-American world, which was appalled and desolated by the crushing of Spain in the conflict. Despite its purely financial objectives, the sale

¹¹ The Itu Convention was the first republican convention in Brazil, held on April 18, 1873, in the residence of Carlos Vasconcelos de Almeida Prado, in the town of Itu, São Paulo.

could in a way be seen as retribution for the support the American Navy had given to Floriano.

The treasury was still short more than £4 million, a sum that would correspond today to around \$500 million in an economy of incomparably more modest proportions. As Bello observes, in line with the old Brazilian tradition the government saw no alternative but to seek a foreign loan, a difficult objective considering the country's unreliable credit conditions. Gradually, the project of a loan that would consolidate all previous debt was outlined: the so-called funding loan, which would give the new government some breathing space.

Almost at the same time as negotiations began in Rio de Janeiro with a representative of the British bankers, Campos Sales offered to go personally to London to meet with the House of Rothschild. The financiers had since independence been helping the governments of the monarchy and the Republic, and were concerned about the fate of the £80 million of British capital invested in Brazil.¹³ The president-elect's unprecedented willingness to involve his future responsibility as executor of the loan's conditions in the negotiations says a lot about Campos Sales' strong personality and self-confidence.

Before arriving in London, he spent a few days in Paris, where he met Rio Branco, his former colleague at the São Paulo Academy. To contemporary eyes, accustomed to huge official entourages and meticulous preparation for presidential trips abroad, the simplicity of an impromptu quasi-presidential trip at that time seems almost unheard of. According to Luiz Viana, it was up to the Baron to warn Brazil's minister in the British capital, Sousa Correia, about the imminent and illustrious visit. In a subsequent letter, the representative in London described Campos Sales' arrival:

I went with the legation and Girardot to greet him. There was nothing ready for him at the Cecil and not without difficulty I found him a decent room at the Metropole Hotel. London is in full season. Imagine that the President and Piza [Brazil's minister in Paris] arrived without a single servant. It made a terrible impression on the hotel.¹⁴

An arbiter of elegance, Sousa Correia was concerned with the opinion of chic hoteliers and difficulties such as getting the visitor to wear the "uniform or court dress levée," which was obligatory at a large banquet in

celebration of Queen Victoria's birthday to which he was invited. On a more pedestrian level, Campos Sales' concerns revolved around the conditions for restructuring the debt, which in the end were fixed at a new loan of up to £10 million, guaranteed by revenues from Rio de Janeiro customs. In return, the government was obliged to withdraw from circulation an amount of paper money corresponding to the issues of the funding loan, in addition to cutting public spending and raising taxes.

This severe fiscal adjustment was implemented in energetic doses by the minister of finance, Joaquim Murtinho. Contradictorily, the minister from Mato Grosso, in civilian life a homeopathic doctor accustomed to prescribing imperceptible doses, was an adherent of a kind of ruthless economic or social Darwinism. He believed the "artificial industries" and overproduction of coffee generated by excessive monetary emissions should be corrected by a form of "natural selection" and the elimination of inferior players.

The money supply contracted by 13%, creating a recessionary impact that survives in the collective memory as one of the most painful periods Brazil has ever experienced. Foreign credit was reestablished, the budget began to show a balance and the national currency appreciated modestly, helped in part by a huge increase in rubber exports in 1899. On the other side of the scale were the ruinous bankruptcies of large and small banks, the annihilation of industries and jobs along with any hope of industrialization, the ruin of farmers, the revolt of taxpayers and victims of a rising cost of living.

Brazil, which was already a markedly poorer nation than Argentina and Mexico, not to mention the United States or Western Europe, emerged even more diminished from this ordeal. In the last decade of the 19th century, GDP per capita shrank by an astonishing 20%, comparable to the Greek disaster of 2009. For Calógeras,¹⁵ "although it may have been painful [...] this crisis was essentially beneficial [...] aimed at the economic and financial reestablishment of the country."^{III}

The people who mercilessly booed Campos Sales on his way from the Catete Palace to the Central Station in Rio de Janeiro, where he embarked for São Paulo at the end of his four-year term, did not think so. However,

III The passage quoted and many of the data and analyses summarized above can be found in the chapter "O Processo Econômico/A Economia da Primeira República" by Gustavo Franco and Luiz Aranha Corrêa do Lago in the third volume of the *História do Brasil Nação* collection. (See full bibliographical notes at the end of this chapter.)

prevailing in the versions of official or unofficial history taught in schools were variants of Calógeras' opinion: the lack of a viable alternative to fiscal adjustment and to the effort to maintain Brazil's insertion into global financial markets in the form implemented since political independence.

The first two examples of presidential visits between Brazil and Argentina also come from the Campos Sales presidency. Argentine President Julio Roca took the initiative in 1899, at a time of Argentine-Chilean tension and of rapprochement, or at least détente, with Brazil. The following year, it was the Brazilian president's turn to reciprocate. The exchange of visits built on a moment of cooperation following the arbitration that put an end to the border dispute (1895). No agreements or other concrete results were sought; the objective was limited to something new: to inaugurate personal knowledge and understanding between the two heads of state.

Meanwhile, in the distant *seringais* (rubber exploration forests) of Acre, which were massively populated by Brazilians, the first signs were appearing of what had the potential to become one of the Republic's most dangerous international tests. In reaction to Bolivian attempts to give effect to what had been a merely symbolic sovereignty and extract profits from rubber exports, rubber tappers in the region mobilized in the first of their armed revolts, led by the Spaniard Luís Valdez (1899). Neither Campos Sales nor his foreign minister, Olinto de Magalhães, had any foresight or sensitivity to the seriousness of the irreconcilable divide that had formed between the Bolivian authorities and the Brazilian settlers, supported by the state governments of the Amazon region and powerful commercial interests. Until the end, they continued to cling to the legal formalism of the treaty that recognized Bolivia's sovereignty in the region, without realizing that the issue, which was essentially political, could only be resolved by political negotiation.

Ministers and Diplomats of the Republican Era

Over the course of more than a decade of a painful implementation of the new regime, constant internal turbulence was reflected in an extraordinary rotation of foreign affairs ministers. In less than 13 years, from the proclamation of the Republic to Rio Branco's inauguration, there were no fewer than 11 ministers, not including the interim ones! The vast majority failed to leave a lasting mark. Even among career diplomats,

hardly half a dozen would be able to remember the deeds of Leite Pereira, Oliveira Freire, João Filipe Pereira or Alexandre Cassiano do Nascimento, to name but a few.

Later, the Baron would state, in a letter written when he was invited to take up the post, that “almost all the ministers have become temporary employees of the Secretariat, and go there every day to talk and sign papers. The entire service has been concentrated in the hands of the Viscount of Cabo Frio, who has in fact been the minister for many years.” There is a hint of exaggeration in his judgment: Rio Branco did not appreciate some of the ministers whom he considered personal enemies, such as Dionísio Cerqueira and Olinto de Magalhães. Later, he excluded his friend Carlos Augusto de Carvalho from the list of those “who did not like a lot of trouble.”

As internal tensions settled, the ministers began to enjoy the minimum degree of stability required to do anything constructive. After his predecessor's seven ministers, Prudente had two foreign ministers: the first, Carlos Augusto de Carvalho, whom he inherited from Floriano, and General Dionísio Cerqueira. Campos Sales, on the other hand, was content with just one, Olinto de Magalhães, who had entered the diplomatic service by appointment of Floriano and had not yet turned 40 when he became minister.

The institutional apparatus remained much the same as it had been during the monarchy: modest in size, tightly controlled by Cabo Frio and constrained by permanent budgetary difficulties. Among the diplomatic agents, some were newly appointed or strengthened by the Republic, such as the aforementioned Olinto and Assis Brasil, a powerful landowner and politician from Rio Grande do Sul. Assis Brasil would succeed the most renowned of the republican diplomats, Salvador de Mendonça, in Washington. The latter, after a brilliant rise under Floriano, fell into disgrace during the Dionísio Cerqueira administration. Put on standby and in financial difficulties, he had to auction off in New York his famous collection of paintings which sold for a few thousand dollars and included works by Correggio, Rubens, Murilo, and Corot.

Some diplomats who had been trained under the monarchy, such as the Baron of Penedo, left with the fall of the Emperor. Others, like the Baron of Aguiar de Andrada, remained active and died in the service of the republican regime. The two greatest figures in Brazilian diplomacy,

representing the all-time highest expressions of the Brazilian diplomatic tradition, the Baron of Rio Branco and Joaquim Nabuco, belong to this category. Professionals trained during the Second Reign, and monarchists through and through, it was the Republic that offered both of them the opportunity to fully utilize their skills and talent for the benefit of the country.

It was thanks to Floriano that Paranhos emerged from the obscurity of long consular oblivion to win the first great victory of republican diplomacy in 1895. This set the stage for the second triumph a few years later. Both came during the initial phase of the Republic. Nabuco, on the other hand, kept his distance from public life for most of this period, dedicating himself to writing his great books. It was only as this phase of Brazilian history drew to an end, during the Campos Sales administration, that Nabuco accepted an invitation to return to active service. He did so not for the sake of the Republican government, he stressed, but for the country itself, whose rights he defended in a border dispute over Guiana with the United Kingdom.

Of all the remnant figures of the monarchical period, it was perhaps João Artur de Sousa Correia who best embodied a type of diplomat from the old regime. He succeeded in maintaining Penedo's brilliant worldly tradition at the London legation, the most prestigious and coveted of posts, albeit without the political weight of his predecessor. Born and raised in Europe and speaking with a heavy French accent, Sousa Correia had served in the Crimean War as a French naval officer before being appointed to the diplomatic service by the Viscount of Rio Branco.

Joaquim Nabuco, who was to succeed him in London, said that the secret of his remarkable social success consisted of

the benignity of his tone, the helpfulness of his person, the effortless mastery of the English means of social communication, the whist, the turf [...], the tireless dining out [...], but above all the neutrality of his spirit, which shocked no one, in the simplicity of his taste, for which there was no boredom in social life [...].

Adding a note that accentuated the Proustian atmosphere in which these characters bathed, Nabuco recalled that, thanks to these attributes, Sousa Correia had become “one of the intimate friends [...] of the Prince of Wales [...] and lived familiarly with the princesses of the Court, the

dukes, ruling in the main clubs [...].”¹⁶ Compare this with what Proust writes of Charles Swann in *In Search of Lost Time*: “One of the most elegant members of the Jockey Club, the favoured friend of the Count of Paris and the Prince of Wales, one of the most prestigious men in the high society of the *faubourg* Saint-Germain.”¹⁷

In the London and Paris of the end of the century, Sousa Correia and the Brazilian expatriates experienced the refinement of civilization described almost as a caricature by Eça de Queiroz in *The City and the Mountains* (*A cidade e as serras*, one of his great novels). Jacinto de Tormes, the novel’s protagonist, paints a famous portrait of the wealthy São Paulo coffee grower Eduardo Prado, a friend of the writer, as well as of Nabuco, Paranhos and Correia. For this sophisticated Portuguese-Brazilian colony, the news of the massacres and beheadings from northeastern Canudos, or of the death of the aristocratic Saldanha da Gama, speared and mutilated in savage combat on the southern pampas, must have sounded like distant echoes from a barbaric planet.

One sunny morning, amid the splendor of the Place de la Concorde, two Brazilian compatriots met. One of them, deeply moved by the panorama that stretched from the Champs Elysees to the Arc de Triomphe, removed his hat to thank God for the gift of enjoying such a great spectacle with a peaceful soul. He had lived on European soil for 26 years and his name was among those listed by Figaro as having accompanied his friend Sousa Correia to his final resting place, not far from Stendhal’s tomb in Montmartre cemetery. Despite his motto *Ubique Patriae Memor* (“Everywhere, the memory of the Motherland”), he would find myriad reasons to decline an invitation to head the Ministry of Foreign Affairs at the beginning of the government of Campos Sales’ successor. Giving in to the insistence of Rodrigues Alves, a shrewd connoisseur of human ambiguity, the reluctant invitee would finally send him the following telegram: “I will make the sacrifice that Your Excellency deems necessary, happy to do so because of how much I owe to our land and to Your Excellency.” Thus began the Baron of Rio Branco’s long tenure as conductor of Brazilian foreign policy.

The Baron of Rio Branco and the Refounding of Foreign Policy (1902–1912)

No one embodies the diplomatic ideal presented in this book as completely and impeccably as José Maria da Silva Paranhos Júnior, Baron of Rio Branco, the true re-founder of Brazilian foreign policy. He had spent a lifetime in archives and libraries in preparation to lead the country's diplomatic efforts, combining an immense breadth of knowledge—history, geography, colonial cartography—with the ability to wield with discernment the limited power available to it. This combination explains the success he achieved in arbitrations and negotiations to set borders and in formulating the Republic's first comprehensive foreign relations paradigm. Neither before nor since has there been such a perfect symbol of the values and aspirations that Brazilians associate with the “idea of Brazil.”

These qualities began to garner national attention, with Paranhos still a relatively unknown consular official in Europe, when Floriano Peixoto singled him out to head the Brazilian delegation in an arbitration with Argentina following the death of Baron Aguiar de Andrada. Paranhos' adversary would be his old rival from the days of the “Argentine question,” former Chancellor Estanislao Zeballos, who with Bocaiuva had signed the ill-fated treaty of partition.

The Palmas or Missões Arbitration and the Amapá Arbitration (1893–1900)^{IV}

The land dispute had been re-submitted for arbitration by the US government after the Brazilian Congress rejected the so-called Partition Treaty, a Solomonic compromise hastily signed by Quintino Bocaiuva.^V In May 1893, Rio Branco, whose father had been the initial negotiator on the issue during the time of the Empire, knew the question better than anyone. He joined the other members of the mission in the United States and for almost two years in New York and Washington developed a pattern of total concentration and exhaustive work that would become his trademark. With no time for meals or sleep, capable of enduring days and nights without rest, frantically scouring archives for maps and

IV All the quotations in this title, including the transcripts from Rio Branco's diary or notebooks, can be found in chapters XIV to XVIII of the biography *A vida do Barão do Rio Branco*, written by Luiz Viana Filho. They give a detailed account of the two arbitrations (see full bibliographical notes at the end of this chapter).

V See previous chapter, section “The Birth Pangs of the Republican Regime (1889–1902).”

documents, the Baron lived up to the description bestowed upon him by internationalist and mission advisor Basset Moore as the most complete amalgamation of scholar and statesman he had ever known.¹⁸

The core of the dispute lay on how to identify, on the ground, the rivers with opposing headwaters—one that flowed into the Iguazu and the other into the Uruguay, respectively called Peperi-Guaçu and Santo Antonio—through which the border would run in accordance with the treaties of Madrid (1750) and San Ildefonso (1777). The controversy had been created by Spanish demarcators in colonial times. Argentina contended that these rivers were located much farther east than indicated by Brazil. According to Argentina, the watercourses should be the Chapecó and the Chopim, later replaced by the Jangada.

The basis for the Argentine claim consisted of copies of the Mapa das Cortes, apparently favorable to this interpretation and, above all, a statement by Alvear, one of the Spanish demarcators, about the content of the Demarcation Instructions. Dating from 1758 and subsequently lost, what was thought to be known of the instructions came from a statement Alvear made 30 years later in 1789. In his statement, Alvear said that the document had instructed the demarcators to identify the Peperi as a large river “with a mountainous island in front of its mouth; a great reef in front of its bar, and these waters being upstream of the Uruguay-pitá.”

In defense of the Brazilian position, the plenipotentiary demonstrated that a careful study of the maps, an authentic version of which he managed to find, confirmed the correctness of the identification made by Brazil, even when using latitude and longitude projections. Still, the problem of the Instructions remained. In early October 1893, Paranhos finally received the news that, following his detailed guidance, the missing Instructions had been located in the archives in Simancas. Upon receiving them in the mail, he could not contain his joy as he telegraphed: “The Instructions say nothing about Uruguay-pitá or about mountainous Islands or reefs inside or outside the mouth. Long live Brazil.”

He added:

with the appearance of the true Mapa das Cortes and the Instruction of 1758 and with the comparative study of this map and the previous ones, we now have in our favor all the documents on which the Argentines sought to base their claim...

In his Exposition to the President of the United States,¹⁹ Rio Branco based Brazil's right to the territory in question on its discovery and control by the Paulistas since the 17th century. He invoked *uti possidetis* of the time of Independence, recognized in the Treaty of 1750, which went unchallenged by the Argentines until 1881. He argued that the strategic position of the territory made it essential for the security and defense of the country, as well as for internal communications between Rio Grande do Sul and the other Brazilian states.

At the same time, he accepted all the historical documents on which Argentina sought to base its claim, namely the treaties of 1750 and 1777, the instructions issued to the demarcation commissioners, and an official map from 1749. Armed with these arguments, Rio Branco waited impatiently for the final decision, which would be conveyed to the disputants on the cold afternoon of February 6, 1895, in a dramatic scene summarized in his diary:

At five past three the Secretary of State [Gresham] arrived and invited me to pass into the diplomatic salon. We found Uhl [undersecretary] there [...] Gresham said that he was in charge of giving the representatives of each of the parties a copy of the report [...] Zeballos started looking for the conclusion and, not finding it right away, grew visibly agitated; Gresham said: "If you wish, I can have the report read to you." I said to Zeballos: "I think it would be better if we read it at home." But Zeballos said aloud: "Just say which of the two nations the report favors." Then Gresham nodded to Uhl and he said: "The award is in favor of Brazil." Zeballos turned pale. Secretary Attwell [of the Argentine mission] seemed to have drained of all color, so white did he turn. There was a moment of deep silence. Everyone seemed embarrassed. Zeballos then turned to me and, shaking my hand, said: "*Mis felicitaciones, señor ministro.*" I replied that I was very grateful and that I considered this an honorable and peaceful solution, a happy event for both nations [...].



It was a pity that, on subsequent occasions, the two great rivals did not always keep their disputes at this level of dignity and nobility.

Suddenly, the obscure consul general in Liverpool became a national celebrity. Telegrams arrived in their hundreds, with senders ranging from the Count and Countess of Eu (the Countess d'Eu was Princess Isabel, the exiled heir to the Brazilian throne) to former President Floriano Peixoto at the opposite end of the spectrum. The most expressive, in the conciseness of those austere days, was from President Prudente de Moraes: "In the name of the Brazilian homeland, I thank you for your unforgettable service in recognition of its rights."

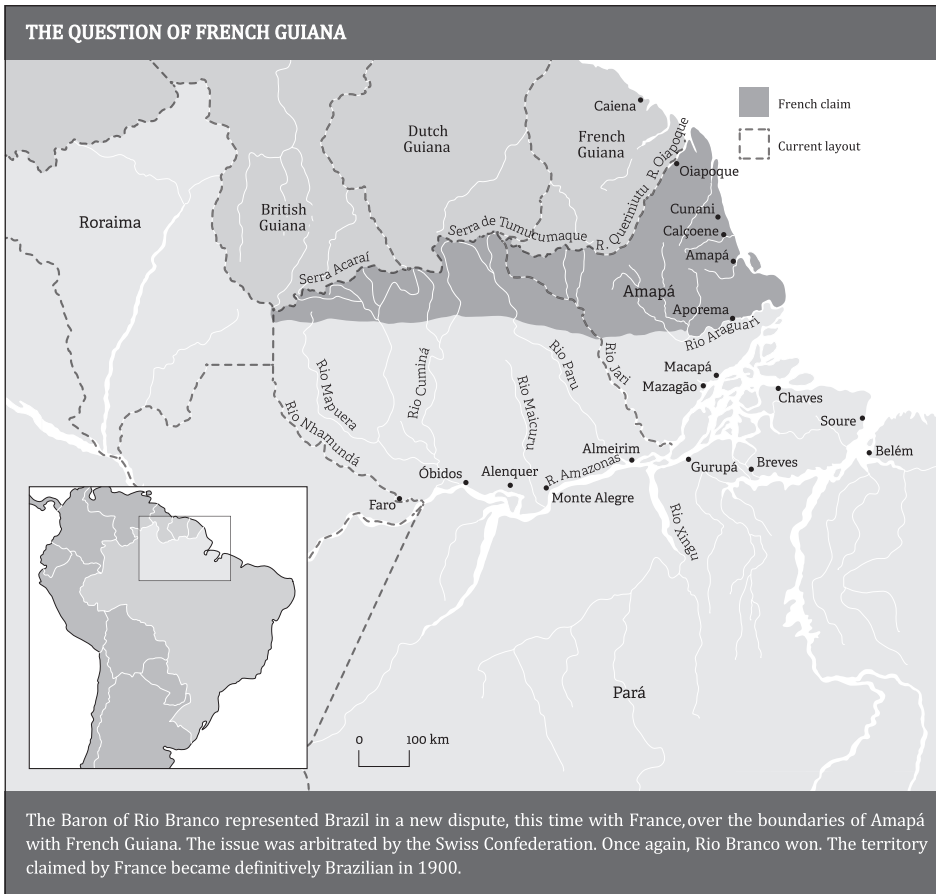
Some began to talk about Rio Branco as a future president. To those who invited him to come in person to receive his country's tribute, such as

a message from those gathered at a demonstration under the chairmanship of General Serzedelo Correia, he sent this reply:

For myself and my fellow workers, I thank you for this honorable tribute. I am convinced that the decision of the illustrious American who with so much effort and conscience exercised the functions of arbitrator, animated by equal affection for both nations, will also have been received with satisfaction in the Argentine Republic, and that this happy and honorable event will contribute to the closer ties of friendship that bind us to our allies in Caseros and Paraguay, as we so much desire.

Avoiding a gratuitous provocation of Argentina and Zeballos through celebration, he preferred to return directly to Europe without stopping in Brazil. In the sobriety and self-restraint of this procedure, there is the calculation of a statesman, but also a calculation of another kind, which led him to note in his diary this thought from Hoffmann: “Envy is the shadow of glory.”

Soon afterward, Rio Branco would be commissioned to represent Brazil in the dispute with France over the boundaries of Amapá with French Guiana, which had been submitted to arbitration by the government of the Swiss Confederation. The issue had been exacerbated by the discovery of gold in the Calçoene River and armed clashes in 1894 that led to deaths on both sides. It is worth remembering that these years coincided with the height of European imperialism, and it was feared that France would end up occupying the disputed territory, as England had just done with the island of Trindade.



It was not just because Brazil faced an adversary of France's stature on the other side of the arena that the issue proved more arduous and perilous than that of Palmas. Complicating matters further was that, in the course of the controversy's eventful history, the Brazilian position had not always been defined by coherence and firmness. The nature and length of this summary do not leave room for a more complete and satisfactory exposition of the developments in correctly identifying the "Japoc or Vicente Pinzón" river, which was to set the border according to the 1713 Treaty of Utrecht. Brazil argued that the river in the treaty coincided with the Oiapoque, while the French argued that it was a river farther south, such as the Araguari.

Once again, the pattern inaugurated in dealing with the Palmas issue was repeated: tireless, exhausting work, incessant searches for maps

and old documents, sleepless nights, a frantic race to complete, print and deliver the first memorandum and response within their deadlines. At the height of his efforts, Paranhos told Eduardo Prado: “I thought I would take it easy this time... On the 5th I was out of action, threatened with meningitis, changing words when I spoke or tried to write, and inverting syllables, much like old Brotero used to do.”

Yet again, Rio Branco’s dedication and competence ended in success, disillusioning the French who, until the end, hoped that “the pear would be cut in half.” On December 1, 1900, with Bern covered in snow just as Washington had been on February 6, 1895, Councilor Graffina and a porter from the Federal Palace arrived at Villa Trautheim, the Baron’s residence. It was 11.30 a.m., a Saturday.

His diary recounts:

He [the doorman] placed the two volumes of the report and twelve copies of the recitals of the judgment on a chair. In a short speech, Graffina declared the object of his mission, which he had been entrusted with by the Federal Council. He added that, having fulfilled this duty, he could also say that this mission had been very pleasant for him and announced that the decision was in favor of Brazil. I then declared that this news made me and the Brazilians present extremely happy.

The definitive consecration of his name, long overdue, came with this second victory. He was 55 years old and, despite being the first-born, was the only survivor of the Viscount of Rio Branco’s nine children. He had no more than a scant 11 years left to live. Far from being able to dedicate them to a restful life of study and research in Europe, as he had dreamed, these remaining years would be consumed entirely by a final period of intense diplomatic labor.

Rio Branco had spent more than two decades in Europe, away from the evolution of national life, by the time President Rodrigues Alves chose him as foreign minister. When he landed in Rio de Janeiro one summer morning on December 2, 1902, he plunged immediately into a conflict in Acre that was already in full boil. It would be his most difficult challenge and his most important achievement.

Acre: Rio Branco's Decisive Moment^{VI}

Acre represents a unique and exceptional case in Brazilian history. The region has been compared to the US state of Texas²⁰ because of similarities in some essential elements of its history: lands populated by settlers from contiguous nations, armed revolt against a distant central sovereignty, a period of autonomy and, finally, annexation to the insurgents' country of origin. The difference is the outcome: in the North American example, war and the beginning of the process of Mexico losing a large part of its territory, in the other, the assertion of negotiation and diplomacy.

The Republic's pacifist direction faced its most difficult test in the Acre question. The dispute could easily have degenerated into an armed conflict. Success in preventing the clash and creating the conditions for fruitful negotiation represented a significant milestone. It also set a precedent inhibiting any temptation to divert Brazil from the principle of repudiating war of conquest, as enshrined in its national constitutions.

In addition to its Texan aspects, so to speak, the dispute differed from other Brazilian border disputes in that it concerned land that was already occupied, subject to intense economic exploitation and bearing considerable material interests. The local population had felt threatened ever since Bolivia's first attempts to assert its administration. These escalated exponentially after the territory was leased to an Anglo-American company, the Bolivian Syndicate. The first to be affected were the rubber tappers, unsure about the recognition of their occupation titles, unhappy with paying new taxes, and fearful of the potential consequences of the monopoly granted to foreign investors.

Added to this was the weight of a factor absent in other Brazilian boundary disputes: the mobilization of the Amazonian states, especially Amazonas. The state government there viewed the area as part of its territory and was unwilling to relinquish to Bolivian customs and authorities the tax revenues (granted to states by the 1891 Constitution for collecting export taxes and duties) and financial income from Acre's rubber trade. Against the strength and proximity of local and regional interests, the feeble and ineffective attempts by the federal government, which was practically

VI Those interested in a more detailed study of the episode can consult my essay "*Acre, o momento decisivo de Rio Branco*," published in *Barão do Rio Branco: 100 anos de memória*, organized by Manoel Gomes Pereira. In it, one will find bibliographical indications of the sources cited here. (See full bibliographical notes at the end of this chapter.)

absent from the region, to eradicate the connivance and complicity of municipal and state authorities were of little use.

In this dispute, unlike the others, there was already an extraordinary source of wealth in full exploitation: rubber trees, which grew in Acre in compact formations with wide diameters, yielding abundant, high-quality latex. At its height, rubber accounted for 40% of Brazil's export revenue, almost equaling that of coffee, and Acre produced 60% of the commodity. The resources involved in opening and maintaining Amazonian rubber extraction areas were huge, estimated in 1910 at over 700 million mil-reis, equivalent to the immense sum of £43 million,²¹ more than 20 times the compensation that would eventually be paid to Bolivia for the cession of Acre. At the same time, around 150,000 people were employed in the harvesting and transportation of rubber, with an additional 14,000 new workers recruited every year due to the high mortality rate—almost all of them from the Northeast of Brazil.

The sovereignty of the territory was disputed between Bolivia and Peru, which caused Brazil not one but two intricate diplomatic problems. The definitive solution was to unfold in two successive stages, delaying the resolution of the Peruvian claim for six eventful years.

The modern nature of the conflict is further evident in the appearance, for the first time on Brazilian soil, of a colonizing company with quasi-sovereign powers, akin to what we would now refer to as a multinational corporation. A typical phenomenon of Victorian-era globalization, the presence of these companies reflected a trend towards the outsourcing and privatization of essential state functions—and sometimes replacing them entirely. This was the case with the Congo Company, owned by King Leopold of Belgium, and others that served as a spearhead for European imperialism in South Africa, Indochina, and other parts of Asia and Africa.

The drive to attract investors from outside the continent came from the Bolivians and precipitated a final revolt, perhaps inevitable given the situation that had been building on the ground for several decades. The Bolivian government's decision to cede extensive rights to the Bolivian Syndicate would prove to be an irreparable strategic error. Right away, news of the decision stirred old fears and awakened a dormant insurrection, this time under the experienced and fierce leadership of Plácido de Castro, a

military man and former Maragato fighter in the Federalist Revolution, then living in Acre as a surveyor.

In addition to the direct shock to the rubber tappers, the news galvanized public opinion, political circles and the federal government in Brazil, acting as a catalyst for reaction. To that point, the dichotomy between the *de facto* situation (the nonconformity of the states of Acre and Amazonas with Bolivian sovereignty) and the legal situation (the recognition of that sovereignty by the Brazilian federal government) had paralyzed the federal government. In numerous instances, the chancellery and the federal services had found themselves in the uncomfortable position of collaborating with Bolivia's efforts to impose its authority on Brazilian settlers, as in the establishment of Bolivian customs in Puerto Alonso.

The government's contract with the Bolivian Syndicate suddenly and radically altered the panorama. It provided Brazil with a moral justification to react and neutralized and annulled the advantages derived from legal sovereignty. It was the foreign minister himself, Olinto de Magalhães, who initiated the official Brazilian response. In an attitude that was somewhat inconsistent with his recognition of Bolivian sovereignty, Campos Sales' chancellor endeavored, albeit unsuccessfully, to dissuade the La Paz government from approving or executing the contract. Most importantly, he obtained from the Brazilian president what would prove to be the most effective measure against the proposed monopoly: the ban, in August 1902, on navigation of the Amazon for transportation to and from Bolivian ports. As the river was the only practical access route to Acre, the prohibition prevented the contract from being fulfilled.

Such was the situation by the end of 1902, when President Rodrigues Alves was sworn in and Rio Branco returned to Rio de Janeiro. The navigation ban had leveled the playing field and bought Brazilian authorities some time. Nothing, however, had been resolved. In Acre, Plácido de Castro's forces had gone on the offensive, but a Bolivian military reaction was being prepared. The consortium of capitalists had been unable to establish itself in the area, yet the threat of pressure and intervention from the investors' home governments, especially the United States and England, continued to tilt the scales against Brazil. It was necessary to confront once and for all what the successive Brazilian governments had been unwilling to do: discuss Bolivian sovereignty over Acre itself.

The refusal to admit the very existence of a dispute made the case insoluble, at least in terms of the legal approach followed by the Brazilian Foreign Ministry. Olinto de Magalhães had made many statements to this effect. In a circular dated June 1902, during the worsening phase of the crisis and after the signing of the contract with the Bolivian Syndicate, the chancellor reiterated:

Despite the erroneous and ill-considered opinion held by scientific corporations, in the press and even in the National Congress, the territory of Acre is not Brazilian. It is the subject of a dispute between Bolivia and Peru, which is why Peru has already protested against the lease. Until this dispute is resolved in Peru's favor, for Brazil it is Bolivian territory by virtue of the 1867 treaty. We therefore do not question Bolivia's sovereignty.²²

It is astonishing that, after years of armed confrontation and violence, the official stance remained blind to the seriousness of the conflict in the remote forests and seringais of Acre! The minister was ready to accept the hypothesis that Acre would become Peruvian, yet he could not fathom the possibility of it becoming Brazilian, which was the only way to solve the dilemma. His obstinacy in ignoring local will and the public opinion of his own nation should serve as a lesson in humility and a healthy questioning of the myth of Itamaraty's supposed infallibility.

When reproaching the Baron's predecessors for their lack of political spirit, Leandro Tocantins makes a pertinent judgment:

Their diplomacy was based on formalistic precepts, without considering the new reality of social phenomena common to a developing country like Brazil. They isolated themselves from public opinion [...] when it would have been feasible [...] to recognize as just or at least irremediable the attitude of those who rose up in Acre for the continuation of life on Brazilian soil.²³

This observation draws attention to one way in which Rio Branco's approach differed from that of his predecessors: he knew how to deal with this new complicating factor, which they had ignored.

In the words of the new minister:

Public sentiment [...] was another element that had to be taken into consideration. Since my arrival from Europe, I had observed that

there was unanimous national sympathy for our compatriots who were fighting in Acre. The prediction was that this feeling would grow so much and take such a form that it would be impossible for a government of opinion like ours to remain indifferent to the sacrifice made by these Brazilians in order to one day live under the shadow of our flag.²⁴

The Solution—Rio Branco's success where his predecessors had failed was not primarily due to an invention of original, unprecedented formulas. Almost all the elements that came to form the framework of his final solution had been outlined under Olinto Magalhães: the purchase of the area in question, the exchange of territories, the ban on navigation to and from Bolivian ports, even the compensation to persuade investors to give up their claims. What was missing, however, was fundamental: the apparently simple but indispensable idea to change Brazil's status as a legitimate party and to pave the way for negotiation by declaring the territory under dispute. This is what the Baron saw clearly in the letter he wrote to Hilário Gouveia, his doctor and personal friend, after receiving Rodrigues Alves' telegram of invitation: "There is this question of Acre which, if handled properly, and breaking with the misinterpretation given in 1868 to the Treaty of 1867, could affirm, on this side, our right over an immense territory."²⁵

Rio Branco's contribution amounted to a Copernican revolution that transformed the essence of the issue. By declaring the territory as disputed, Brazil acquired full legitimacy to negotiate with the Bolivian Syndicate, to reserve Peru's supposed rights for future discussion and, above all, to negotiate with Bolivia over the immediate fate of Acre. The decision would also serve to justify the preventive military occupation of the area, with the additional argument that it had been incumbent upon Brazil to do so because of the nationality of the population involved.

The declaration of dispute, which came at the beginning of the final phase of the conflict, led to activity on three fronts.

The first was regarding the Peruvian claims, which were not limited to Acre and, in their fullest expression, included a considerable portion of the state of Amazonas. The simplest solution at the time was to postpone consideration of these claims, and the Baron refused to accept Lima's

attempts to take part in negotiations, either with Bolivia or with the investors.

The second front involved the Bolivian Syndicate's investors and the powerful governments behind them, potential sources of interference with unpredictable consequences. Despite official protests from the United States, Britain, France, Germany, and Switzerland, the new minister confirmed the ban on navigation, which practically annulled the concession and made it impossible for the consortium to exercise any act of possession or economic exploitation in the territory. At the same time, however, he assuaged those countries' concerns through cautious diplomatic demarches, seeking to show his willingness not to harm the investors of the Bolivian Syndicate. To this end, he mobilized Brazil's main diplomatic missions, with Assis Brasil, the minister in Washington, playing a central role. He also leveraged the efficient collaboration of the government's traditional banker, the Rothschild House of London, which wasted no time in persuading the businessmen to abandon their profit expectations in exchange for the payment of £110,000 (equivalent to \$10 million today).

The same pattern of alternating strong unilateral measures with a willingness to negotiate can be seen on the third and main front, that of relations with Bolivia. The withdrawal of the Bolivian Syndicate and the investors' governments left the Bolivians isolated, forcing them to reluctantly accept the negotiations they had hitherto refused. But the hardest part was still to come: resigning themselves to ceding Acre in exchange for money and admitting to the sale of national territory, which seemed incompatible with national honor.

A second and fatal Bolivian error, like the one related to the concession contract, would make such an outcome practically inevitable. The announcement of the departure of two military expeditions to subdue the insurgents, one of them commanded by the president himself, General Pando, would provide Rio Branco and the Brazilian government with justification for preventively occupying the disputed area. Deprived of external support and unable to demonstrate the effectiveness of its sovereignty on the ground, Bolivia had no choice but to seek the best possible deal, since the prospect of a direct conflict with Brazil was obviously unreasonable.

Nothing better illustrates the style of alternation mentioned above than the terms of Paranhos' telegram of February 3, 1903, to the Brazilian Legation in La Paz, with instructions to transcribe it in a note to the Bolivian Foreign Ministry:

The President of the Republic was most painfully impressed [...] by the certainty that Mr. President Pando had decided, on January 26, to leave for the Territory of Acre with the intention of subduing its inhabitants by arms, without waiting for the result of the negotiation he had entrusted to Mr. Pinilla [Claudio Pinilla, Bolivian minister in Rio de Janeiro] on the 24th, [...]. Since Acre [...] is also wanted by Brazil and Peru [...] and all the inhabitants of the region are Brazilian, we cannot agree to the entry of Bolivian troops or authorities there. Of the three disputants, Bolivia, Peru and Brazil, it is the latter that is best suited to provisional administrative occupation [...] mindful of the nationality of its population.

He continued: "The Brazilian government does not want to break off diplomatic relations with Bolivia. It remains ready to negotiate an honorable and satisfactory agreement for both parties, and sincerely wishes to achieve this result." After this constructive paragraph, Rio Branco added: "Mr. President Pando has understood that it is possible to negotiate by marching troops north. We will also negotiate by advancing forces to the south." And again he softened: "In the interest of good friendly relations, which Brazil ardently desires to maintain with Bolivia, it is urgent that the two governments come to an understanding to quickly remove this difficulty in Acre, a source of complications and discord."²⁶

When he sent the telegram, the Baron had not yet received the news of the capitulation, nine days earlier (January 23, 1903) on the outskirts of Puerto Acre, of the last stronghold of Bolivian resistance, the troops and officials under the command of Governor Lino Romero. He assumed, however, that the moment was imminent when the whole territory of Acre would be free from the presence of Bolivian authorities and under the control of its Brazilian inhabitants. President Pando feared the same outcome, and made a desperate effort to re-conquer the territory to be able to negotiate from a position of strength. The checkmate of the Brazilian military occupation liquidated Bolivia's last hope and sealed the fate of the area for all practical purposes. The indispensable elements for putting

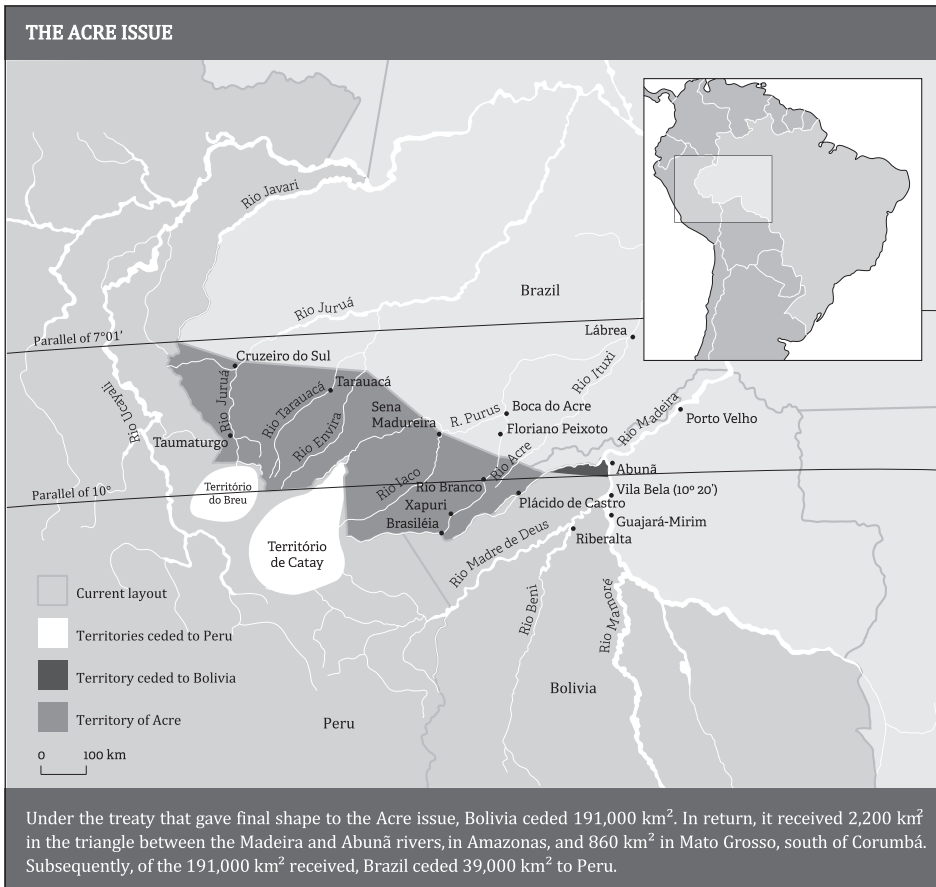
together the framework for a diplomatic and legal solution to the conflict were thus available.

Rio Branco's crucial contribution was to articulate these elements into a coherent whole and apply them in an effective and measured way. It was a shift away from the contradictory foreign policy orientation that had been followed to that point. The Brazilian government, which had never before developed an approach to dealing with the problem, now not only had a first-rate strategy, but also the will and competence to carry it out.

To crown it all, the government also had a realistic, clear and achievable objective: to make Brazilian all the territories inhabited by Brazilians, regardless of legal disputes. The Brazilian claim should be examined in light of this goal, effectively a new interpretation of Article 2 of the Treaty of La Paz de Ayacucho, which stated:

From this river [the Madeira] to the west, the border shall follow a parallel drawn from its left bank at latitude 10° 20' south until it meets the Javari River. If the Javari has its sources to the north of that east–west line, the border shall follow a straight line from the same latitude to seek the main source of the said Javari.

The confirmation (made in 1898 by Lieutenant Augusto da Cunha Gomes) that the origin of the Javari was indeed at 7° 11', far north of the parallel of 10° 20', complicated the purpose of conserving for Brazil the rubber-rich lands already populated by Brazilians. The first problem consisted of drawing a border line from the Madeira river to the source of the Javari: an oblique line going up from Madeira (10° 20') to the origin of the Javari (7° 11') or, with the same starting point, a horizontal line on the parallel of 10° 20'—an approach preferred by Rio Branco and officially adopted when the territory of northern Acre was declared contentious. The second problem had to do with southern Acre, south of parallel 10° 20', a region still richer in rubber trees, where a large part of the Brazilian settlers was concentrated but of an indisputably Bolivian character, even for the Baron. How could this region be made Brazilian?



These considerations help us understand why the Acre challenge had to be resolved in a pragmatic spirit. The Baron never lost sight of this reality, always repeating that the only reason Brazil wanted to acquire Acre was the fact that its population was Brazilian. The problem would only be solved if the entire territory inhabited by Brazilians were placed under national sovereignty, not just the portion under dispute. The solution would therefore have to involve a purchase, since the goal included southern Acre, south of the parallel, which had never been part of the disputed area.

When the acquisition proposal was initially rejected, the Baron decided to put into practice an approach he had outlined seven months earlier in a letter to Hilário Gouveia written from Berlin: to break “with the misinterpretation given in 1868 to the treaty of 1867.”²⁷ The task was not without its difficulties, since it meant abruptly and drastically

abandoning the course followed by all the governments of the Empire and over the previous 35 years of the Republic. In the aforementioned letter, Rio Branco justified the change in stance:

We could perfectly well change our policy now, as we have done once before. At the beginning of the negotiations with Bolivia, during the last Regency of the Minority (I do not think I can pinpoint the date at the moment^{VII}), we maintained the validity of the Treaty of 1777, which would give us a line far to the north and which would harm us in many other parts. Then, recognizing our error, we changed our opinion and maintained that the Treaty of 1777 was rendered null and void by the war of 1801 because it had not been revalidated during peacetime.²⁸

Rio Branco, the most cautious and reserved of diplomats, proves true what official rhetoric has always denied: that Brazil's territorial policy fluctuated according to the changing perception of its interests and did not follow an invariable and coherent line, as is widely claimed. Faced with the challenge of Acre, the Baron's behavior resembles more that of a lawyer who chooses the doctrine and arguments favorable to his defense rather than that of a jurist or historian engaged in a Socratic search for the truth. An admirer of Rio Branco above suspicion like Leandro Tocantins does not hesitate to disagree with him and proclaim that:

the true intelligence of the second article of the Treaty of Ayacucho lay in the interpretation of the ministers of the Empire and the first republican chancellors. Since its wording [...] lent itself to other definitions, some public men in Brazil made use of them, in a patriotic attempt to preserve a territory that owed its dynamism exclusively to our citizens.

And further on:

The oblique line represented the precise idealization of the author of the Treaty project, with the full endorsement of the Empire's foreign policy leaders. The ministers of the Republic acted in a morally and legally correct way, honoring Brazilian traditions, although they failed in diplomatic virtuosity [*sic*], by not giving the facts their true geopolitical essence [...].²⁹

VII The first negotiations date back to 1837, and therefore indeed during the Regency.

Such diplomatic virtuosity was not lacking in the case of the Baron of Rio Branco, who eventually admitted that the authentic interpretation of the treaty corresponded to that defended by his predecessors—but not before the matter had been resolved with the signing of the Treaty of Petrópolis and the problem transformed to a question of approval by Congress. As some of its opponents leveraged the immense authority of politician and jurist Rui Barbosa to demand that the dispute be submitted to arbitration, it was in Rio Branco's interest to maintain that this path would lead to disaster as it was irreconcilable with the traditional interpretation of Article 2. Once again, Rui's claim was borne out when he resigned from the delegation negotiating the Petrópolis agreement: "In this kind of negotiation, it is never possible to avoid variations in the points of view of the proposals. The Bolivians varied [...] the Brazilians varied [...] the Baron of Rio Branco varied [...] I varied [...]." ³⁰

Rio Branco's justification for his variation lay in the sudden and belated appearance of the famous "green line map." The name, reminiscent of adventure novels, must have influenced the popular legend created around a map that had no official foundations, had not been included in the 1867 treaty, and was valid only as an indication of the possible intentions of the negotiators. Its origins go back to Duarte da Ponte Ribeiro, who wanted to provide graphically illustrated alternatives for the layout of the border during the negotiations carried out in La Paz by Brazil's *chargé d'affaires*, João da Costa Rego Monteiro, in 1863. When the negotiations failed, the map was used again during the victorious mission of Felipe Lopes Neto in 1867.

As the real location of the headwaters of the Javari River was unknown at the time, the cartographers worked with four hypothetical lines: a red one following the parallel of 10° 20', called the "frontier line"; two yellow ones, one up to the latitude of 7° 5' and the other up to 8° 40'; and, further north, the green line reaching the Javari at the supposed latitude of 5° 30'. Leandro Tocantins describes the map as "an open fan, in which the sticks are multicolored lines." ³¹ The latitude of 5° 30' for the western end of the green line was chosen because it was the highest point reached by the Portuguese geographers, who were unable to ascertain which of the two almost identical branches that converged at this point on the Javari was the main one.

It is revealing that in Duarte da Ponte Ribeiro's memoir "Missão Diplomática à República da Bolívia" [Diplomatic Mission to the Republic of Bolivia] (1860), the author recognized that: "From the Madeira River to the west, until reaching the Javari River, we have neither a well-founded title to fix the convenient starting point, nor exact knowledge of the place to which the line launched from that arbitrarily adopted point should be directed."³² The allusion to the starting point has to do with the treaties of Madrid and San Ildefonso, which mentioned only "half a distance." Ponte Ribeiro clarified: "Spain and Portugal mistakenly believed that the Madeira River originated at the junction of the Guaporé and the Mamoré, when, in reality, it is the junction of the Mamoré and the Beni."³³ In 1867, the Bolivians would accept the displacement of the "half distance" to the confluence with the Beni as the starting point, which already meant an appreciable expansion of the area recognized as Brazilian.

Ponte Ribeiro mentions that at the time he was writing he lacked precise knowledge of the geography, "a necessary circumstance to draw, from the Madeira to the Javari, the line that will serve as the Empire's border on that side."³⁴ In a conclusive passage that demonstrates the fact that subsequent complications had been foreseen, he continued:

If this river [the Javari] does not pass the latitude of 7°, as the aforementioned [Portuguese] geographers supposed,^{VIII} the projected east–west line, starting from the Madeira [...] at the latitude of 10° 20', cannot take place, because, if this parallel does not meet the Javari, it will extend to the west of that river, having crossed territory to the south of it, and thus infringing the stipulation of the Treaty of 1851.³⁵

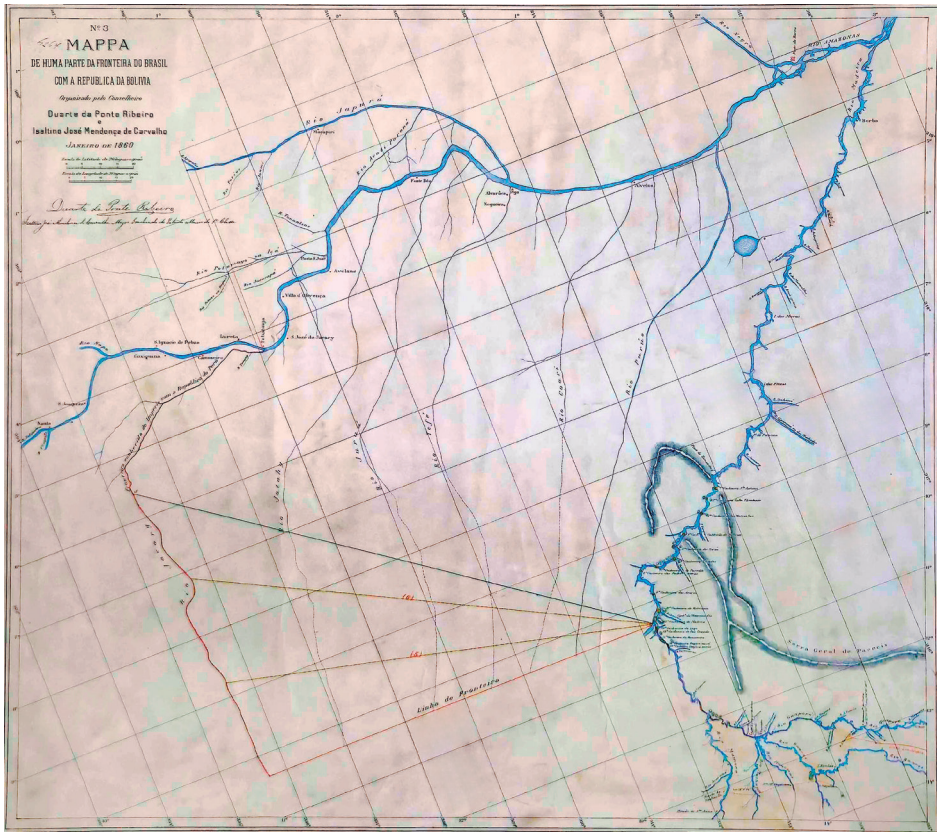
As we can see, in addition to the famous map, Ponte Ribeiro's clear argument weakens the tactical position adopted by the Baron allowing him to declare northern Acre contentious and thus create legal conditions for negotiation. During the negotiating period, the minister claimed to be unaware of the map:

I have read that during the negotiations in La Paz, in the first months of 1867 [...] Lopes Neto had presented maps drawn under the direction of Duarte da Ponte Ribeiro, in which the oblique

VIII The headwaters of the Javari were fixed in 1898 at a latitude of 7° 11'.

line was already shown, but I found no trace of this in the official correspondence. Of these maps, the oldest one I was shown and on which I found the oblique line is dated 1873.³⁶

The wrong map, of a more recent date, had been sent to Petrópolis by the Viscount of Cabo Frio, which prompted Álvaro Lins to comment: “What was Cabo Frio’s intention in making this naturally deliberate exchange? We’ll never know.”³⁷



The famous Green Line Map was described as “an open fan, with the sticks being the multicolored lines.” In it, four straight lines depart from the mouth of the Beni River and represent hypothetical traces of the border between Brazil and Bolivia. One line was drawn in red, two in yellow and the northernmost one in green. The sudden and providential appearance of the old 1860 map influenced the debates for the approval of the Treaty of Petrópolis in the Chamber of Deputies.

The Explanatory Memorandum to Congress is dated December 27, 1903. Fifteen days later, on January 11, 1904, when tense debates on the

treaty in the Chamber of Deputies began, Rio Branco informed Deputy Gastão da Cunha that he had been contacted in Petrópolis by a former employee of the Secretary of State, who had given him the real map of 1860. The letter, read from the rostrum, said: “Examination of this map convinces me entirely that in the mind of the Brazilian government, since 1860, the border should have been formed by an oblique line, if the source of the Javari were to be found north of the parallel of 10° 20’.”³⁸

To the end, the minister protested his good faith and, years later, Gastão da Cunha recorded in his diary: “Even today, the Baron told me again that until shortly after writing his explanatory statement [...] he was unaware of that map of the green line by Ponte Ribeiro.”

Accustomed to believing that Paranhos knew everything there was to know about frontier history, his contemporaries thought it unlikely that he would be ignorant of the map and the memoir written by Ponte Ribeiro. Afonso Arinos shared this sentiment, preferring to credit Olinto de Magalhães’ revelations in his book *Centenário do Presidente Campos Sales*. Published in 1941—37 years after the incident and 29 years after Rio Branco’s death—the book suggests that the Baron had asked Olinto to maintain secrecy, as Olinto was rejoining the diplomatic corps and was soon to be appointed to head a mission in Europe. The former chancellor let nothing transpire, despite the attacks he suffered from “exalted annexationists.”³⁹ The unusual episode of the disappearance and the timely rediscovery of the green line map contains all the elements needed to feed the legend of the Baron’s Machiavellianism. Or should we say his “diplomatic virtuosity”?⁴⁰

The Negotiation Itself—After acknowledging in his letter to Gastão da Cunha that he had changed his mind after consulting the map, Paranhos observed:

This, however, in no way alters what was stipulated in the treaty^{IX} [...] since the plenipotentiaries [...] were not concerned with interpreting the final part of Article 2 of the Treaty of 1867, but rather with establishing new borders by compensating Bolivia. We

IX Rio Branco continued to support Brazil’s right to the region prior to the Treaty of Ayacucho. Hence his assertion in the Explanatory Memorandum and on other occasions that Brazil had ceded its former title to Bolivia in that 1867 treaty and had recovered it in the Treaty of Petrópolis, through compensation.

negotiated the Treaty assuming that the border was the oblique line from Beni to Javari.⁴¹

The negotiations, which alternated between more or less intense phases and were separated by intervals of deadlock and disagreement, lasted almost eight months. They were held in the town of Petrópolis, practically adjacent to the capital, where contradictory rumors swirled in the press and in Congress, under constant pressure from public opinion. A similar process could surely not be replicated in the present day, with sensitive information leaks, instant media coverage and the extensive use of diplomatic events for domestic political purposes.

The best source for studying the evolution of the negotiations can be found in the Explanatory Memorandum (*Exposição de Motivos dirigida pelo Ministro das Relações Exteriores ao Presidente da República*, i.e. the official document where the minister described the negotiations to solve the dispute and submitted the Petrópolis Treaty text to the president), which summarizes the various proposals made by both sides. On Brazil's side, the main objective was to incorporate all the territories inhabited by its nationals north and south of the oblique line from Madeira to Javari. To achieve this, it was necessary to rule out the possibility of arbitration, which would not cover the area to the south of the disputed border and, in Rio Branco's opinion, would probably lead to defeat.⁴² With the same determination, the possibility of direct or disguised conquest was ruled out. For Brazil to achieve its three goals, there was only one formula: direct agreement.

In contrast, Bolivia theoretically wanted a stalemate in the negotiations, which would lead to arbitration—assuming, in such an eventuality, that it could prevent Acre from remaining in the possession of the insurgents or the occupying Brazilian troops. Once this option became unfeasible due to the direction events had taken, La Paz resigned itself to a negotiation in which it sought to maximize its territorial compensation, in addition to financial and other indemnities.

The problem of ceding land took on connotations that transcended pure rationality. Initially, the Bolivians showed themselves to be, as Rui Barbosa wrote in the “Explanatory Memorandum of the Defeated Plenipotentiary,” “absolutely intransigent in terms of pecuniary satisfactions.”⁴³ They had proclaimed more than once that land, like honor, was priceless. The Baron,

for his part, used his powers of seduction to great effect, multiplying historical examples to convince Bolivia that buying and selling territory was a natural occurrence between countries. Prisoner, however, to the same territorial fetishism, he made it clear in internal communications that the ideal for Brazil would be to limit compensation only to the payment of indemnities or non-territorial concessions.

Rui Barbosa, imprudently chosen as one of the Brazilian plenipotentiaries, preferred arbitration and resigned because he found it impossible to convince public opinion of the advantages of exchanging “a few leagues of uncultivated, unhealthy and unpopulated land” for an “immense territory, of marvelous fertility, to which the interests of a large Brazilian colony are linked.” The reason, he said, was the “invincible repugnance of our people to cede even an inch of land to foreigners, even if they received in return the territorial vastness of a new state.”⁴⁴

The march and countermarch of the negotiating process almost always obeyed the influence of the negotiator’s scruples over cession of territory. Rio Branco was forced to back down from his initial offers, especially for areas on the Madeira River and for the construction of a Bolivian customs house at the port of Santo Antônio there. Both the president and the cabinet were united in their resistance.

Bolivian and Brazilian interests conflicted over the choice between direct agreement or arbitration, as well as the extent of territorial exchanges necessary to satisfy both parties. There was, however, one area where they found common ground: cooperation to facilitate the access and transportation of goods and people from eastern Bolivia to the Atlantic via the Paraguay and Amazon rivers. The importance of this point should not be underestimated, considering Bolivia’s lingering wounds from defeat in the War of the Pacific and the loss of its coastline.^x The concessions and improvements for navigation and transport, including the commitment to build a railroad between the Mamoré and the Madeira rivers, would end up providing, together with financial compensation, the balance that would make the agreement viable.

X The so-called War of the Pacific, which took place between 1879 and 1883, pitted Chile against allies Bolivia and Peru. At the end of the war, Chile annexed territories from both opponents. Peru was forced to cede the provinces of Arica and Tacna. In 1929, Tacna was reincorporated into Peru, but Arica remained under Chilean rule. Bolivia lost the province of Antofagasta and, with it, its access to the Pacific. Recovering an outlet to the sea remains the main theme of Bolivian diplomacy to this day.

Reflecting Brazil's advantages in the correlation of forces and geographical factors, the final form of the treaty was much closer to Brazilian objectives than to Bolivian ones. The La Paz government ceded 191,000 km² (of these, 39,000 in the south of the Alto Purus and Alto Juruá, populated by Peruvians, were ceded to Peru in a subsequent negotiation), of which 142,900 corresponded to the area declared disputed north of the oblique line and 48,110 were indisputably Bolivian. In return, it received 2,200 square kilometers in the triangle between the Madeira and Abunã rivers in Amazonas and just over 860 km² in Mato Grosso, mostly in the Cáceres Lagoon and wetlands in Bahia Negra, south of Corumbá.

In the letter in which he informed the president of the conclusion of the agreement, Rio Branco acknowledged the significant inequality in the "so-called exchange of territories" (provided for in Article 5 of the 1867 treaty), adding: "Truly, it is a poorly disguised purchase." In order to try to balance out the inequality of the exchange of territories as far as possible, Brazil undertook to build a railroad on Brazilian territory, linking Santo Antônio on the Madeira to Vila Bela, at the confluence of the Beni and Mamoré, and guaranteed freedom of transit on this road and on the rivers to the ocean, with the corresponding customs facilities. It was also obliged to pay the sum of £2 million in two installments, which, in corrected and updated values, would correspond to a sum of between \$220 and \$250 million today. Finally, Brazilian concessions to facilitate Bolivia's access to the Paraguay River, which came from the 1867 treaty, were confirmed and extended.

The Baron explained convincingly why he did not want arbitration:

The use of arbitration would have the inconvenience of delaying the desired solution by four or five years [...] and [...] even if the verdict were favorable to us [...] it would not [bring] a definitive [...] decision, since it would not [...] remove the difficulties [...] We would go to arbitration abandoning [...] thousands of Brazilians who in good faith settled south of the 10° 20' parallel. The arbitrator could only award us the territory we had declared in dispute, to the north of that parallel, and it is to the south that most of Acre lies [...] During the arbitration process these compatriots of ours would continue to revolt against Bolivian authority.⁴⁵

He continued:

... it was very likely that [...] the constant tradition of 35 years during which the Brazilian government not only considered the territory between the oblique Javari–Beni line and the aforementioned parallel to be unquestionably Bolivia's, but even carried out positive acts of recognition of Bolivian sovereignty [...] by agreeing to the foundation of a customs house in Porto Alonso, later Porto Acre, and establishing a Brazilian consulate there, would weigh heavily on the arbitrator's mind.

And concluded:

... I would not dare advise arbitration except in the case of the complete impossibility of a satisfactory direct agreement, and outside the scope of the Treaty of 1867, with very special guarantees and difficult for the other party to accept.⁴⁶

The prestige of arbitration in Brazil at the time was ironically due to the Baron's own success in the country's only two experiences with the procedure. The only person who did not share the illusory enthusiasm was the one who, having defended Brazilian interests, was better aware than anyone of the fundamental differences in the current situation and well understood the uncertainties of the judicial route. It took less than six months for the ruling of the king of Italy in the dispute with the United Kingdom–British Guiana (June 6, 1904) to forever shake, among Brazilians, the naive belief in the merits of arbitration.

The Acre question revealed the political genius of a man who, until then, seemed more distinguished for his erudition and knowledge of colonial history and geography, virtues to which success in the Palmas and Amapá arbitrations were attributed. These qualities were of little value in a matter of political essence, which could only be resolved by the judicious use of power. The preference he showed for negotiation and direct agreement already suggested the confidence he placed in his political craftsmanship, that is, in his ability to use all legitimate means of power to impose solutions on his adversary that aligned with Brazilian interests. Legitimate means included, if necessary, the preventive use of military measures such as the provisional occupation of the disputed territory in response to the deployment of Bolivian forces.

In the Baron's approach to the use of power, a firmness of certain attitudes—such as the ban on navigation of the Amazon River to prevent the Bolivian Syndicate from taking possession of the concession and the deployment of troops to the area before the arrival of reinforcements from Bolivia—was always accompanied by a concern to leave open an honorable and negotiated way out. Without the navigation ban, the consortium would not have given up their contract. On the other hand, if Brazil had not agreed to pay to annul an act that was the sole responsibility of the La Paz government, the investors would have continued to raise the threat of their governments' protective intervention.

Similarly, it is doubtful that Bolivia would have been willing to abandon Acre if General Pando's troops had been able to overpower Plácido de Castro's, securing physical possession of the disputed lands. Deprived of this last hope by the Brazilian countermovement, the Bolivians could only resign themselves to the inevitable, but they still needed something more to save their honor.

This "something more" would be the combined compensation package for the transfer of Acre: financial indemnity, the obligation to build the railroad, new or reconfirmed concessions for customs facilities on the Paraguay and Amazon rivers, and the cession of Brazilian territories. Of all those involved in the process, was Rio Branco who showed the greatest flexibility in meeting Bolivia's demands, not out of generosity or liberalism, but simply because he better understood the difficulties of a negotiation in which he was directly involved and for whose happy outcome he would receive the credit.

The episode demonstrates the hallmarks of his political personality: moderation, a sense of proportion and measure, balance and discretion in action and word. Evidently, the power differential in the Acre dispute was on Brazil's side, not only in terms of population, territory, wealth, military and economic strength, but in terms of situational and local factors as well: geography, river access, the nationality of the territory's inhabitants, advantages gained by Plácido de Castro's insurrection. All of these favored Rio Branco. Needless to say, it would have been different if the other side had been an equal or superior power to Brazil.

Because of this superiority, the greatest risk in the matter did not consist of an unlikely Brazilian defeat, but rather the potential shapes

that victory might take. In diplomacy, form is often as important, if not more important, than substance. The Baron was referring to just this phenomenon in the Explanatory Memorandum when he rejected the option of using the “Brazilians of Acre, hoping that [...] they would conquer [...] independence and then ask for the annexation to Brazil of the state [...] that we would receive in our Union without giving any compensation to Bolivia,” which he qualified as a “disguised conquest” that “would lead us to [...] a procedure in contrast with the loyalty that the Brazilian government has never ceased to keep [...] with other nations.” He warned of the risks of such an approach: “We would be entering into a dangerous adventure, unprecedented in our diplomatic history and which [...] would undoubtedly bring us complications and unpleasant surprises, and would therefore have an uncertain outcome.”

Rio Branco continued to examine the possible outcomes: “the disguised conquest that we were about to attempt, in violation of the Constitution of the Republic, would extend not only over the territory to which we considered ourselves entitled, but also over that which lies to the south, which is unquestionably Bolivian.” Finally, he recalled the guiding principle of his actions in the crisis: “the problem of Acre could only be solved by making Brazilian all the territories occupied by our nationals.”

If the Acreans did not get their way,

their heroic sacrifice would [...] move national sentiment, with the risk of dragging us into an inglorious war [...] an unfortunate contingency that would also be possible if the Acre people were victorious and we accepted their proposal for annexation.⁴⁷

The Moral Values of the Solution—The Baron was perfectly aware of the ethical considerations guiding his policy. It was not a question of self-justifying rhetoric or the formation of an ideology to cloak annexation in moral garb. In the eyes of the minister and his contemporaries, the acquisition of Acre needed no other justification than the Brazilian nationality of its population. The problem was practical, and the solution had to be pragmatic. What rendered the operation moral or legitimate was the inhabitants’ will and Brazil’s willingness to pay compensation for the transfer of sovereignty.

Indeed, on the Brazilian side there was never any hypocritical invocation of false motives, such as Manifest Destiny or the duty to bring

civilization, progress and democratic government to the region. The reasons were transparent and arose from phenomena that the Brazilian federal government neither encouraged nor supported: spontaneous expansion resulting from a rise in the value of rubber and, later, the successive Acrean revolts against Bolivian efforts to establish control of the territory.

If there had been any official or unofficial intention to stimulate this expansion, it would not have made sense for the federal government and the Ministry of Foreign Affairs to stubbornly cling to recognizing Bolivia's sovereignty in the territory until long after the outbreak of the last, victorious insurrection. Minister Olinto de Magalhães' directive for Brazil to collaborate with Bolivian agents so they could establish a customs house and other rudiments of official presence in Acre would have been even more absurd.

But if there was no complicity with the insurrectionists on the part of the federal government, the same cannot be said of the state and municipal authorities of Amazonas. The rebellions would not have been possible without active and covert participation on their behalf in the form of money, arms, ammunition and support. The state governments of Amazonas, however, hid their activities from the distant Rio de Janeiro government for fear of federal intervention. In all the episodes prior to Plácido de Castro's uprising, it had been up to the central government to take steps to reestablish Bolivian authority and contain the Manaus government. Still, this set of circumstances and the undeniably sincere efforts of figures such as Minister Olinto de Magalhães do not absolve the federal government of responsibility under international law. As the sole holder of legal standing vis-à-vis other countries, the federal government was responsible for the actions of all the federation's component parts.

It should come as no surprise that it proved so difficult to control the regional authorities on the ground, considering how relatively weak the effective federal presence in the far reaches of the Amazon is to this day. Before he became minister, it was this context that Rio Branco had in mind when he pointed out in his correspondence with Nabuco the inconveniences of the "American-style federation [which] reveal themselves even with regard to our foreign policy."⁴⁸

Given the development of international institutionalization at the time, what is surprising is not that the federal government felt incapable

of abandoning to their fate the rebels, supported enthusiastically by public opinion. The natural course of action at the time would have been for the stronger party to act as President Theodore Roosevelt, the British government engaged in the Boer War, or the French government in the conquest of Africa and Indochina would have acted.

As noted above, the Baron used all the legitimate means of power available to Brazil during the crisis. This includes both economic advantages (payment of compensation to Bolivia and the international consortium and the obligation to build the railroad) and military advantages (deployment of naval and land forces to the region and the Brazilian-Bolivian border, provisional occupation of the territory). All of this, however, had one objective: to put pressure on the government in La Paz to negotiate and sell Acre, rather than forcing it to do so by imposing defeat on the battlefield.

The difference may seem small, but it is immeasurable in terms of the creation of national values, historical memory, resentments and lasting wounds. Countries that have conquered territory through force of arms can hardly free themselves from the bellicose tradition and live in harmony with their dispossessed or conquered neighbors, as can be seen in countless examples in current affairs today. The preference for diplomacy and the law was not due to the inadequacy of Brazil's military power, which the Baron knew well, as evidenced by his correspondence. During the Acre conflict itself, he complained to President Rodrigues Alves about the difficulty of moving a few thousand men to the Amazon, despite the great expense to the armed forces.

In a realistic personality like his, the choice of diplomacy, compromise and law was not explained by idealistic or sentimental impulses. His motivation was of a rational nature, anticipating by many decades what would come to be called the soft power of negotiation, the intelligent power of the diplomacy of knowledge and elements of moral and cultural leadership. By avoiding an inauspicious precedent at the decisive moment of Acre, the Baron of Rio Branco perpetuated by force of example the Brazilian tradition of diplomacy trumping the case for war.

Border Issues and Territorial Policy

“The bitter lessons [...] of the Acre ordeal” led Rio Branco to expedite solutions to Brazil's remaining border disputes, according to his close aide

Araújo Jorge.⁴⁹ Paranhos' realistic pragmatism led him to approach each problem on its own terms, without being bound by absolute principles. We have already seen how on the Acre issue, the first of his administration (1903), he did not hesitate to break with longstanding interpretations held by the Brazilian government for 35 years in the Empire and the Republic. In his final act on boundaries, the rectification of the border with Uruguay (1909), Rio Branco took the initiative by abandoning a taboo that favored Brazil: that of the perpetuity of border treaties and "perfect" legal acts.

The variety of approaches from case to case does not, however, prevent us from discerning some general trends. The first lies in the methodological criterion of favoring negotiation over other means of solution. His preference for negotiation was qualified by his practical sense of reality. He did not accept Peru's claim over Acre, nor did he consider viable the formula put forward by Uruguay and Colombia of a collective border negotiation, which would have brought together, opposite Brazil, all the Hispanic heirs to the Treaty of San Ildefonso.

Despite his personal victories through arbitration with Argentina (Palmas) and France (Amapá), and the more than 30 agreements of this kind that he signed over his career, he never again resorted to this method after his disappointment over the arbitration of Brazil's border with British Guiana, entrusted to the king of Italy. He wrote in an unsigned article that "arbitration is not always effective. The case may be magnificent, the lawyer unparalleled, and, as is the case here, an unfavorable ruling may ensue. [...] we should only resort to [arbitration] when it is completely impossible to reach a direct agreement with the opposing party."⁵⁰

Disappointment with Arbitration: The Pirara Issue between Brazil and England (Boundaries with British Guiana) —The dispute with Great Britain was more complicated than the Palmas and Amapá arbitrations, for which Rio Branco had been in charge of the defense. The additional difficulties came not only from the fact that this time the adversary was the world's hegemonic power, but also because the titles invoked by Brazil appeared less secure. Aware of the risks involved, many Brazilian statesmen, including the Baron, would have preferred to resolve the dispute by direct negotiation. This solution was frustrated, however, when Campos Sales rejected a British compromise proposal that had been deemed acceptable by Rio Branco and Nabuco.

Assisted by a small group, Nabuco wrote in French and almost single-handedly the 18-volume memorandum delivered to the arbitrator in 1903, later published under the title *O direito do Brasil*.

The arbitrator was the young King of Italy Victor Emmanuel III, who was beginning under favorable auspices a reign of more than 45 years that would be extinguished by the tragedy of fascism and World War II. Issued in June 1904, his award ruled that neither of the parties had fully demonstrated their alleged rights; his ruling divided the area of dispute between them. The geographical criterion adopted ended up favoring the United Kingdom with something over 19,000 km² of land and access to the Amazon basin, compared to 13,000 km² for Brazil.

It was by no means a catastrophe, but compared to Rio Branco's previous complete and indisputable victories, the outcome felt like a defeat and was perceived as such by contemporaries. The lawyer himself exclaimed dramatically: "This shall be the cause of my death!"

In a detailed analysis of the problem, José Theodoro Mascarenhas Menck points out that the Pirara dispute differed fundamentally from previous arbitrations. These had mainly consisted of "precisely identifying the geographical features that had been chosen in colonial treaties as boundaries [...] while the Pirara River dispute centered on determining who had legitimately occupied the contested territory."⁵¹ In other words, Rio Branco's questions were limited to a historical-geographical matter, while Nabuco's were mainly juridical and were handled accordingly by the Brazilian lawyer.

Menck notes that he found no indication in the Italian and British archives suggesting bias in favor of the British for strategic and political reasons, as was long believed in Brazil. However, the arbitrator erred in legal terms by basing the solution on principles defined in relation to the Congo by the Berlin Conference in 1885. These principles, reaffirmed in 1888 by the Institute of International Law, arguably had universal value but had never been applied in the Americas, had not been signed by Brazil and could not be invoked in a dispute that predated the conference. According to the Berlin thesis, the only recognized means of acquiring and preserving territorial sovereignty was current possession based on effective, uninterrupted, and permanent occupation of the entire territory in dispute, and not just part of it.

In a letter to Tobias Monteiro, dated June 18, 1904, Joaquim Nabuco alluded to the harmful consequences that the principles embedded in the king of Italy's ruling could produce if applied to a large part of Brazilian territory: "If we subjected our sovereignty over two-thirds of Brazil to him, he would say that we have no rights at all."⁵² In another letter, he stated: "With modern principles regarding the sovereignty of unoccupied territories, there would only be a vast field for foreigners in the Amazon valley, without touching the shores actually appropriated by us and other nations."⁵³

Menck concludes that

Brazil lost the cause because the arbitrator applied legal principles to the case that had not been considered by the parties [...] it cannot be concluded that the Brazilian lawyer erred in the legal conduct of the dispute, since there were many reasons to reject the principles invoked in the arbitration award.⁵⁴

If the Brazilians made a mistake, it may have been in the choice of arbitrator. As latecomers in disputes over colonies due to their respective delays in national unification, Germany and Italy naturally had an interest in changing international law in favor of doctrines that minimized the importance of historical primacy. Four years before the ruling, Nabuco not only realized the adverse developments that were taking place but also their deep motivation when he warned Foreign Minister Olinto de Magalhães that

No European judge inspires me with any more confidence in a cause like this; European ideas are fundamentally different from American ones in matters of this nature. The judges we could count on would be the men of the old school, but they have no influence on the transformation of the law, which has to adapt to the facts of the new formation of colonial empires...⁵⁵

In fact, it was the minister's decision to reject the name of the Grand Duke of Baden, preferred by Rio Branco and Nabuco. This decision ultimately led to the choice of the king of Italy. Paranhos had hoped that the Grand Duke would entrust the examination of the dispute "to the scholars of the University of Heidelberg," the "men of the old school" referred to by the unsuccessful Brazilian lawyer. However, there is no guarantee that, amid

the expansion of German imperialism, this solution would have proved any more favorable than the one finally adopted.

João Frank da Costa, author of the best study to date on Nabuco's diplomacy,⁵⁶ analyzes the issue at length. He recalls that, from a legal point of view, the Berlin principles "placed the immense unpopulated territories of South America in a precarious situation [...]," seen as *res nullius*—land without an owner—at a time of heightened colonial ambitions. For Nabuco, the only way to secure two-thirds of Brazil's territory would be the Monroe Doctrine: "I see no other intuition on which the conservation of our great national entirety depends so much."

In this way, the main consequence of Nabuco's failure in the English Guiana dispute could be seen as his definitive conversion, as well as that of the Baron of Rio Branco, to Monroeism and an unwritten alliance with the United States. This he proposed as "a kind of tacit, implied alliance between our two countries" and even before he became ambassador, Nabuco recommended that "our diplomacy should be carried out mainly in Washington."⁵⁷

The lessons drawn from the negative experience in the Pirara issue can be seen in the instructions sent home by the Baron to Joaquim Nabuco, then in Washington, in preparation for the Third International American Conference to be held in Rio de Janeiro (1906). In these instructions, he rejected "unconditional arbitration, covering any questions that may arise," and did not accept "an arbitrator previously appointed to resolve all questions," because "an arbitrator who is suitable today may not be suitable a few years later." He recommended that "for each case there should be a special appointment and choice of arbitrator,"⁵⁸ which should be done with infinite attention to the smallest personal and national particularities. He also thought that equal or greater care should be devoted to the precise definition of the object of the dispute and to the minute and restrictive circumscription of the arbitrator's margin of discretion.

Like Nabuco, Rio Branco was convinced that the principles applied in the partition of Africa by the European imperialist powers gathered at the Congress of Berlin (1880) put the integrity of the sparsely populated Brazilian Amazon at serious risk. Except for those he called "men of the old school," Rio Branco doubted European arbitrators, preferring the Americans (his first great victory, Palmas, was owed to President Cleveland).

With greater reason, he was suspicious of Latin American jurists: “To resolve issues between South American nations, arbitrators chosen in North America and Europe offer a greater guarantee of impartiality.”

And further on:

Before Hispanic-American arbitrators we would always be in the wrong [...] We have pending territorial issues with Peru and Colombia, and also river navigation issues [...] We have always maintained the nullity of the preliminary, or provisional, Treaty of Limits of 1777. All our neighbors, such as Colombia and Peru now, have argued for its validity. They could not, therefore, be judges accepted by Brazil.⁵⁹

The second characteristic of his policy was a refusal to accept the validity of colonial settlements annulled by wars or incomplete execution, except as a secondary and auxiliary element in the absence of clear identification of concrete possession. The refusal of San Ildefonso was complemented by the third and decisive principle of the Baron’s territorial policy: *uti possidetis* (de facto), i.e. effective occupation, with or without titles. These two substantive criteria are unequivocally expressed in the memorandum in defense of Brazil’s right presented to the arbitrator of the Palmas question:

The Brazilian government has always maintained that the *uti possidetis* of the time of independence [...] and the stipulations of the Treaty of 1777 that do not contradict this *uti possidetis* are the only bases on which the boundary adjustments between Brazil and its adjoining states of Spanish origin should be based.⁶⁰

Armed with these principles, Rio Branco succeeded in conclusively resolving all of Brazil’s pending border issues. In addition to his personal contributions to resolving disputes with Argentina (1895), France/French Guiana (1900) and Bolivia (1903), his systematic efforts led to treaties with Ecuador (1904) and Peru, first provisionally (1904) and then definitively (1909); compliance with the arbitration settlement with Great Britain/English Guiana (1904), in which Joaquim Nabuco acted as Brazil’s lawyer; a border protocol with Venezuela (1905); an agreement with the Netherlands/Suriname (1906); one with Colombia (1907); and a rectifying treaty with Uruguay (1909). He even told Argentine diplomat Ramón J. Cárcano that he had “built the map of Brazil.”

In fact, Rio Branco defined Brazil's territorial profile in relation to the external physical context using only direct negotiation or arbitration. To do so, he used legitimate means of power, without ever resorting to unilateral imposition by force. The phrase attributed to the Baron—"territory is power"—indicates his understanding that, while not equivalent to power, territory is the condition for its realization. Therefore, by outlining the limits within which sovereignty would be exercised, and by doing so in a consensual manner and without trauma, he thought he had established the preconditions for Brazil to pursue a foreign policy freed from the constraints of border conflicts.

The Creation of the Republic's Foreign Policy Paradigm

Before Rio Branco's administration, foreign relations were thought of in a partial, fragmentary way. The statesmen and diplomats of the Empire had focused their attention, as in colonial times, on the circle of Platine countries: Argentina, Uruguay and Paraguay. This was the set-up of Brazil's great game, its rivalry with Buenos Aires and the fear of a reconstituted Viceroyalty of the Río de la Plata under Buenos Aires' hegemony. The different spheres of the country's relationship with the world remained separate from each other. Beginning with the Baron of Rio Branco, however, it was as if foreign policy metamorphosed into a double movement of universalization and integration.

On one hand, foreign policy became globalized and overcame the initial limitations of the Plata region, as can be seen in the article "O Brasil, os Estados Unidos e o monroísmo" [Brazil, the United States and Monroeism], which Rio Branco wrote in the *Jornal do Commercio* under the pseudonym J. Penn:

Our intervention in the Plata region is long over. Brazil has nothing more to do in the internal life of neighboring nations [...]. Its political interest lies elsewhere. Disinterested in the sterile rivalries of the South American countries, [...] *Brazil has resolutely entered the sphere of the great international friendships* to which it is entitled by the aspiration of its culture, the prestige of its territorial grandeur and the strength of its population [emphasis mine].⁶¹

At the same time, as it soared from the Plata to the heights of "great international friendships," diplomacy began to link the various realms

of activity and structure them into a single whole in which the various elements interacted. The three main axes that provided the structure of this paradigm were the territorial policy already studied above, Brazil's asymmetrical power relationship with the great powers, and its relatively symmetrical relations with the South American neighbors.

Asymmetrical Power Relations—Almost all of Brazil's border issues were with countries with which it did not face insurmountable power disparities. Belonging to the same category, they could play the same game. In this area of relative equality, Rio Branco knew how to moderate his limited power. Basically, these were issues inherited from the past to be solved using methods and concepts developed in the 19th century.

The minister's ability to create and innovate, however, found its best expression in a different area: in the way he reacted to a challenge at the turn of the 20th century. This was about learning to deal with players with which Brazil was so dissimilar in terms of power that it was impossible to engage with them on equal footing or within the same category. In this axis of inequality and asymmetry, the European nations appeared as potential threats. Brazil was the only South American country bordering three European powers, two of which epitomized the aggressive imperialism of the time: the United Kingdom, which had taken advantage of the confusion of the early days of the Republic to occupy Trindade Island, and France, with which Brazil had suffered bloody incidents on the Calçoene River in Amapá.

In the transition from the colony to independence, English preponderance had imposed the "unequal treaties" of 1810 on Brazil, which were later brought back as a price for mediation in the recognition of the independent country. The special jurisdiction of the "Judge Conservator of the English nation," commercial preferences, the inhibiting interference in Portuguese-Brazilian operations in Uruguay and the violence in the repression of the slave trade gradually combined to wind down British political influence, finally leading to the breakdown of relations in the Christie Affair (1863).

Although it had lost its ability to weigh decisively on Rio de Janeiro's diplomatic decisions, London continued to serve as the country's main financial, commercial and investment center. In an international scenario still marked by the Victorian heyday and the threatening rise of the Kaiser's Germany, Rio Branco was one of the first figures to realize that

a new power was beginning to assert itself. As he said in a dispatch to Washington: “There were only great powers in Europe and today they are the first to recognize that there is a new and powerful nation in the New World that they must take into account.”⁶²

The dispatch dates from 1905, a year that coincides with two events heralding the beginning of the United States’ global engagement in extra-hemispheric affairs. The first was the mediation imposed by President Theodore Roosevelt to put an end to the Russo-Japanese War; the second was American participation in the Algeiras Conference (1906), following an incident between France and Germany over Morocco.

The emergence of a great power that was beginning to cast an inhibiting shadow over the continent was an undeniable new reality. In the past, the European powers, entangled in endless power games, had had little effect on South American diplomacy across the Atlantic. Now, the region increasingly felt the gravitational pull of a nearby power. Ignoring this reality would give potential adversaries an advantage. In fact, as Paranhos observed in the aforementioned article “O Brasil, os Estados Unidos e o monroísmo,” “Washington has always been the main center of intrigues and requests for intervention against Brazil by some of our neighbors, permanent rivals or occasional adversaries.”

Besides “permanent rivals” (obviously the Argentines) or “occasional adversaries” (Peruvians, Bolivians), Rio Branco was concerned about the threat from the Europeans. The example of Cleveland’s interference, which imposed international arbitration on the United Kingdom in its dispute with Venezuela over the territory of Essequibo and Guiana, convinced him that the only reason France had not militarily occupied Amapá was its fear of an American reaction. At the time of negotiating the agreement to submit the issue with Paris to arbitration, he had written to the Secretariat of State:

I think [...] that what the French government is mainly concerned with is the fear of complications with the United States [...] and England, and perhaps even *the suspicion that we already have some secret intelligence with the governments of these two great powers* [emphasis mine].

He therefore advised “to involve the United States in the question of French Guiana.”⁶³

These words echoed the old Portuguese heritage of a diplomacy aware of its military weakness and in need of a powerful ally, and foreshadowed the search for what Bradford Burns called the “unwritten alliance with the United States.” This goal would be embodied, above all, in two decisive moments: the opening of an embassy in Washington and the holding of the Third International American Conference in Rio de Janeiro.

The creation of the embassy was due exclusively to Rio Branco’s initiative. Joaquim Nabuco himself, who was chosen to be the ambassador, thought it was premature. In 1905, when the decision was taken, embassies were rare, as they were considered to be the prerogative of great powers. There were only seven such missions in Washington (the six main powers of Europe and neighboring Mexico), and none in Rio de Janeiro. Upgrading a legation to an embassy should not be a unilateral measure, instead requiring prior negotiation between the governments concerned.

In this manner, the decision to open the embassy expressed, through the symbolism of a diplomatic gesture, the change of emphasis then taking place in Brazilian-American relations. Aware of the importance of the measure, the Baron explicitly stated that he had shifted the axis of Brazilian diplomacy from London to Washington. The following year, thanks to Nabuco’s efforts, Rio de Janeiro would host the Third International American Conference, with the presence of Secretary of State Elihu Root, a rare event at the time. A tacit alliance was thus formed, wherein each party was willing to support the other with a view to serving their own interests.

This was the essence of the pragmatic side of Brazil’s new foreign policy paradigm. Brazil was able to offer the United States something that it would not be able to offer the European powers: diplomatic support on the continent in favor of Washington’s positions on hemispheric issues with regard to Mexico, Panama, Central America, and the Caribbean in an effort to gain greater acceptance of the Monroe Doctrine among Latin Americans.^{XI}

XI Defined by President Monroe in 1823 in a message to Congress, the doctrine of that name aimed to keep European powers out of the affairs of the Americas and was therefore summed up in the formula “America for the Americans.” It was viewed ambivalently by Latin Americans. Some appreciated its value as a guarantee against an attempt at re-colonization by Spain. Many feared that it would serve as a kind of reserve of the continent as an exclusive area for US domination.

In exchange, Brazil expected support from the United States in relation to the Europeans in any border or political difficulties, as in the *Panther* gunboat incident with Germany.^{XII} It also counted on, if not the active commitment of the United States, at least its benevolent neutrality in border problems with its neighbors, as was the case in the negotiations over Acre with the Bolivian Syndicate, Bolivia and, later, Peru.

The key was not that there was actually an alliance in the strictest sense between the two countries, with a possible military component (as would only happen much later, in World War II). The true nature of the relationship had been perfectly defined in one of Root's speeches in Rio de Janeiro, in which he stated, "Let the United States of North America and the United States of Brazil join hands, not in formal written treaties of alliance, but in the universal sympathy and confidence and esteem of their peoples."⁶⁴ Above all, it mattered that there was a widespread perception in international circles that Brazil, more than any other Latin American country, had succeeded in establishing close ties with the United States.

In other words, this was what Nabuco had asserted when he said that the policy of rapprochement with Washington was equivalent to "the greatest of armies, the greatest of navies, an army and a navy that we could never have."⁶⁵ When he wrote that France's hesitation in Amapá stemmed from the "suspicion of a secret intelligence" between Brazil and the United States (see above), the Baron was referring to the same phenomenon: the importance of perception and image, ingredients of diplomatic prestige, which in turn is a valuable component of power.

The decision to intensify relations with the United States also reflected the transformation that was taking place in economic relations. The shift in the diplomatic axis accompanied that of the economy, which was increasingly moving away from Europe and towards North America. When Paranhos was minister, the North American market bought more than half of the coffee, 60% of the rubber and most of the cocoa exported by Brazil. At the time the embassy was established, the country was the sixth largest American trading partner in the world, after England, Germany, France, Canada and Cuba. It was even the third-largest supplier

XII The incident occurred when the commander of the German warship *Panther* disembarked a patrol in the port of Itajaí, Santa Catarina, without authorization from the local authorities, to capture deserters from the ship, triggering a serious diplomatic incident with Brazil.

to the United States: in the year of the Baron's death (1912), the North American market absorbed no less than 36% of Brazil's total exports.

Because of this privileged situation, wheat and other American products enjoyed a 20% tariff reduction, identical to the one granted by Washington to Brazilian coffee. When Argentina asked for similar treatment in 1907, Rio Branco refused, claiming that the Argentines only bought 120,000 bags of coffee, compared to the 6.1 million imported by the US. In a dispatch to Buenos Aires, he argued: "It is not enough for a country to abolish duties on coffee for us to be obliged to treat it on the same footing as the United States. It is necessary for such a country to buy coffee from us in a quantity that at least comes close to what the United States buys from us."⁶⁶

Relations of Relative Equality or Symmetry—The Brazilian response shows how distinct the approach to relations with countries of a similar status was at a time when Latin American integration had not yet even been dreamed up. The dispatch continues:

We are and always want to be good friends of Argentina, but questions of commercial exchange are not questions of friendship, and for our exports Argentina is very far from being what the United States is. It is not Brazil that has to compensate the weak buyer that the Argentine Republic is for us; it is Argentina that has to compensate its major buyer, which is Brazil.

It never occurred to the statesmen of the time to grant preferences or advantages based on contiguity or a common Latin American identity. The axis of relative power equality depended on strict reciprocity, especially when it came to dealing with "permanent rivals." Strictly speaking, Brazil's relative power symmetry or equality was measured only against Argentina, whose wealth, prosperity, stability, and world prestige had been on a continuous rise since the beginning of the "cows and wheat" era, around 1880. There had even been a certain inversion in the correlation of forces between the two countries. Brazil seemed to be shrinking at the start of the Republic, plagued by civil conflicts, affected by inflation from the Encilhamento economic bubble and by a debt crisis, until the presidency of Rodrigues Alves ushered in, along with the following four-year term, the best period of the First Republic.

As early as 1882, when he was consul in Liverpool, Rio Branco had been concerned about the neglect of the Army and Navy in Brazil after the Paraguayan War, in contrast to Argentina. Later, as a minister, his efforts to modernize the Army and, in particular, to renew naval power, would contribute to deepening tensions and mistrust with Buenos Aires. Defending himself against accusations of militarism and promoting an arms race, he said in a speech at the Military Club (October 1911): “I limited myself to reminding [...] of the need, after 20 years of neglect, to seriously try to reorganize our national defense, following the example of some neighboring countries, which, in a short time, had managed to equip themselves with elements of defense and attack far superior to our own.” The plural “neighbors” would not deceive his audience: the reference to Argentina was transparent.

The backdrop of rivalries, lack of trust and sympathy, and unresolved boundary issues helps to explain the often problematic nature of neighborhood relations at the beginning of Paranhos’ administration. The period had inherited the emotional and stereotyped residue of centuries of antagonism. Nevertheless, Rio Branco tried to overcome these feelings. In a dispatch to the embassy in Washington in preparation for Secretary of State Elihu Root’s visit to Rio de Janeiro, he complained about Hispanic reservations but tried to convince Root to extend his visit to Montevideo, Buenos Aires and Santiago. Thus, he insisted in a calculating manner, “... it will dispel jealousies and prejudices. The best way to gain the support of Hispanic Americans is to stroke their self-esteem, and that is not unbecoming for a powerful nation like America.”⁶⁷

It is important to remember that, at the beginning of the 20th century and during Rio Branco’s administration, the panorama of regional relations still warranted the following description: “Looking at the map, we are neighbors with many countries, but neighbors in the style of America, as the Count of Aranda said in the 18th century, separated from each other by immense deserts.”⁶⁸ With the exception of border issues, it was acknowledged that the density of relations with most neighbors was only superficial, lacking the substance of trade, economic ties, cooperation and cultural exchange. Although it would take decades before this void began to be filled in practice, the Baron wasted no time and, as soon as the border problems had been resolved, began trying to build a more solid structure for political collaboration.

When he told Cárcano that he had built the map of Brazil, the minister added: “Now my program is to contribute to the union and friendship between the South American countries.”⁶⁹ The most audacious expression of this plan was the presentation in 1909 of the project for a “Treaty of Cordial Political Understanding and Arbitration between the United States of Brazil, the Republic of Argentina, and the Republic of Chile,” personally drafted by Paranhos. The centerpiece of the treaty was Article 1, in which the parties declared that they would seek to “always proceed in agreement with each other in all matters related to their common interests and aspirations and in those that are aimed at *ensuring peace and stimulating the progress of South America*” [emphasis mine].

It was therefore a question of creating in the Southern Cone subsystem a regional equivalent of the Concert of Great Powers in Europe. It was not intended to be anything more ambitious than what UNASUR would later become. “A general agreement between all American nations,” the Baron observed, “is even more impossible than between European nations.” In America, the viability of such an agreement would depend on its being restricted to the most powerful countries: the United States, Mexico, Brazil, Chile, and Argentina. “If there were too many, we would be outnumbered whenever it came to making any decision.”⁷⁰

Despite the pragmatism of limiting the understanding to the three major powers in the south of the continent, the proposal proved to be premature. Argentina justified its reticence with the argument that the arrangement would arouse Peru’s distrust and, significantly, could provoke negative reactions from the United States. Resumed three years after Rio Branco’s death, the project led to the signing by Argentina, Brazil and Chile, in Buenos Aires (May 1915), of the so-called ABC Pact (Treaty to Facilitate the Peaceful Settlement of International Disputes). Again, however, the idea proved unfeasible, and only Brazil would ratify the instrument.

For the Baron, the idea of countering the United States with a general alliance of a hostile nature was nothing but fantasy. As he wrote to Nabuco:

The much-talked-about league of the Spanish-American Republics to confront the United States is an unrealizable thought, due to the impossibility of agreement between peoples that are generally separated from one another, and is even ridiculous, given the known weakness and lack of resources of almost all of them.⁷¹

Given this evidence, there were only two possibilities for introducing some counterweight to the concentration of power in the United States: sub-regional arrangements like the ABC or the multilateralization of the Monroe Doctrine. With the failure of the ABC, one of the potential ways to counterbalance to some degree the excessive US power was frustrated.

At around the same time as the ABC proposal, Brazil had tried to multilateralize the Monroe Doctrine, removing the unilateral nature of Washington's policy and introducing an element of control and supervision by all hemispheric governments. The poor reception from Argentina, Chile and other Latin American countries forced Rio Branco to give up the initiative at the Fourth International American Conference (Buenos Aires, 1909). It is indicative of the difficulty of building consensus among Latin American governments at the time that two of the Baron's rare failures occurred in this area. However, it is to his credit that he tried to articulate the dual axes of Brazil's relations with Latin America and of preferential relations with the United States.

To a critical eye, some Brazilian foreign policy decisions gave the impression of a preference for Washington over the Latin American axis. The rapid recognition of Panama, the approval of the Roosevelt Corollary^{XIII} and the intervention in Cuba (1906), the rejection of the Drago Doctrine,^{XIV} which condemned the collection of international debts by force, and Brazil's silence in the face of the intimidating maneuvers of the US army on the border with Mexico (1911) undoubtedly belong to this category.

Nonetheless, Rio Branco believed that there was no incompatibility between Brazil's close friendship with the United States and its increasingly close ties with its neighbors. He saw himself, in idealized terms, as capable of harmonizing and bridging the gap between US and Spanish-American politics. To this end, Pan-Americanism could serve as an instrument to "replace unfounded mistrust and resentment with a growing friendship between all American peoples."⁷² It would not take long, however, for the Baron to discover the limitations of this partnership.

XIII By this corollary (1904), the United States claimed to itself the police power to intervene in Caribbean nations whose internal disorganization and inability to pay their debts threatened to trigger European interventions or internal anarchy.

XIV The doctrine, named after Argentine Chancellor Luis Maria Drago (1902), was inspired by the work of internationalist Carlos Calvo and considered the use of force by foreign powers to collect debts from Latin American countries to be illegal from the point of view of international law.

Limits of the Pro-United States Paradigm—Although the Brazilian government's desire "to be able to agree with the United States in everything" was sincere,⁷³ the Second Hague Peace Conference (1907) would reveal the insurmountable limits of this orientation—and the possible alternatives. Led by Rui Barbosa, the Brazilian delegation ended up voting against the American delegation on three of the four major issues that divided the conference, disproving the accusation of automatic alignment. The disagreements stemmed from Brazil's aspiration to hold a prominent international position, which was denied according to the criteria for classifying powers at the time. To the Baron's disappointment, the North American delegation, far removed from the forums of Pan-Americanism, behaved in the same way as the great powers of Europe.

Having exhausted various attempts to obtain a more prestigious position for the country, Rio Branco finally moved towards supporting the principle of the strict legal equality of states, which had been defended from the outset by Rui Barbosa, to whom he telegraphed the following:

The countries of Latin America have been treated [...] with evident injustice. It is possible that, renouncing equal treatment [...] some will resign themselves to signing conventions in which they are declared and confess to be nations of the third, fourth or fifth order. Brazil cannot be one of them [...] Now that we can no longer hide our disagreement, it is up to us to stand up frankly for our right and that of the other American nations.⁷⁴

Its clash with the position of the United States at the conference led Brazil to take the lead of the group committed to legal equality, made up of Latin American and smaller European countries. The American historian Bradford Burns comments in his *The Unwritten Alliance*: "This alternative to cooperation with the United States was not unpleasant for Rio Branco, who aspired to make Brazil a leader in Latin America."⁷⁵

The episode had no practical consequences, nor did it change Brazil's close relationship with Washington. It did, however, dispel illusions that the United States could always be counted on to elevate Brazil to the "sphere of great international friendships" to which it believed itself entitled. The discovery that even at that time American priorities followed considerations of power and favored the Europeans was noted by Rio Branco in the following dispatch to Nabuco:

The truth [...] is that [the head and members of the American delegation] have always sought to work in agreement with the great European powers, without giving any importance to Brazil and the other American nations, thus contradicting the Pan-American policy followed by the government of the United States[...].⁷⁶

In the future, the successors and heirs of the paradigm would not always bear this lesson in mind.

The Reform of Itamaraty

Family heritage and a lifetime of contact with international affairs had given the Baron precise and defined ideas, indeed almost a management program, for the organization of the Ministry of Foreign Affairs. When he was invited to head Itamaraty, he expressed these ideas in a letter to Senator Frederico de Abranches:

There is a lot to be done there: we must increase the staff, improve their pay, have at least one legal advisor and good section directors, as we used to have [...] establish a minister's office, reestablish the archive section, and ensure its necessary development, because that is the arsenal in which the minister and the intelligent and skilled employees will find the weapons for discussion and combat. We need to create a library and a geographical section within the Archives Department, as in France, England, Germany and the United States.⁷⁷

One of the obstacles to overcome in this modernization effort was the director-general Joaquim Tomás do Amaral, Viscount of Cabo Frio. Amaral had served in the ministry for 33 years, for a time under the Baron's father, and had been the link of continuity between the foreign policy of the Empire and that of the Republic. He had provided valuable services in difficult times and had apparently become indispensable. The problem was that the viscount embodied the methods of the past and the rejection of change. Sensing the difficulties, Paranhos had already written from Berlin:

The entire service has been concentrated in the hands of the Viscount of Cabo Frio, who has in fact been the real Minister for many years. I know that he has great and very rare qualities for the position he occupies, [...] being in many respects incomparable and

irreplaceable. [...] He has long been used to dealing with ministers who, not wanting to work, or not knowing the Ministry's affairs well, limit themselves to signing notes and dispatches.⁷⁸

Despite his hesitations, the new minister saw the problem clearly. First, it was necessary to reestablish the old system, with the minister's cabinet made up of "assistants of his choice, taken from the Secretariat or the Diplomatic and Consular Corps" (then separate careers) and "even from other Departments." This system had been abolished by the Regulations of 1869—the work, he comments, of the Director General—which obliged the minister to "only have cabinet officers drawn from the Secretariat staff. Since Pedro Luís,^{xv} who did not like tedious matters," he said, "the minister's cabinet has disappeared."⁷⁹

Shortly after taking office, Rio Branco restored the cabinet and filled it with officials he trusted personally. He then found an ingenious way to put an end to the Viscount's long reign: immortalizing him in a bust, which was inaugurated at Itamaraty with a speech by the Baron. As Ambassador Luís Gurgel do Amaral remarked, "his bronze bust represented the end of his prestigious days."⁸⁰

After this obstacle was removed, Rio Branco proceeded to systematically carry out the program outlined in the letter. Over the more than nine years that he was in charge of Itamaraty, he renovated the Ministry to the point of recreating it almost from top to bottom. He began by expanding the staff, which had been reduced to absolute indigence when he arrived. To get an idea of what government was like in Brazil at the time, especially within the Foreign Ministry, which was the smallest and poorest of the ministries, it is enough to note that the Secretariat of State for Foreign Affairs in Rio de Janeiro had only 27 officials or employees in 1902, his first years as minister, compared to 38 in 1859! Salaries had hardly changed in 50 years.

Gradually, each of the elements of Rio Branco's program took shape. His rejuvenation of the ministry would correspond today, *mutatis mutandis*, to an updating of methods and modernization of structure on an unprecedented scale. Everything went according to plan: an increase in staff, a rise in salaries, the reestablishment of the minister's office, which

xv Pedro Luís Pereira de Sousa, minister of Foreign Affairs of the Empire from March 1880 to November 1881.

could recruit officials from the diplomatic or consular service, the creation of a library and map library, and the reorganization of the archives.

In order to house the expanded services, the old residence from the time of the Empire was renovated, enlarged and decorated. It became Brazil's reception hall. The expense of renovations and parties made Rio Branco's assistant, Pecegueiro do Amaral, cringe; he was credited with the popular expression, "Let there be money, Mr. Baron!" When Rio Branco died, his collection of maps, manuscripts and rare books became part of the Itamaraty's map library. Together with the furniture, paintings and *objets d'art* from his estate would pass to the federal government for a price of 350 *contos de réis*, which his son Raul later claimed took the government seven years to pay the family.⁸¹

More than Rio Branco's diplomatic thinking, strategic plans, articles and speeches, what aroused the enthusiasm of his contemporaries was his performance in overcoming the dangerous international crises of his administration with a firm and sure hand. We have already analyzed the first, that of Acre. Due to the potentially serious consequences and the dramatic, spectacular nature of the events in question, the two other most notable crises the Baron faced were the issue of the *Panther* gunboat with Germany and the ciphered Telegram No. 9 with Argentina. Both caused popular commotion, generated strong fears of armed conflict and ended with the undisputed victory of the Baron's diplomatic approach.

Without consent from the Brazilian authorities, a *Panther* patrol had landed at the Santa Catarina port of Itajaí, the heart of a compact German colony, and had been searching for deserters. The first exaggerated reports claimed that a deserter had been arrested and forcibly taken on board. The Brazilian government protested, demanding an explanation and reparations for the attack on its sovereignty. Alerting Brazil's diplomatic representatives in Washington and Berlin to the seriousness of the situation, the Baron also asked Nabuco to encourage articles about the incident in the American press.

All this happened in the months between November 1905 and January 1906, on the eve of Secretary of State Root's visit to Rio de Janeiro for the Third American Conference. Neither Rio Branco nor Nabuco explicitly asked for US interference. Without going that far, they probably relied on repercussions within the US government and public opinion to directly or

indirectly exert some dissuasive effect, as in fact occurred. Whether due to this or because of the unimportance of the incident in places far from Berlin's direct interests, the German government soon explained that it had no intention of violating Brazilian sovereignty, regretted what had happened, promised to punish the guilty parties and clarified that there had been no arrest of deserters, only inquiries.

Brazil noted with appreciation the prompt attempt at satisfaction on offer, without abandoning the harsh tone of reprimand. The Brazilian government, stated a note in response to the German explanation, "can only regret that the commander of the *Panther* had commissioned officers and troops [...] to make inquiries on land, even though they were doing so with the utmost reserve and prudence [...]." Something had changed in Brazil's reaction since the days of the Christie Affair, when the country bowed, albeit temporarily, to the power of brute force before resorting to the weapon of diplomacy.

Earlier, Brazil had been isolated in the face of British power and had no way of resisting it head-on. Now, the diplomatic leader himself opted from the outset for a line of firmness bordering on recklessness. "In the worst-case scenario," wrote the Baron to Nabuco, "we will not hesitate to put the *Panther* to the sword and it will be whatever God wants!" He had calculated that it would not come to that, that the circumstances, including the imminence of the Inter-American Conference and Brazil's collaboration with Washington, would make more drastic action unnecessary. The fact is, however, that Rio Branco faced up to the arrogant German Empire which, in those days, was projecting defiant attitudes towards the world's major powers (the *Panther* itself would be the protagonist in 1911 of a serious incident in Agadir, Morocco, against France. It was one of the frictions that heralded the Great War).

In the eyes of a Brazilian people bruised by a seemingly endless series of humiliations, Rio Branco appeared as a victorious defender of the nation's dignity and self-esteem. This example of affirmation in the face of one of the dominant powers in the international system was followed two years later by his checkmate against the Argentine politician and intellectual Estanislao Zeballos, with whom he had been engaged in an intermittent duel for decades. Zeballos had just left his post as foreign minister in the government of President Figueroa Alcorta (June 1908). His administration

had been contaminated by the suspicion that the Brazilian government was embarking on a naval rearmament project that threatened Buenos Aires. Now out of office, the former chancellor alluded in various writings to a sinister plot by Rio Branco to collude with neighboring countries against Argentina.

In reaction to the Rio de Janeiro government's categorical denial, Zeballos resorted to an audacious provocation. In an article in *La Prensa*, he suggestively stated: "Let the Baron of Rio Branco review his secret archive of the Pacific and read the original document that exists therein with the following details: June 17, 1908, at 6 hours and 57 minutes, number 9, fourth 17." [*Revise el Barón de Rio Branco su archivo secreto del Pacífico y lea el documento original que en él existe con las siguientes señas: 17 de junio de 1908, a las 6 horas y 57 minutos, número 9, cuarta 17.*"]. The so-called mystery of Telegram Number 9 was born, with all the elements to evoke the forgeries of the Dreyfus Affair in France years before—and foreshadow our scandalous times of *WikiLeaks*, Edward Snowden, Russian hackers interfering in American election campaigns, and other intrigues brought about by technological prowess.

In those precarious beginnings of telecommunications, a cable from Rio de Janeiro to Santiago de Chile had to first pass through Buenos Aires. Intercepted and "deciphered" by Argentine agents, the cable ended up in Zeballos' hands—with the supposed decoding attributing to Brazil aggressive designs against Argentina. Not deigning to respond to Zeballos' proposal to set up a "court of honor" to settle the matter, the Baron decided, in a sensational move (which today we would call "transparency"), to publish in the Official Gazette the actual encrypted text of Telegram No. 9 and the key to its correct decryption, comparing it with the cipher texts obtained from the Argentine and Chilean Post Offices. In doing so he gave up the Brazilian code, but unmasked the forgery and demoralized his opponent, exposed at best as frivolous.

Even in its authentic version, the telegram revealed the alarming deterioration in Brazilian-Argentine relations. Its purpose was to instruct the Brazilian representative in Santiago to persuade the Chilean government that there were no conditions to go ahead with the ABC pact project because "we do not find the opinion sufficiently prepared in Buenos Aires for an agreement with Brazil and we consider it inconvenient and impossible as

long as Mr. Zeballos remains as Minister.” It continued: “We cannot be allies of a government that includes a minister who, we have reason to know, is our enemy.”

Meanwhile, the adulterated text attributed to the Brazilian government instructed the legation in Santiago to “propagate the imperialist aspirations of the Argentine government [...] and its pretensions of dominance over Bolivia, Uruguay and Paraguay and our Rio Grande [...]” suggesting that Brazil, with Washington’s support, would prepare to intervene in defense of the smaller countries. The crudeness of the forgery was evident in the alleged final paragraph, in which gratuitous allusions were made to the “fickle character of the Argentines,” their lack of stability in domestic and foreign policy, their “ambition to appear [which] demoralizes them,” “the absence of seriousness that so well characterizes them.”

In the authentic version, the final paragraph was instead fundamentally positive: “I have always seen advantages in a certain political intelligence between Brazil, Chile and Argentina and have sometimes recalled its convenience [...], but the idea is not mature in the Argentine Republic. There has been a step backwards, and today all of our friends have been removed from the government and harassed.”⁸²

The problem of Telegram No. 9 sheds light on how the telegraph was already changing the technique of international relations. Oliveira Lima, in his lecture “Os nossos diplomatas” [Our diplomats], remarked:

it would not be possible, without the telegraph, that [...] to show the incomparable mastery with which the Baron of Rio Branco presided over Brazil’s international relations, our representatives in the Plata region would find every day at the lunch table the outlined program for their diplomatic day.⁸³

Today’s diplomats, who complain about the lack of instructions from Itamaraty, would envy their colleagues from a time when the small number of posts made it possible for the chancellor to pay constant attention to each one.

Once the farce had been exposed, Brazilian-Argentine relations moved out of the danger zone, though without improving much in substance. At the celebrations of the first centenary of Argentine independence (1910), Brazil was notably absent. The situation improved with the election

of Roque Sáenz Peña as president. On his return from a trip to Europe, Sáenz Peña accepted an invitation to stop off in Rio de Janeiro. It was on this occasion that he uttered a phrase that would become the ideal motto for the relationship between the two countries: “Everything unites us, nothing separates us!” It was not long before mutual suspicion showed that there were several things that separated the two countries, including the issue of naval rearmament.

The problem would resurface in the 1920s with a vehemence only comparable to its lack of real substance, since Brazil did not even have the resources to effectively rearm. As Francisco Doratioto aptly put it: “Brazil and Argentina, despite not representing real mutual threats, saw each other as such and, based on this assumption, armed themselves against the supposed aggression.” They armed themselves or, to be more precise, they planned to arm themselves, generating a mirror game of mutual suspicion.

The Baron overcame with dexterity this and other obstacles, any of which would have been enough to bring down a less competent and decisive minister: Acre, the *Panther*, Telegram No. 9, Rui Barbosa’s bellicose performance at the Hague Conference. Not to mention his diplomatic triumphs: the choice of Rio de Janeiro to host prestigious international conferences such as the International American Conference in 1906, the elevation of the missions between Brazil and the United States to the rank of embassies and the appointment of the archbishop of Rio de Janeiro as the first cardinal of Latin America. All this created the myth of the minister’s invincibility, of his unparalleled sagacity, of his wit and character being superior to his rivals, of his invariably infallible and perceptive judgment.

After nine years of building this living legend, Rio Branco’s death was felt as a national catastrophe, so much had he been identified with the very idea of Brazil that he had helped to shape. His case is probably unique in the world: a public civil servant and diplomatic professional who rose to become one of the nation’s greatest heroes. He had even earned the right to an effigy on the thousand cruzeiro banknote, the most valuable at its time, which was popularly called the “baron.” In other countries, the famous figures were usually politicians or military men, people like Metternich, Talleyrand, Canning, Bismarck or more recent examples.

They were almost always government men who ran diplomacy as part of their political functions, not career civil servants.

The Baron astutely insisted that he had no political vocation and did not wish to get involved in internal struggles that would risk him losing the unanimity of support he sought. He still had some critics and detractors, but in terms of public opinion he came close to unanimous support and, in his time, was seen as the greatest living Brazilian. Hardly any of his successors will ever be able to match his prestige, partly because the definition and consolidation of borders, his greatest title of recognition, is under normal circumstances a task fulfilled only once and not repeated. By embodying the tradition and values of the Brazilian diplomatic institution, Rio Branco transferred to Itamaraty a significant portion of the fascination and respect he inspired in society. Those who came later took shelter in the shadow of his authority. But they were not always able to demonstrate the same strength and originality of thought and action in the face of the challenges and changes of history.

The Republic Grows Old and Foreign Policy Returns to Mediocrity (1912–1930)

When Rio Branco passed away at the beginning of 1912, the period that had fostered the conditions for his success began to fade with him. Good fortune had ensured that he had never lacked the time for his initiatives to bear fruit. The initial victories of Palmas, Amapá and Acre created a virtuous circle, making the Baron's continued presence at Itamaraty obligatory. It was inconceivable that he would have been replaced. He thus served in the four-year presidential terms of Rodrigues Alves, Afonso Pena and Nilo Peçanha (successor of Pena, who died after two years and seven months in office) and in the 15 months of Hermes da Fonseca's administration. Amid the consequences of this rare continuity, negotiations such as those over the borders with Peru in the Acre region, initiated by Rio Branco in 1903 and postponed in 1904, would be concluded by the same hand in 1909. During the same period, governments, ministers, negotiators and, sometimes, policies and guidelines changed on the other side of the table.

Time also never failed Rio Branco in the sense of the spiritual climate of the age, the favorable atmosphere created by the combination of certain values with positive political overlap. Paranhos' world—that of

the Belle Époque, of the hundred-year phase of relative peace and stability inaugurated by the Congress of Vienna—trusted in arbitration, in the Hague peace conferences, in the Geneva conventions that were seduced by the chimera of making war more humane, in the incipient Red Cross. That world believed in the possibility of increasingly effective international law, in negotiated legal solutions for borders, in diplomatic methods that limited access to information for a rudimentary public opinion.

The era of the Great War, the collapse of multinational empires, the explosion of nationalism, President Wilson's principle condemning secret diplomacy and a public opinion manipulated by dictators or totalitarian parties had not yet arrived. Whether by miracle or luck, Brazil's border disputes had been resolved at the eleventh hour. Before 1900, the international climate had been favorable, but the Brazil of the early republicans was too convulsed to attempt a consistent policy, as demonstrated by Quintino Bocaiuva's disastrous attempt in the Palmas question. After 1912, time and the world would become increasingly unfavorable, relegating to dusty archives dozens or hundreds of arbitration treaties from the beginning of the century. The issues that could not be resolved at that fleeting moment either deteriorated into problems that linger today, such as the Venezuela-Guiana, Chile-Peru-Bolivia disputes, or were only resolved through threats of war, such as the Beagle Strait question between Argentina and Chile.

Rio Branco, the last great representative of the 19th century Brazilian school of statesmen and diplomats, completed his work from start to finish within a historical decade that was receptive to the values and methods he embodied. He even had the good fortune to die when the situation was irreparably deteriorating in Brazil and around the world. On the external scene, the year of his death coincided with the Balkan wars, a kind of harbinger of the Great War, bringing closer the fatal day on which the lights that had illuminated his life would go out, one by one, to paraphrase a British minister's comment on the start of the war. The conflict would narrow Brazil's already limited space for diplomatic action, as it lacked military power and only took part in the war at the end and in a symbolic way. Even the conferences of the inter-American system were suspended for the duration of the battles in Europe.

Domestically, the favorable time was even more short-lived. Strictly speaking, it was only about an eight-year period, coinciding with the four-year term of Rodrigues Alves and the following term of Afonso Pena, completed by Nilo Peçanha, that marked the high point of the First Republic and of Rio Branco's diplomacy. From the 1910 succession onward, crisis in the political system accelerated and would lead to a fatal outcome. The choice of Marshal Hermes da Fonseca against the *civilista* candidacy of Rui Barbosa reintroduced into politics the Army, which had been so difficult to remove during the Prudente de Moraes government. The practice of "national salvations" was inaugurated, violent interventions to dislodge ingrained dominant groups from state governments in the Northeast, replaced by people who were not much better. The state of siege was trivialized.

The lethargic placidity of Venceslau Brás, one of the most lackluster figures to have governed the country (1914–1918), gave way to Epitácio Pessoa (1919–1922), who inaugurated some new initiatives, such as the creation of the National Department for Drought Relief. His successor, Artur Bernardes (1922–1926), would govern almost constantly challenged by rebellions and under a permanent state of siege. The old Republic would drag on for four years under Washington Luís (1926–1930) until deepening power struggles between the ruling sectors, worsened from succession to succession, set the stage for the 1930 Revolution to deliver the final blow to the dying system.

The mediocrity of official political life between 1910 and 1930, however, did not reflect the effervescence that was transforming society and culture, which the leaders of the time were unable to perceive or understand. Immigrants, who continued to arrive albeit in declining numbers, changed the traditional human landscape and introduced "exotic doctrines" such as anarchism and revolutionary socialism. They animated Brazil's emerging unions and the first strike movements. The remnants of slavery, abandoned to their fate and without schooling or professional training, suffered competition from better-qualified immigrants and began to swell the mass of marginalized, impoverished free people whose presence in Brazil dated to the time of monarchy.

The Emergence of the People as a New Social and Political Actor

More than the economy, which performed poorly in this period, transformation came from the sudden irruption of the people onto the political scene. Since the beginning of the 20th century, hardly a year went by without the founding of a trade union or launch of socialist and anarchist newspapers, such as the Italian-language *Avanti*. Strikes and protest movements against low wages, long working hours and the lack of labor protection became more commonplace. The 1907 general strike in São Paulo, violently repressed by the police, anticipated the great general strike of 1917.

Misunderstanding and repression characterized the reaction of the dominant sectors to this disturbing new phenomenon, which they attributed to the insidious action of foreign agitators. Shortly before the 1907 strike, the Adolfo Gordo law was passed, which established the penalty of deportation for foreign agitators and exile in Acre for national strikers. That same year, 132 foreigners were banned from the country, followed by the deportation of another 25 socialist and anarchist leaders in 1909.

Contemporary sensibilities may be shocked by the almost complete lack of awareness in the documents of the time of the monstrous inequality in a society that had only just emerged from centuries of slavery. There were one or two exceptions, but nearly all politicians, intellectuals and writers of the day seemed oblivious to the human reality that surrounded them—the real country of abject poverty, massive ignorance and secular abandonment and oppression. As is always the case in such situations, reality made itself known in a brutal way, invading and shaking the façade that the privileged had created for themselves and to show off to foreigners. Canudos had been the first manifestation of the explosion of savagery in the depths of Brazil, but Antônio Conselheiro's encampment seemed far away, almost like an echo from another planet.

It was impossible to maintain the same indifference when, eight days after Hermes da Fonseca's inauguration, uprising sailors who controlled the cannons of the battleships *Minas Gerais* and *São Paulo*, the Navy's two most modern warships, threatened the Catete Palace with "seeing the Homeland annihilated" if the President of the Republic did not comply with their ultimatum to abolish the lash and other corporal punishments and improve their living conditions (November 23, 1910). Five years

after the uprising on the battleship *Potemkin* in the Black Sea (1905), immortalized in Eisenstein's film, this Revolt of the Lash reenacted that Russian drama in the calm waters of Guanabara Bay. This time, the leader was not a fanatical messiah from the backlands but a sailor, João Cândido, nicknamed the Black Admiral. Cândido had around 2,300 men under his command, sailors who were almost all Black or of mixed race. Corporal punishment, similar to what had been inflicted during slavery, contributed to giving the episode an undeniable racial connotation, in addition to the class contrast between high- and low-rank men.

A witness to the incidents, journalist Carlos de Laët wrote shortly after the Baron's death that the revolt "was a tremendous shock for Rio Branco. He had dreamed of a strong Brazil, capable of dominating the destinies of this southern part of the continent through its unity and tranquil robustness. Looking around the threatened bay and the capital about to suffer the horrors of fratricide, the great Brazilian would perhaps have understood how far we were from his ideal..."⁸⁴ Less than two years later, one of the "national salvations" inaugurated by the Hermes government—a violent intervention in Bahia, accompanied by bombardment—led to the Baron's attempted resignation, and he ended up staying in office only to die weeks later (February 10, 1912). At the time of the bombardment of Salvador, he had admitted to a friend that he was no longer in the mood to receive the representatives of foreign nations. The conditions for implementing foreign policy had practically disappeared.

The Pace of Internal Upheaval Accelerates

The shocks followed one another in an endless list: a state of siege, the intervention in Pernambuco, the bombing of Bahia, an invasion of Fortaleza by thousands of militiamen (*jagunços*) under the orders of Floro Bartolomeu and Padre Cícero, and the "holy war" of Contestado, which would cost thousands of deaths, a kind of southern Canudos on the border between Paraná and Santa Catarina. The reestablishment of the agreement between the states of Minas Gerais and São Paulo around the candidacy of Venceslau Brás and the external distraction provided by World War I made it possible to restore a simulacrum of normality, which would be maintained only with more difficulty in the following government of Epitácio Pessoa.

However, the enchantment had worn off and it was no longer possible to hide the chasm that separated the legal Brazil of diplomatic discourse from the real country, that of the state of siege, *jagunços* and barracks. These, in fact, would return in full force with the election of Artur Bernardes, who even before taking office provoked a revolt of cadets from the Military School and the Copacabana Fort. The sacrifice of the Eighteen of Copacabana, a handful of revolutionaries who confronted the government forces in a gesture of epic grandeur, heralded the arrival on the scene of the Tenentist Movement, made up of Army lieutenants and captains. The revolt (July 5, 1922) took place two months before the opening of the International Exhibition to commemorate the first centenary of Independence. At the beginning of that same symbolic year, São Paulo had witnessed the Modern Art Week (February 1922). The following month, the Brazilian Communist Party was founded in Niterói and was soon declared illegal.

Nineteen twenty-three had barely begun when armed struggle broke out in Rio Grande do Sul, followed in 1924 by the São Paulo Revolution, on the anniversary of the Copacabana uprising. Defeated, the remnants of the São Paulo rebellion joined up with revolutionaries from Rio Grande do Sul, led by Captain Luís Carlos Prestes, to form the Miguel Costa–Prestes Column, which covered more than 20,000 km in the Brazilian backlands in a guerrilla campaign that ended in 1927 with the self-exile of the survivors in Bolivia.

Still, an official policy of collusion and fraudulent elections, along with the routine and unimaginative diplomacy, remained insensitive to the growing challenges to the status quo, transgressive impulses among the population, an agitated public spirit, and the renewal of arts and culture. In the field of foreign policy, there was a feeling, perhaps subconscious, that Rio Branco had exhausted the potential for diplomatic initiatives available to Brazil at that time. After the definition of all the country's borders, the unwritten alliance with the United States and rapprochement with the Latin American countries, what more was left to be achieved?

Foreign Policy in the Immediate Post-Rio Branco Phase

The Baron's first successor, Lauro Müller, a politician and military officer from Santa Catarina, served for more than five years as minister

of Foreign Relations (February 1912–May 1917), spanning part of the terms of Hermes and Venceslau Brás. Early in his leadership, he faced the possibility of a serious commercial and political conflict with the American government due to the threat of antitrust legislation against the coffee valuation scheme practiced by the São Paulo government with federal support. Discreetly bypassing the combative attitude of the ambassador in Washington, Domício da Gama, the chancellor opted for diplomacy and negotiated a compromise solution with the State Department.

It fell to Lauro Müller to take up and try to revive one of Rio Branco's few unsuccessful initiatives: the pact between Argentina, Brazil and Chile, or ABC. In this attempt, the Treaty to Facilitate the Peaceful Settlement of International Disputes was signed in Buenos Aires (May 25, 1915). The objective, as defined precisely in the title, was to prevent and avoid conflicts between the three countries. It was not intended to become a counterweight to the United States or to serve as a grandiose joint initiative. The group had demonstrated its usefulness even before it was signed, providing good offices in the negotiations at Niagara Falls, Canada (May–June 1914), to avert war between Mexico and the United States after the landing of marines at Vera Cruz.

The ABC Pact was one of those ideas that seemed attractive at first glance but proved unfeasible in practice, due to an essential flaw: the exclusion of the continent's other small and medium-sized countries. In Rio Branco's time, the Argentines had refused to join citing the distrust the pact would arouse in Peru. In its 1915 reincarnation, the pact would fare no better, with the rise to power of Argentine President Hipólito Yrigoyen's (1916) preventing its implementation because ratification had not been completed. Just over 30 years later, another attempt under Juan Perón in Argentina and General Carlos Ibáñez in Chile failed again, this time due to Brazilian resistance. It was only in 2008 that the agreement finally came to light in a completely different guise, as UNASUR, which includes all South American states.

The main foreign policy challenge of these years was Brazil's position on World War I. The question divided public opinion, with a clear majority in favor of joining the war on the side of the Allies. All the major Latin American countries remained neutral, as would recur, with nuances, in World War II. In the first war, a pattern was established that would be

repeated in the second: the Brazilian position mirrored the evolution of the United States, from neutrality to a declaration of war and effective participation. The difference lay in the significance of that participation, which was decisive in the American case but rather modest in Brazil's.

Brazilian neutrality was decreed on August 4, 1914, at the beginning of the war, the same date as a similar decision was taken by US President Woodrow Wilson. This first stage would last two years and nine months, until April 11, 1917, when Brazil, already governed by Venceslau Brás, broke off relations with Germany in response to the torpedoing, six days earlier, of the ship *Paraná* near the French coast. The agitation in favor of the Allies was gaining momentum, led by Rui Barbosa, whose conference in Buenos Aires in mid-1916 on "the duty of neutrals" had had enormous repercussions. Even after the rupture, Lauro Müller's position in the Foreign Affairs Ministry became untenable, as he was accused of weakness or Germanophile sympathies due to his origins. He was replaced by former President Nilo Peçanha, a friend and follower of Rui Barbosa. In May 1917, two other Brazilian ships, the *Tijuca* and the *Lapa*, were torpedoed, resulting in the revocation of Brazil's neutrality and the decision to seize and utilize dozens of German merchant ships anchored in national ports.

The United States had already been at war since April of that year. In Brazil's case, recognition of the state of war had to wait until October 26, after the attack on the *Macau* and the imprisonment of its commander. This took place just over a year before the end of the conflict with the Armistice of November 11, 1918. Brazil lacked the military or economic heft to offer more than a symbolic contribution to the fighting. Nor, as in World War II, could the country provide military bases or strategic raw materials. Nevertheless, the state of belligerence would later allow a Brazilian delegation to attend the Paris Peace Conference under the leadership of Epiácio Pessoa, where it would resolve two issues of direct national interest, thanks to the vigorous intervention of the United States.

The first issue, contained in Article 263 of the Treaty of Versailles, concerned the value of coffee from the state of São Paulo deposited in Germany. Through this article, the Brazilian delegation succeeded in avoiding that the restitution of the value of the coffee would not be included among the war reparations imposed in Germany, that is, the restitution should be immediate. Article 297 of the treaty also gave Brazil

the upper hand in the matter of German ships seized in national ports, which were recognized as Brazilian property. Like many other things in the ill-fated Treaty of Versailles, implementation of the two favorable outcomes dragged on for years until they were fulfilled, and even then in an incomplete and unsatisfactory way.

Again thanks to President Wilson's support, Brazil was elected as a non-permanent member of the council of the newly created League of Nations. For Brazil, the main economic consequence of World War I was the final elimination of England's centuries-old economic supremacy. This was replaced by American dominance in trade, which had long been the case, and more gradually in investments and loans. In contrast to British capital, preferably concentrated in railroads, ports and public services, American investments favored industry. With regard to financing, one of the most serious effects of the war was the collapse of foreign loans to the Brazilian public sector, which fell from \$19 million in 1913 to zero in 1915.

With regard to trade, strains of maritime transportation and limited available goods led to a sharp drop in imports, as well as a huge contraction in government revenue, which was then very dependent on import tariffs. In 1915, for example, customs duties accounted for 66% of revenue in Brazil, and this percentage remained around or above 40% throughout the period.

Exports from countries supplying strategic raw materials—Mexican oil, Peruvian copper, Chilean nitrates—soon recovered and increased. In its massive dependence on coffee, however, Brazil exhibited one of the worst export performances on the continent, and was among the few countries that failed to improve on its share of any commodity market. What is more, the country actually lost ground in products such as rubber to Asia and cocoa to the African colonies. Nor did it participate in the expansion of sales of sugar and bananas, which grew in other countries as a result of American investments.

On the other hand, after a sudden downturn in 1914, industry grew reasonably well, favoring the emergence of numerous companies and the development of sectors such as chemicals and pig iron production, as well as traditional ones that were already significant, such as textiles, clothing, and food and beverage. Between 1912 and 1920, the number of industry workers practically doubled. The downside was inflation. Retail prices

increased in Brazil by 158% between 1913 and 1918, with an annual average of 20.9%. Rising prices eroded wages and exacerbated the conditions for the social unrest that would culminate in the general strike that paralyzed the country in 1917 and a wave of additional strikes in 1918.

If World War I really marked the beginning of the 20th century, it likewise marked a turning point for Brazil. The country emerged from the conflict with stronger industry and urban workers and with the seeds of the social and cultural unrest that would lead, years later, to modernism, the *Tenentista* movement, the founding of the Communist Party, and, finally, the Revolution of 1930.

The Post-War Years

Nilo Peçanha headed Itamaraty for a year and a half, coinciding with the end of the war. A few days after the armistice, he gave way to Ambassador Domício da Gama. The main collaborator of Rio Branco, Da Gama arrived with great prestige from Washington, where he had represented Brazil for more than eight years. Thanks to his influence in American diplomatic circles, from his position in Rio de Janeiro he provided fundamental support to Epitácio Pessoa, who was chosen to lead the delegation to the Peace Conference. His administration lasted just over 10 months.

In January 1919, President Rodrigues Alves, who had been elected to his second term the previous year, died in Rio de Janeiro, falling victim of the Spanish flu at the end of the war. What followed was an episode only imaginable at a time when the most serious decisions in Brazilian politics were the result of collusion among a small group of notable figures. Pessoa, who was unaware of the situation and far from Brazil, found himself consecrated as the replacement for the deceased president-elect. He did not even need to return to Brazil to campaign to be duly elected president. Eugênio Vargas Garcia recalls that this was the “only time in Brazil’s history that an official representative of the Brazilian government, on a diplomatic mission abroad, would return to the country as head of state.”

Vargas Garcia also notes that “Brazil left the Peace Conference with a position of high prestige in Europe, especially when compared to its limited contribution during the war and its real capacity to influence events in the international arena.”⁸⁵ His recent contact with the world’s greatest statesmen at one of the most important diplomatic events in history and

the prestige acquired at the conference predisposed the new president to centralize foreign policy decisions. He therefore chose to forego the services of Domício da Gama and instead appoint a personal friend, José Manuel de Azevedo Marques, a professor at the São Paulo Law Academy and a very modest personality, as chancellor. Conveniently for Pessoa, his friend was little versed in international affairs.

The first Brazilian representative in the League of Nations was Gastão da Cunha, who formulated the curious theory of the “implicit mandate”: in the absence of the United States, Brazil would serve as a sort of “representative of America.” From there, it was a natural step to becoming a permanent member of the Council, as if saving the place for the Americans. The mandate of the temporary members was annual, and Brazil had been constantly reelected with the highest number of votes. It dealt diligently with the issues it had to report on, although it had little or nothing to do with the intricate border and ethnic minority issues on the Council’s agenda, which was almost exclusively focused on European problems stemming from the recent dissolution of the multinational empires.

Everything went smoothly as long as guidance came from Epitácio Pessoa, whom José Maria Bello praised as follows: “it can be said [...] that the supreme head of the Republic had never been a more marked, energetic and brilliant figure [...]”⁸⁶ This stands in stark contrast to the portrait that the same author draws of Pessoa’s successor, Artur Bernardes, whose “temperament that does not easily forget nor forgives insults, and his strong authoritarian tendencies, mixed with a harsh nationalism with Jacobin roots, could not inspire public sympathy.”⁸⁷

Bernardes did not make things any easier by appointing Félix Pacheco, a journalist and politician from Piauí, as foreign minister. He had an easy and superficial enthusiasm, aggravated by his lack of discernment in assessing international situations. Eugênio Vargas Garcia reserves his harshest judgment for the foreign policy in which they were both complicit, describing it as a “phase of diplomatic hyperactivity and political histrionics.”⁸⁸ Although blunt, the judgment was confirmed right from the start, at the Fifth International American Conference held in Santiago de Chile (1923). The nearly forgotten issue of limiting naval armaments had become fashionable again as a result of the Washington Naval Conference

(1922), which had tried to set limits on the tonnage of the great powers' navies in view of the US rivalry with Japan in the Far East.

Bypassing the restrictive specificities of the original idea, the League of Nations opted for a multilateral approach. This trend displeased Brazil, still under Pessoa's leadership, because its Navy had lagged behind those of Argentina and Chile. The country could not accept commitments that would prematurely freeze the status quo. Nothing could be more natural than this position, or easier to understand. However, before and during the meeting, Brazilian diplomacy got itself into such a mess that, in the end, Brazil appeared to be an ill-intentioned arms villain, isolated from the other peace- and disarmament-loving Latin Americans! Ironically, it was all a moot point, because the government lacked even the resources to seriously consider a naval rearmament program.

The worst, however, was yet to come. From 1924, the government began a systematic campaign for a permanent seat for Brazil on the Council of the League. Basically aimed at the Brazilian public, the campaign sought to counter the prestige of the international conquest with the domestic unpopularity of the Bernardes government. Tenuous even under normal circumstances, Brazil's claim became unfeasible due to a series of primary errors made in an effort to impose its aims on the Council's other members. One such misjudgment was the opportunistic attempt to take advantage, in favor of Brazil, of the priority interest of the great powers in sponsoring the reconciliation of Weimar Germany with the new order created at Versailles.

With the Locarno agreements (1925), the main belligerents of World War I, including Germany, recognized the borders set by the Treaty of Versailles, renounced warfare and undertook to resolve their differences through arbitration. This opened the way for Berlin to join the League of Nations as a permanent member. At this point, the Brazilian government overestimated its strength and decided to request the same status on the Council. Predictably, other countries—Poland (Germany's irreconcilable enemy), Spain, China—also expressed interest, and an impasse was created.

Everything had been arranged for the triumphant reconciliation with the former adversaries. The German delegates were greeted with flowers and festivities at the Geneva train station in anticipation of the country's entry into the League and the Council. Under pressure, one by one, all

the other candidates withdrew. Only Brazil insisted on maintaining its untimely candidacy, going so far as to make the irreparable mistake of vetoing Germany's entry. This situation had not been anticipated in the Charter and generated an unprecedented crisis. The veto sounded like a killjoy, a challenge to the powerful, whose reaction was not long in coming: the recalcitrant country was to be excluded from the Council altogether. Threatened with this public humiliation, the Brazilian government took an even more drastic stance and decided to withdraw from the Council and the League, the first country to take this decision for political reasons.

Afrânio de Melo Franco, a politician from Minas Gerais, was the Brazilian representative throughout the painful incident. He had previously led the delegation to the unsuccessful International American Conference in Santiago. On both occasions, he tried to preach a more moderate and flexible line, only to be consistently rebuffed by the intractable president. A diplomacy that inherited the tradition of restraint and wise calculation of the Empire and the Baron of Rio Branco found itself ensnared in a position with no respectable way out. Domestic politics was more to blame than diplomacy. Sold to public opinion as inseparable from national prestige, the permanent position on the Council became absolutely non-negotiable. The realism of a reasonable claim, to be pursued gradually, was exchanged for a reckless gamble in which fate played out on an all-or-nothing basis.

It would be a mistake to interpret this episode, however, as a reason to weaken the resolve with which Brazil must continue to claim its rightful place in the governance of global affairs. Brazil's legitimate aspiration must be won not by seeking prestige and prominence, based on internal political intentions, but through the merits of a diplomacy that serves as a constructive force for moderation and balance.

One of the criticisms leveled against Brazil's claim in 1926 was precisely that despite its presence on the Council of the League, the country was not, as was said at the time, a power of general interests like the United Kingdom, France, Germany and Italy. In practice, the horizon of Brazilian action did not go beyond the regional limits of Pan-Americanism, and its positions in the matters brought before the Council, often of abstention, reflected this limitation.

Perhaps the most accurate way would be to distinguish, as Minister Saraiva Guerreiro would do in the future, between "interests" and "means

of action.” While Brazil’s interests may have been global in scope, its capacity for action was limited. Outside the legal sphere, the country could contribute little to resolving the intra-European border and ethnic minority conflicts that dominated the agenda of the League of Nations. In the mindset of that time (and even today), it was only justified to grant a nation permanent membership of the Council on the basis of its effective capacity to contribute to the implementation of decisions; in other words, permanent members needed the power to help solve problems. From this perspective, legal arguments about the equality of nations, which were valid for participation in the League, were not enough to defend entry into the select group of permanent members of the Council.

It is no different in our time. If one day the UN Security Council is to be expanded no longer on the sole basis of military power, the main selection criterion will likely consist of diplomatic capacity to build consensus, particularly regarding reform of the Council itself in the configuration desired by the candidate for permanent membership. Brazil seems qualified for such a position due to the advantage of not having hegemonic tendencies or aspirations of domination and its undeniable technical competence and power of initiative in multilateral diplomacy. One of the lessons of the frustration with the League should be to exercise caution not to turn such candidacy, if it is forthcoming, into an excessive search for prestige with ulterior domestic political motives. This path, which has not always been avoided in the recent or distant past, is a sure way to alienate sympathies and arouse rivalries.

In contrast to the ill-advised diplomatic activism of the Bernardes and Félix Pacheco duo, the next government, that of Washington Luís, swung the pendulum to the opposite extreme of exaggerated retrenchment. His foreign minister, the Bahian deputy Otávio Mangabeira, embraced a timid and minimalist foreign policy. The comparison between the two governments leaves the impression that Bernardes’ diplomacy, besides being poorly conceived and executed, exceeded the country’s potential, while that of Washington Luís fell short of its capacity for action. Despite appeals from France and England, the government did not want to return to the League (Argentina, which was not one of the founders, joined the League of Nations at the beginning of the 1930s). Relations with Argentina remained cordial from a distance: neither the president nor the chancellor accepted an Argentine invitation to visit.

These are not the only examples of “diplomacy by omission.” While the official discourse proclaimed that Rio Branco’s friendly policy towards the United States would continue, the government refused to join the Briand–Kellog Pact, a Franco-American initiative to renounce war (1928). Brazil’s justification was that the pacifism of its Constitution made the pact redundant and that it had not been consulted about its content. Although the arguments were well-founded, Brazil would have lost less by supporting an anodyne and well-intentioned initiative than by abstaining at the risk of being misinterpreted.

Brazil on the Eve of the 1930 Revolution

When the Republic was proclaimed in 1889, Brazil had approximately 14 million inhabitants, a number that would surge to 33.6 million in 1930, an increase of 240% in about 40 years. The economy had grown modestly, by an annual average of 0.9% per capita, in the four decades in which Victorian globalization had been responsible for a remarkable expansion of the world economy, especially before the Great War. Despite the abolition of slavery, the vigorous increase in the population and the strong influx of immigrants, the country’s economic performance had not benefited from the favorable external conditions in a way comparable to neighbors like Argentina and Uruguay. The country remained extremely poor and underdeveloped.

In 1890, Brazil’s GDP per capita was estimated at \$797. Gustavo Franco and Luiz Aranha Corrêa do Lago estimate that, taking this figure as a baseline equivalent to 100, Argentina’s GDP per capita at the time would have been 271, Mexico’s 127 and the United States’ 427. That suggests that compared to the indices at the time of Independence in 1820, Brazil’s lag behind the United States would have more than doubled during the monarchical period. The First Republic did not improve the situation. Again, considering the level of Brazilian GDP per capita in 1889/1890 as equivalent to 100, 40 years later, in 1929/1930, the index in Argentina would have risen from 271 to 377; in Mexico from 127 to 157; and in the United States from 427 to 587. In other words, Brazil’s backwardness had widened in relation to these countries.

Other indicators were equally precarious. In 1890, Brazil’s urban population (living in cities with more than 20,000 inhabitants) was just

5.7% of the total, compared to 19.3% in Argentina and an average of 9% in 19 Latin American countries. Enrollment rates in schools corresponded to an insignificant 2.3% (1890), rising to 3% 20 years later (1910), while these figures in Argentina were 7% and 9.7% respectively.⁸⁹ At that time, illiteracy levels among the Brazilian population oscillated between 75% and 85%.

From the beginning of independent life through the 67 years of the monarchy and 41 years of the Old Republic, Brazil was characterized by extreme poverty, both in absolute terms and in comparison with the advanced nations and many Latin American countries (I mentioned Argentina and Mexico, but could have mentioned Chile with similar results). As it moved from one political regime to another, Brazil advanced only modestly, at a slower pace than developed countries and some Latin American countries, failing to significantly narrow the gap that set it apart from them.

In a book such as this, which aims to tell the story of the evolution of Brazilian foreign policy, it is worth including a shock of reality to list figures and percentages that show the fragility of some of the most important factors responsible for international power in the Brazilian case. Strictly speaking, the best the country could boast in terms of measurable factors was in the realm of quantity: the continental territory of over 8,500,000 km² and a population of 33.6 million inhabitants, which in 1930 corresponded to 31% of Latin America, against 15.4% for Mexico and 11.1% for Argentina. If, despite the relative weakness of many power factors, Brazil did no worse in international life in that period, the explanation must be sought not in measurable power, but in intangible factors, among which the quality of diplomacy was certainly not the least.

Notes

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- 29 Tocantins, *Formação*, 1:220.
- 30 Tocantins, *Formação*, 2:315.
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- 32 Tocantins, *Formação*, 1:218.
- 33 Tocantins, *Formação*, 1:218.
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Part VII

The Getúlio Vargas Era: the 1930 Revolution and the *Estado Novo* (1930–1945)

The Getúlio Vargas era from 1930 to 1945 gives the impression of being a transitional phase that paved the way for contemporary Brazil. The institutional arrangements—the Constitutions of 1930 and 1937—seemed as inherently temporary, destined to evolve towards a more permanent form. The ambitious effort to establish the so-called *Estado Novo*, or New State, did not withstand the fall of fascism, from whose institutions it had partly drawn inspiration.

Rather than in the durability of its institutional designs, the era's most innovative contribution came in the deepening of social and economic transformations already underway: industrialization, urbanization, centralization, and state modernization. This 15-year period had little to do with the essence of the First Republic, instead foreshadowing the sociopolitical characteristics that would be consolidated in the 1946 Constitution, which ushered in the brief 18-year democratic interlude that lasted until the military coup of 1964.

The world was in the midst of a turbulent and unstable phase. Starting with the 1929 collapse of the New York Stock Exchange and the Great Depression that followed, the fateful decade would see the brutal rise of Stalinist and Nazi-fascist totalitarianisms and the violent dismantling of the international system established at Versailles. What had started in tears and despair in the economic depression would culminate in large-scale barbarism and the Wagnerian catastrophe of World War II.

Such radical transformations would not spare even a peripheral country, ostensibly protected from the cataclysm by the Atlantic and its distance from the European epicenter. In fact, this stage in the evolution of Brazilian national life would absorb the more or less decisive influence of events and trends from abroad. From the outset, the wave of revolutions that swept through several Latin American countries in 1930 and the

years that followed reflected, to some extent, the shock of the financial collapse of 1929.

In fact, international financial problems gave the Brazilian government no respite from the 1930 Revolution until the declaration of the *Estado Novo* in November 1937. The decree coincided with a suspension of debt payments and was used as one of its justifications (“Either we pay the debt or we reequip the armed forces and the transportation system,” as Getúlio Vargas stated in a speech). The turbulence would also become apparent in the political-ideological field, with the emergence of parties and mass movements for the first time in the country’s history. Communist groups and movements such as Brazilian Integralist Action^I and the National Liberation Alliance^{II} drew varying degrees of inspiration and funding from foreign governments.

From a strictly diplomatic perspective, the initial phase of this period, from 1930 to 1937, can perhaps be seen one of basic continuity with its recent past. This was true both in the nature of external problems on the agenda and the methods for solving them. After 1937, as the world careened towards World War II, the agenda changed. It became dominated by the inevitable approach of global conflict, which confronted Brazil with the challenge of defining its stance vis-à-vis the opposing alliances.

As with the proclamation of the Republic, the victory of the 1930 Revolution did not bring about any immediate change in the origins or general characteristics of Brazil’s diplomatic leadership. Nor did it change the methods of action and the legal and ideological foundations that guided them. Between Otávio Mangabeira, the last foreign minister of the First Republic, Afrânio de Melo Franco, the first of the new era, and his successor, José Carlos de Macedo Soares, it is almost impossible to discern any significant differences, except in terms of personality. They all came from the old regime, in which they had held leading positions—Afrânio de Melo Franco having been, for example, a key player in Brazil’s withdrawal from the League of Nations. They all belonged to the same

I The *Ação Integralista Brasileira*, founded in 1932 by journalist and politician Plínio Salgado, was a right-wing, conservative, corporatist, and ultranationalist movement, fashioned after Portuguese integralism and Italian fascism.

II The *Aliança Nacional Libertadora*, founded in 1934 by a small group of intellectuals and military officers, was a left-wing front that congregated various anti-integralist and socialist organizations, with the support of the Brazilian Communist Party.

social class, received identical political and intellectual training, and held almost interchangeable beliefs and values.

There had also been little change in the issues on Itamaraty's agenda. As before, Brazil's challenging relationship with its neighbors and the implications of conflicts between them stood out. Thus, the two major issues that would absorb the main attention of the first foreign ministers of the Vargas era were clashes between neighbors whose roots could be traced back to the previous era.

The South American Problems: Leticia and the Chaco War

The dispute between Peru and Colombia over the Amazonian city of Leticia originated in a 1922 treaty under which the former had ceded the city to the latter—only for the two countries to be dragged into an armed conflict in 1932, triggered by dissatisfied Peruvians. After countless shenanigans and attempts at mediation, including by the League of Nations, the dispute was finally resolved in 1934 through the efforts of a commission based in Rio de Janeiro, in which Afrânio Melo Franco, who had by then left Itamaraty, played a crucial role. Brazil's direct interest in the issue was to preserve the Apaporis-Tabatinga border line to the east of the disputed area, previously agreed upon with Peru, a goal that was achieved without major difficulties with Colombia.

Of incomparably greater gravity was the Chaco War between Paraguay and Bolivia. Fought for control of the region known as the Chaco Boreal and based on an illusion of oil wealth (which turned out to be non-existent), it was the largest war in South America during the 20th century and cost tens of thousands of lives. The conflict lasted from 1932 until an armistice occurred in 1935. Complicated, long and countless (at least 18) peace negotiations ensued—also with the intervention of the League of Nations—which were only concluded in 1938 with the signing of a peace treaty in Buenos Aires. Among those involved in the efforts to put an end to the conflict were Argentine Foreign Minister Carlos Saavedra Lamas, who was awarded the Nobel Peace Prize in 1936 for the armistice obtained the previous year. Besides him, Brazil's Minister of Foreign Affairs Macedo Soares and the Brazilian ambassador to Argentina, diplomat José de Paula Rodrigues Alves (son of the former president) also participated in the process in which the new minister, Oswaldo Aranha, was also involved.

As the main architect of the 1930 Revolution, minister of finance (1931–1934), ambassador in Washington (1934–1937) and minister of foreign affairs (1938–1944), Aranha distinguished himself from his predecessors by actually being a man of the new era, destined to become the decade's dominant figure in Brazilian diplomacy. Of the successors to the Baron of Rio Branco and Joaquim Nabuco, he was one of the few, perhaps the only one, who enjoyed internal political power and influence with direct, almost equal access to President Getúlio Vargas and, at the same time, easy contact and personal prestige with the leaders of the country that would soon attain world hegemony: President Franklin D. Roosevelt, Secretary of State Cordell Hull and Undersecretary of State Sumner Welles.

Aranha gained political experience in actively working in the preparations for the 1930 Revolution. As minister of finance, he acquired direct knowledge of the financial and commercial issues that played a major role in Brazil's destiny in those years. Thanks to the time he spent as ambassador in Washington, during the brilliant phase of Roosevelt's New Deal, he took part in the creative and exhilarating atmosphere of the American capital. He mingled with the brilliant members of the "brain trust" who transformed the United States into a laboratory of innovative ideas and institutions in the fight against the Depression and in the strategy that would allow the country to emerge from World War II as the leading global power.

In the cramped and provincial climate of Brazilian politics, he stood out for his knowledge of international problems and his close ties with US leaders. A notable exception among contemporaries, the majority of whom leaned towards fascist or right-wing ideologies, he was the Brazilian statesman with the strongest liberal and pro-Western democratic convictions. This combination of attributes equipped him with the tools necessary to forge essential connections between the handling of foreign affairs and the country's profound financial and commercial problems, which affected Brazil's destiny much more decisively than Itamaraty's routine and narrow agenda.

The Crash of 1929 and Brazil

The effects of the financial crisis abroad began to be felt in Brazil more than a year before the Black Thursday crash of October 29, 1929.

The loans that the São Paulo Coffee Institute had been raising on the New York market to fund its appreciation policy became scarce from mid-1928 onward. On the fateful day of October 11, 1928, the inevitable moment arrived when the institute's representative at the national coffee exchange in the coastal city of Santos found himself unable to bid at the opening of the trading session. This was the beginning of a price collapse that would see the commodity lose two-thirds of its value between 1929 and 1932. Coffee accounted for over 70% of Brazil's export revenues and would continue to do so until the 1950s. As a result of the collapse in world trade, Brazil suffered a 30% deterioration in its terms of trade and a 40% reduction in its capacity to import.

As trade collapsed, reserves were rapidly depleted, reaching a critical level two months before the October 1930 revolution. They would disappear completely the following year. The following decade was marked by a back and forth between normalization efforts and recurring crises of moratoria and the accumulation of trade arrears. Taking the place of the state of São Paulo, the federal government adopted a policy of purchasing coffee surpluses that were partially destined for destruction and largely financed by budget deficits. Between 1932 and 1943, according to economic historian Marcelo de Paiva Abreu—the source of most of the data and interpretations in this chapter—more than 75 million bags of coffee were destroyed (equivalent to three years of world consumption).¹

For the great Brazilian economist and historian Celso Furtado, “the value of the product that was destroyed was much lower than the amount of income that was created,” since government spending on the purchase of coffee made it possible to maintain employment levels and aggregate demand. Thus,

the policy of defending the coffee sector in the years of the great depression materialized into a real program of promoting national income, [practicing] in Brazil, unconsciously, an anti-cyclical policy of greater amplitude than that which had even been advocated in any of the industrialized countries.²

Marcelo Abreu puts such pioneering spirit of “early Keynesianism” into perspective, recalling the similar precedent set by the Epitácio Pessoa government, which incurred deficits for building dams in the Northeast. He admits, however, that the significant fiscal expenditures on coffee

contributed to the recovery in the level of activity after 1932. In Brazil the depression had a sudden impact (a 5.3% drop in output in 1931 compared to 1929) that was quite short-lived; in 1932, the economy grew by 4%, accelerating to 9% in the subsequent two years. As a result, “the recovery in the level of activity of the Brazilian economy was singularly rapid when compared to the experience of other countries, especially developed ones.”³

From the point of view of the speed and intensity of its recovery, however, Brazil was not a notable exception in Latin America. Between the period of greatest contraction (1931–1932) and 1939, no fewer than eight countries boasted real GDP growth of more than 50%: Brazil, Mexico, Chile, Cuba, Peru, Venezuela, Costa Rica and Guatemala, and three others (Argentina, Colombia and El Salvador) grew more than 20%.⁴

Meanwhile, international economic issues increasingly came to dominate Brazil’s foreign relations, a country with no outstanding disputes with its neighbors and far from the hotspots of political and ideological confrontation in Europe and Asia. In the mid-1930s, economic themes began to gain momentum and would later shape what we now understand as “development diplomacy,” an expression and concept still unknown at the time. Two issues from the period fit particularly well into what we understand today as a genre of diplomatic strategy at the service of promoting growth and qualitative change in production: trade agreements and the attraction of investment for budding basic industries.

The Challenges of Foreign Trade

In the search for improved participation in international trade flows, Brazil resorted to two methods that were seen as incompatible at the time, but in fact were pragmatically complementary given the very limited options available. The first, more orthodox, was a trade agreement signed with the United States under American pressure in favor of adopting a most favored nation clause and payments in convertible currency, both conditions of trade multilateralism. In exchange for the preservation of duty-free imports of coffee and a few other products, and for halving of the tax on manganese, castor beans and Brazil nuts, the Brazilian side undertook to cut tariffs, especially on American consumer durables.

Signed in 1935, the agreement triggered one of the first major public controversies over what was in reality the most appropriate development

strategy for the country. São Paulo industrialists led by Roberto Simonsen, and with support from entrepreneur and congressman Euvaldo Lodi, advocated the industrialization of the economy through tariff protection and denounced the trade concessions as threats to the survival of national industry. In contrast, groups linked to finance and representatives of large foreign companies, including the future owner and director of *O observador econômico e financeiro*, Valentim Bouças, criticized the “parasitic” and “artificial” nature of the industry the first group wanted to create in Brazil.

The controversy would resurface in 1944/45, this time involving Simonsen and the liberal economist Eugênio Gudín, and indeed would continue to reappear over the years. At the time, opposition from industrialists managed to stall parliamentary approval of the agreement for a year. The resistance was only broken by the personal intervention of Vargas, under diplomatic pressure from the United States. During the discussion, Aranha, then ambassador in Washington, defended the adjustment, using his influence over the president. Brazilian-American diplomatic relations during this phase largely revolved around the issue. According to Abreu, except for some electrical equipment and the leather products sector, there was no evidence that the concessions had a significant impact on domestic industry.⁵

While negotiating with Secretary of State Cordell Hull, at the time the greatest champion of trade liberalism in the US, Brazil had another iron in the fire: an ongoing negotiation with the American politician’s nemesis, Dr. Hjalmar Schacht, minister of economics for the Third Reich and a promoter of the opposite type of trade adjustments. Suffering from a shortage of foreign currency, Germany under Hitler resorted to bilateral agreements aimed at balancing trade and using as currency “compensation marks” that could only be used to pay for imports of German goods.

For Brazil, which had signed one of these agreements at the end of 1934, before concluding its trade pact with the United States, the attraction was the ability to sell burdensome products, i.e. those whose price exceeded international valuations (due to unrealistic exchange taxes), thanks to the higher prices offered by Germany. As a result of the coffee crisis, alternative cotton production had developed enormously in São Paulo, favored by agricultural research conducted by the Agronomic Institute of Campinas. From 1932 to 1939, the area planted with cotton

expanded almost fourfold, with production increasing sixfold! During this period, Brazil saw the greatest expansion in exports by volume of the entire continent and was the only country in the region to diversify its export agenda.

Brazilian officials were therefore interested in finding additional markets for cotton and other items produced in politically influential regions, especially wool, hides, skins, tobacco, and other goods from the Northeast and Rio Grande do Sul. With no alternative market for such goods, the Brazilian government resisted, from 1935 to 1938, intense American pressure against the 1934 agreement with Germany, resorting to evasion, subterfuge, broken promises, and, in some cases, denial of the obvious.

Getúlio's So-Called “Double Game” and World War II

Some observers have sought to interpret this “diplomacy of weakness,” our old acquaintance of Portuguese diplomacy since its beginnings, as a kind of novelty, a “double game” that consecrated Getúlio's negotiating Machiavellianism.⁶ In light of Brazil's abundant track record in the matter—illustrated, for instance, by its fight with Great Britain on the end of the slave trade—it does not seem necessary to go so far, especially since 25 countries signed such compensation agreements with Germany, several of them in South America. Thus, if there was Machiavellianism at play, it was widespread indeed.

Marcelo Abreu put forward a simpler and more persuasive explanation regarding the relative moderation of the United States' reaction to both moratoria and trade delays, as well as to Brazilian misdeeds in the trade of German compensation marks. The American attitude was in sharp contrast to British intransigence on debt issues. Faced with Argentina's ill-concealed animosity, Chile's coldness, and constant friction with the Mexico of Lázaro Cárdenas and his decision of nationalizing the oil sector, the Americans practiced with Brazil a diplomacy of strategic patience, seeking to reestablish the unwritten partnership inherited from Rio Branco.

As world war appeared imminent, awareness grew in Washington that there was no safer strategic bet in the hemisphere than the Brazilian alliance. For Brazil, on the other hand, it was worth exploring the German alternative as long as it was available, since the other major European

partner of the past, the United Kingdom, was losing ground in trade and gradually fading away as a source of funding. Abreu's conclusion is that "the foreign economic policy adopted was more appropriate than the alternative of denouncing the compensation agreements without a guarantee of placement of the exports that would be displaced from the German market."⁷

Contrary to popular belief, and despite widespread protectionism, world trade measured in dollars actually grew between 1932 and 1938, when the American relapse of the previous year finally sparked a decline. Interestingly, between 1932 and 1937, imports from the US market recovered by no less than 137%, stimulated by the bilateral agreements promoted by Cordell Hull in an attempt to neutralize the effects of the protectionist Smoot–Hawley tariff.

Excluding Argentina, which was badly affected by British imperial preferences, and Mexico, the volume of Latin American exports increased by 53% in those years, at an average annual rate of 6.3%. Brazil was above average, with annual export growth by volume averaging 10.2% and imports 9.4%, with a net terms of exchange loss of 5.6%.⁸ According to the same source, "Brazilian export revenue in dollars may have remained weak, but the growth in volume and in terms of national currency was impressive."⁹

Nazi Germany contributed greatly to changing the geography of Latin American trade. On the eve of the war in 1938, the German market accounted for 10.3% of the continent's exports and supplied 17.1% of the region's imports (compared to 7.7% and 10.9%, respectively, in 1930).¹⁰ The figures for Brazil are similar: an increase from 8.1% to 19.1% in sales to Germany (1933 to 1939) and from 12% to 20% in imports (correcting for the distortions of the compensation currency).

In comparison, national exports to the American market fell by more than 10 percentage points, from 46.7% to 34.3%, while imports from the United States remained between 21% and 24% of the total, with the cost of this displacement being borne mainly by the United Kingdom.¹¹ The American relapse of 1937 hit the Brazilian economy hard, with growth plummeting from 12% in the previous year to 4% in 1937 and 1938, then dragging on from 1939 to 1942 at an average of 0.9% a year.

Bulmer-Thomas observes that, in contrast to the effects of the compensation agreements, the treaties promoted by Cordell Hull were

unable to produce gains in Latin America's share of the US market, although they did contribute to an increase in the absolute value of trade that was interrupted by the relapse of 1937.¹² This observation reinforces Abreu's conclusion in defense of Brazil's resistance to renouncing its understandings with Germany.

In contrast to the relative lack of historiographic interest in the diplomacy of the First Republic after Rio Branco,^{III} the Vargas years have always fascinated scholars. Analysts have rivaled one another in devising formulas to capture the essence of Brazilian foreign policy at that time: double game, pendular diplomacy, pragmatic equidistance. With varying degrees of exaggeration, what these expressions try to detect is not so much the real possibility of a political-strategic option for German Nazism, but rather the opportunism of exploiting opportunities for economic and commercial gain for as long as it was feasible, that is, until the United States became involved in the war.

As far as compensation trade was concerned, Brazil's attitude was nothing original and differed little from what many other countries were doing at the time, including some of its neighbors. What really made Brazil unique, and therefore inspired ideas such as the pendulum and equidistance, was the use (effective or illusory) of its supposed bargaining power between Germany and the United States to obtain financial and technical support for the implementation of the modern steel industry in the country.

Some believe that American spirits were favorably influenced by the threat of a Brazilian move towards a position of benevolent neutrality with the Axis, possibly in exchange for German assistance in the steel industry. Abreu rejects this hypothesis, citing "American documentation in which such an alternative was dismissed as unconvincing."¹³ Even if the Reich were willing to sacrifice material for its war effort in order to give unlikely priority to the manufacture of equipment for the future Volta Redonda National Steel Company, the British fleet would certainly not allow the transportation of this material to breach the blockade. Proof of this is that when, in October 1940, the ship *Siqueira Campos* tried to transport German weaponry acquired thanks to a 1938 agreement, the

III A recent exception is the excellent study by Eugênio Vargas Garcia cited in Part VI.

British forced the ship to dock in Gibraltar, only agreeing to release it after insistent Brazilian diplomatic efforts, decisively supported by Washington.

Although the pendulum argument may have served as a secondary convincing element in the decision-making process in Washington, the most plausible explanation for American behavior once again lies in strategic calculation: given the high likelihood of US involvement in the war, it would be useful to draw Brazil in as the main political-diplomatic support point in the hemisphere. This process of attraction, which took place between 1939 and 1942, included the stabilization of coffee prices through the Inter-American Coffee Agreement (1940) and the purchase of products for the war effort, particularly quartz crystal and castor oil.

Brazil's commitment included the financing of \$20 million to set up the steel industry. The project had been drawn up by United States Steel, which, after much hesitation, decided not to take it on as its own venture. Marcelo Abreu sees a certain irony "in the fact that the National Steel Company, which would become emblematic of the state's action with the Volta Redonda plant, became a mixed-capital company in response to the lack of interest from foreign capital." Included in the same package was the granting of a loan for the modernization of the Vitória–Minas railroad and the setting up of another mixed-capital company, Companhia Vale do Rio Doce.¹⁴

Fascination with the Nazi-Fascist Example and the Advent of the Estado Novo

All this unfolded as amid the lead-up to Hitler's aggression against Poland and the beginning of the first phase of the war (prior to US intervention), from the annexation of Austria and the Munich agreement to the incorporation of the Sudetenland and the absorption of Czechoslovakia. The possibilities of equidistance for Brazilian foreign policy, both in practical matters of commerce or investment and in terms of political-strategic alignment, soon disappeared after the United States entered the war.

If not in its totalitarian rigor and single-party mass organization, the antidemocratic character of the Estado Novo and its repressive brutality showed clear affinities with similar regimes then spreading around the world in the form of pure fascism or its variants, such as Salazarism (from which it copied the name "Estado Novo"), Francoism and corporatism. The

1937 Charter had been entirely drafted by Francisco Campos, to whom we owe this gem: “Anyone who wants to know the process by which political decisions are effectively made today should look at the German masses, mesmerized by the charismatic action of the Führer [...]”¹⁵

Although genuine doctrinal conviction was lacking, opportunism abounded in Vargas and his henchmen. Enthralled by the fulminating German offensive that had begun in May 1940 and the ensuing collapse of France, the dictator did not shy away from delivering a speech on the battleship *Minas Gerais*, three days before the occupation of Paris, about the “threshold of a new era” (June 11, 1940). In true Mussolinian style, Vargas said: “Vigorous peoples, fit for life, need to follow the course of their aspirations, instead of stopping to dwell on what is crumbling and falling into ruin.”

The speech caused consternation in Western countries and in many Brazilian circles that favored the democratic powers. Evidently, Aranha had not been informed beforehand. That same day, he had written Vargas a letter in which he evoked Rui Barbosa’s argument from the time of World War I: neutrality was not admissible between those who destroy the law and those who observe it. After the speech, his first reaction was to resign, but he decided to remain in office so as not to strengthen the fascist-leaning camp.

With the intention of calming the fears aroused in the United States, the Vargas government issued a communiqué a few days later in which it confirmed Brazil’s policy of “complete American solidarity in the defense of the continent against any attack from outside.”¹⁶ A fortnight later, the pendulum swung again, when Vargas addressed the Federation of Seafarers to justify his previous speech: “I do not back down, I do not retract any of the concepts expressed.” The text was filled with undisguised anti-Semitic allusions against “those without a homeland, ready to negotiate anything,” “undesirables elsewhere,” “clandestinely infiltrated,” “instruments of the machinations and intrigues of cosmopolitan finance, voracious and unscrupulous.”

In an indirect reply to the previous letter by Aranha, the dictator stated that “those who intend to throw the country into the fire of international conflicts” did not serve their country or their duty. And he stated emphatically: “There are currently no reasons of any kind, moral

or material, that advise us to take sides [...] what we must do is maintain strict neutrality.”

The hesitation in siding with the United States and the Western democracies was not only due to the fear of betting on the side that, by mid-1940, seemed to be losing the war. Vargas conditioned his endorsement of the Monroe Doctrine on “the freedom to organize ourselves politically, according to our own tendencies, interests and needs,” believing that Pan-Americanism should not be aimed at defending political regimes. Perhaps he would not have been so concerned had he known that, as early as 1938, a memorandum from the US Treasury Department stated: “Brazil is a more acceptable dictatorship than others.”¹⁷

Better than his chancellor, Vargas realized the long-term incompatibility between his personalistic interest in controlling power by antidemocratic means, if necessary, and the official ideology of the Allied nations against the Axis. From the point of view of fighting internal enemies, such as the communists who had risen up in 1935, there was no equidistance but rather a clear preference for imitating the most expedient methods of German Nazism. At the presentation of Ambassador Moniz de Aragão’s credentials (January 1936), Hitler proposed collaboration between the Brazilian political police headed by Filinto Müller and his own Gestapo. Complying with the proposal, the Reich hastened to provide the file of the German communist Arthur Ernst Ewert, who would be tortured to the point of madness by police in Brazil. Soon afterward, it was again thanks to the Gestapo that the companion of communist leader Luís Carlos Prestes was identified as the German communist Olga Benário.

In March, the government sent one of Filinto Müller’s trusted police officers to train with the Geheime Staatspolizei (the official name of the Gestapo). In the embassy’s note to the German Chancellery, the Brazilian government requested that the emissary study in Germany “everything related to the combat and dismantling of communist propaganda.” Vargas’ biographer Lira Neto comments that the national executioners did not need lessons from abroad, because “while delegate Miranda Correia was completing his probationary period in the German circus of horrors, his subordinates and colleagues continued to commit atrocities in Brazil.”¹⁸

The dissolution of the National Liberation Alliance (ANL), the approval of the National Security Law, the suspension of constitutional guarantees,

the state of siege, the closure of newspapers, the imprisonment of over 7,000 political opponents, the establishment of the National Security Court—all this took place in response to the communist insurrection attempt in 1935, even before the *Estado Novo* was decreed and while the 1934 Constitution was theoretically still in force. One of the most horrific episodes of this stage prior to the formal dictatorship was the decision, endorsed by the Supreme Court, to extradite to Nazi Germany two German and Jewish communist women: Elise Ewert, wife of the communist leader driven mad by torture, and Olga Benário, seven months pregnant. Benário would give birth to her daughter with Luís Carlos Prestes in Germany. The child, Anita Leocádia, was handed over to her paternal grandparents, though not without much difficulty. Both Benário and Ewert were eventually killed in the concentration camps.

Carefully prepared by this systematic chain of attacks on freedom, democracy and even human decency, the advent of the *Estado Novo* on November 10, 1937, appears as a logical and inevitable consequence. On learning in Washington of the new constitutional Charter written by Francisco Campos, Oswaldo Aranha vented his frustration in a telephone conversation with Finance Minister Souza Costa: “I cannot agree with a constitution drafted by an abnormal person, [...] an attack on freedom.”¹⁹

Without making his disagreement public, Aranha left the embassy and returned to Brazil. His personal loyalty, almost that of a “younger brother,” to Vargas and the president’s evident desire to balance the government with a genuinely democratic personality earned Aranha the Ministry of Foreign Affairs (March 1938). He remained at Itamaraty for more than six years (until August 1944), the critical phase of the beginning of the war and the definition of Brazil’s position on the conflict. His biographer, Stanley Hilton, comments that “he was an influential, sometimes decisive factor in the foreign policy decision-making process, but he did not control it.”²⁰

The *Estado Novo* depended on the support of the Army. Minister of War General Eurico Gaspar Dutra and Chief of Staff General Góes Monteiro were “authoritarian nationalists and staunch anti-communists; they despised liberalism and admired the discipline and strength of the German Army.” With Campos, a notorious fascist sympathizer, in the Ministry of Justice and the anti-Semite and pro-Nazi Filinto Müller as

the head of the police, there was no ally left for Aranha among the group that carried the most weight in ideological and security issues.²¹

Further complicating the situation was the habit of some influential ambassadors to correspond with Vargas, who sent them instructions directly, and the president's willingness to receive foreign ambassadors and envoys without consulting the chancellor. Under these conditions, it was unlikely that the dictator would cede "control over foreign policy, especially at a time when events abroad threatened to affect the country's destiny as never before."²²

Sometimes compared to the Baron of Rio Branco because of his commitment to allying Brazil with the United States, Aranha actually faced incomparably greater difficulties. He never had the almost absolute freedom of action that the Baron enjoyed during the better part of his administration. On the contrary, his room for maneuver was always narrow and subject to challenges and obstacles. His invaluable merit lay in his strength of character and the perseverance with which he negotiated and prevailed in disputes over crucial issues, which ranged from opposition to police attempts to deport Jews who had entered Brazil clandestinely to matters of breaking ties with the Axis and declaring war.

The spirit of the Estado Novo, despite its social and labor policies, was fascist, antidemocratic, anti-liberal, and anti-humanist. Controls on immigrant entry were inspired by racist eugenics-inspired doctrines aimed at "improving the race." Almost all of the desperate refugees seeking to escape the extermination being prepared in Europe, particularly Jews, were considered "undesirables," and not to be granted visas. Even under Aranha's leadership, Itamaraty did not break from the regrettable indifference and lack of solidarity that was, at the time, the norm in most countries capable of offering sanctuary to the persecuted and unfortunate.

Luiz Martins de Souza Dantas, Brazilian ambassador to France for more than 20 years, stands as a notable exception. He personally saved hundreds of Jews and others fleeing persecution in Europe, facilitating their entry into Brazil in defiance of the unjust regulations then in force. He was subsequently disgraced by the government, reprimanded and investigated for indiscipline and insubordination. In the annals of diplomatic bureaucracy, his was a rare example of moral courage, of a civil servant who values decency and compassion above unjust laws and career interests.

Thanks in particular to the work carried out by Fábio Koifman in his biography *Quixote nas trevas: o embaixador Souza Dantas e os refugiados do nazismo* [Quijote in the Darkness: Ambassador Souza Dantas and the Refugees from Nazism],²³ the diplomat was posthumously recognized by the Holocaust Museum in Jerusalem (Yad Vashem) as “Righteous Among the Nations” in 2003, almost half a century after his death. Partly due to fearless actions of those like Souza Dantas, Brazil took in around 9,000 Jews between 1938 and 1941, against the wishes of the dictator and his henchmen—a figure nonetheless lower than that of Argentina and less than a tenth of the contingent received by the United States.

Souza Dantas embodies the best that the diplomat recruitment system (and senior officials) could produce before the rudiments of a merit-based selection process began to be implemented. From the time of the monarchy through the beginning of the Republic and Rio Branco’s long tenure, future diplomats almost always came from politically well-connected families with access to men of power. The future ambassador to Paris was the grandson of Senator Manuel Pinto de Souza Dantas, president of the Council of Ministers (1884), and the nephew of Rodolfo Souza Dantas, founder of *O Jornal do Brasil* and close friend of both the Baron of Rio Branco and Nabuco.

Of the same extraction, though a little younger, was Ciro de Freitas Vale, son of the São Paulo senator, Freitas Vale, who was the first cousin of Oswaldo Aranha and owned the Vila Kyrial country house in Vila Mariana, São Paulo, where symbolist poets and artists gathered. The same is true of Maurício Nabuco, son of Joaquim Nabuco, and Moniz de Aragão, son of Caxias’ niece and the youthful passion of the Baron of Rio Branco, who served as his private secretary. Also, through similar methods of political patronage, sometimes inspired by literary talent, figures such as Gilberto Amado and the poets Ribeiro Couto and Raul Bopp would enter the diplomatic career. Years after writing the modernist epic *Cobra Norato* in *Versos de um cônsul* (Verses of a Consul), the latter lamented for his young son, forced to change schools and countries all the time, who begged him with an affectionate hug: “Dad! Tell me once again what Brazil was like!”

The 1930 Revolution set out to rationalize and modernize public service, and, for this purpose, established the Administrative Department of the Public Service (DASP). The body took a long time to become operational,

however, and only began to have an impact on recruitment in the Ministry of Foreign Affairs through public competitive exams in 1938. Before that, there were a few open competitions for placement, such as one held in 1934 in which João Guimarães Rosa, a doctor with the Minas Gerais Military Police, joined the service.²⁴

During Oswaldo Aranha's administration, the modernization of the diplomatic apparatus took a decisive step forward by completing the trend that had begun years earlier to unify the consular and diplomatic careers into a single framework. This put an end to the endless stays in Europe and sometimes in the same post, such as Rome, Paris and London, of diplomats from the old regime. Magalhães de Azeredo, for example, spent 33 years abroad, Souza Dantas 23 and Oscar de Teffé 21, all of which would be inconceivable today. Aranha's ministry introduced the obligation of rotation, as well as periodic compulsory internships at the State Secretariat in Rio de Janeiro.

The reforms that unified the service and systematically introduced recruitment through competitive exams marked the formation of Itamaraty's "DASP generation." Diplomats such as Roberto Campos, Edmundo Barbosa da Silva, Sérgio Corrêa da Costa, Antonio Corrêa do Lago, and future chancellors Mário Gibson Barboza, Araújo Castro, Ramiro Guerreiro and Azeredo da Silveira were part of this generation.²⁵ Vinicius de Moraes, who joined in 1943, was another. João Cabral de Melo Neto joined a little later, when the Rio Branco Institute was created at the end of the Estado Novo alongside celebrations for the centenary of the Baron's birth (April 1945). Since then, all diplomatic officials have been recruited on the basis of merit, completing the professionalization of the Ministry of Foreign Affairs, one of the few sectors of the Brazilian public administration in this situation.

Despite Oswaldo Aranha's exceptional service as head of foreign affairs, Vargas had an ambiguous relationship with him. He was aware of his former collaborator's loyalty and appreciated the support he received in terms of trust from the United States and pro-Western domestic sectors. At the same time, he was jealous of the brilliance and popularity of someone who could eventually appear to public opinion and abroad as a more desirable and presentable leader for a Brazil on the road to redemocratization. Thus, at times he would give prestige to the Chancellor in the government's

internal negotiation process, while at others he would humiliate him with episodes such as his speeches in favor of the Axis, Aranha's exclusion from a meeting with Roosevelt in Natal (1943) or pressure to force him to give up travelling to Washington at the invitation of the secretary of state. In mid-1944, as the end of the war and the inevitability of succession in Brazil approached, Vargas orchestrated a series of hostile police incidents towards Aranha, forcing his resignation.

According to Vargas' biographer, Lira Neto,

the main architect of Brazil's alignment with the United States had been expelled from the government, by a disconcerting coincidence, at the very moment when the FEB [Brazilian Expeditionary Force] sent its first contingents to fight in Europe alongside the Americans. *Oswaldo, in such circumstances, missed the chance to establish himself as the ideal name to lead the democratic transition, as many had imagined, especially the Department of State in Washington [...].* The ground was left clear for Getúlio to take charge of the opening process on his own [emphasis mine].²⁶

Without forgetting, therefore, that the last word on matters of international strategy never ceased to belong to the dictator, it was not an exaggeration for Aranha's biographer Stanley Hilton to say that "the history of Brazil could have been different, had this man of action not been at the head of the foreign service at the crucial hours when positions were taken between the two major coalitions of forces [...] at the end of the 1930s."²⁷

Events had made Aranha's task easier, though without eliminating sources of resistance. The attack on Pearl Harbor transformed the situation from one moment to the next: Mexico, Colombia, and Venezuela broke off relations with the Axis, while Cuba, the Dominican Republic, Haiti, Panama, and the five Central American countries declared war on it.

Aranha obtained Vargas' consent to offer Rio de Janeiro as the venue for a consultation meeting of the hemisphere's foreign ministers, which was convened after the attack. The venue guaranteed him, as the Americans wanted, chairmanship of the proceedings. The Third Meeting of Consultations opened at the Tiradentes Palace on January 15, 1942, with the main objective of achieving continental solidarity with the United

States through the severing of relations with the Axis powers. The greatest difficulty came from Argentina, accompanied by Chile.

The fleeting Roberto Ortiz presidency (1938–1940) had been the first civilian-led government in Argentina in eight years, during the so-called infamous decade, which would last until 1943. With a pro-British bias, Ortiz tried to convince his neighbors to abandon neutrality but stumbled upon the opposition of Vargas, at the time an Axis sympathizer. With the rise of Ramón Castillo's government and the increased power of ultranationalist and right-wing officials, this panorama was reversed: it was now Buenos Aires that stubbornly refused to renounce its (sometimes benevolent) neutrality towards Nazism and fascism. In order not to sacrifice unanimity, the consultation meeting had to settle for a resolution that recommended, but did not impose, the severance of relations, a decision immediately taken by Brazil (January 28, 1942), Peru, Ecuador, Paraguay, Bolivia, and Uruguay.

The following day, the Brazilian minister of foreign affairs demonstrated his mediating skills by reaching an agreement that put an end to the brief war fought the previous year between Peru and Ecuador over their boundaries in the Amazon region. The Rio de Janeiro Protocol, of which Brazil, the United States, Argentina and Chile were guarantors, was to be followed by the demarcation of the definitive border. Difficulties in its execution would fuel clashes and disagreements for more than half a century.

Chile would wait a year to break off relations with the Axis (January 1943), leaving Argentina the dubious privilege of being the last to do so in January 1944, when no one doubted Germany's defeat and the end of the war was near. Aranha had undertaken sincere efforts to eliminate these two continental exceptions. Objectively speaking, however, Argentina's singularity offered a unique opportunity for Brazil to enhance its position in the eyes of Washington and thereby obtain the economic and military collaboration capable of ensuring the country's preponderance in South America.

At the beginning of the process, Brazil's importance stemmed mainly from the strategic advantages of the bases in Natal and other points in the North and Northeast, stopovers on the only available route for military aircraft carrying arms and equipment to Africa, the Middle East, and the

Far East. Next in order of importance was the country's supply of strategic products and a wide range of materials for the war effort, especially rubber.

The Third Meeting of Consultations represented, as historian Gerson Moura wrote, the initial step for Brazil and the United States to inaugurate a close collaboration that would last for many years.²⁸ Shortly after the conference, at the beginning of March, arrangements were made for the US to supply Brazil with equipment and weapons as part of the Lend-Lease Program. Brazil also secured a \$100 million loan from the Export-Import Bank (Eximbank), the US export promotion bank, and then signed agreements allowing the Americans use its bases. Closer collaboration, equivalent to a political-military alliance, was established in the secret agreement of May 23, for the creation of two joint military commissions in Washington and Rio de Janeiro.

A few months after these agreements, which in practice signified the beginning of Brazil's state of belligerence, attacks by German and Italian submarines on Brazilian ships near the coast triggered a formal declaration of war in August. Dutra and Góes Monteiro, who had opposed breaking with the Axis and entering the war because of Brazil's military weakness, began to demand an acceleration of the delivery of the promised armaments, which had been delayed by the limited capacity of the still nascent American military industry.

In November, the Allied landing in North Africa sparked fears in Brazil that the strategic importance of the Northeastern tip and, consequently, of the country's bargaining power, would soon wane. At that time, Brazilian political and military circles were growing alarmed at the aggressive tendencies of the group of ultra-nationalist officers who would soon dominate the political scene in Argentina. It became urgent to ensure the continuation of American assistance for the modernization and strengthening of Brazil's armed forces, an objective that inspired the Rio de Janeiro government to participate in the allied effort with combat troops.

At a meeting in Natal between Vargas and Roosevelt following the Casablanca Conference (late January 1943), the American president insisted that, before sending troops, Brazil would have to adhere to the Declaration of the United Nations (January 1942). This manifesto endorsing the Atlantic Charter defined the principles and objectives of the allied

countries. Although it was initially signed by 26 members—the three main powers and all those who had declared war on the Axis, including the Latin American countries—prominent Soviet participation had prevented Brazil from joining. Urged by the Americans, Brazil would sign the declaration in April 1943, becoming the 31st member (after Mexico, the 27th).

Yielding to Rio de Janeiro's insistence, the formation of a Brazilian Expeditionary Force (FEB) was approved in August 1943, a year after Brazil entered the war. The initial plan envisioned three Army divisions and an airborne unit, which would receive intense training for four to eight months. In the end, only one division of 25,000 men was organized, and its first contingent only left for Italy in July 1944, where it joined the United States Fifth Army under the command of General Mark Clark. Under grueling conditions, the FEB took part in difficult battles and forced the surrender of the 148th division of the Wehrmacht in the final days of the conflict.

Results of the Alliance and the War

Thanks to the Lend-Lease Program, the value of equipment and weapons supplied to Brazil exceeded \$330 million, making it the fifth largest recipient of the program after the United Kingdom, the Soviet Union, China, and France.²⁹ By the end of the war, the Brazilian Army had grown from 80,000 to over 200,000 men, the Navy had acquired modern ships, with a 20% increase in its contingent, and the Air Force had 500 aircraft, making it the largest such outfit in South America. The country emerged from the conflict with the strongest armed forces in Latin America and the only one with modern combat experience.³⁰

Due to the limitations on wartime imports, the country accumulated significant trade surpluses, with reserves increasing from \$84 million (1940) to \$270 million (1942) and peaking at \$680 million (1945).³¹ Overcoming the low growth phase of 1939 to 1942, the economy expanded at an average rate of 8% a year in 1943–1944 (industrial output grew by 12%) before slowing to 3.3% in 1945.³² The more comfortable reserve levels made it possible for the government to sign a definitive debt agreement, replacing the partial adjustment of 1940. Concluded in 1943, the negotiations covered a total of \$220 million and allowed for a reduction of around 50%.³³

Thus, three years after Brazil's declaration of war, the country had a strengthened economy, increased reserves and exports, its external debt addressed, an energized industrial base and a heavy steel industry on the verge of implementation. The country's prestige reached its highest point in many decades: it had been the only Latin American country to actively participate in a conflict from which it had emerged militarily and diplomatically aggrandized and seemingly well positioned to play a more significant role in the reconstruction of the post-war international political and economic system.

One would have to go back a long way, to the time of Rio Branco, to find another period in which diplomacy was able to produce such brilliant and tangible results. In fact, Brazilian analysts are practically unanimous in their opinion that the choices made by the government in this challenging period of international relations were the right ones; only interpretations of their motivations vary. This virtual unanimity extends to scholars from neighboring countries as well.

Realistic or Exaggerated Interpretations of the Alliance

In Argentina, there was even a tendency to overstate the role of American support and the political-military alliance as if they pertained to almost all of Brazil's successes in terms of industrialization and increased power. Contrasting the real or imagined effects of Brazil's diplomacy in the war with the isolation and ostracism of their own country, some Argentine writers and politicians went so far as to propose a belated imitation by Buenos Aires of what they perceived to have been the Brazilian strategy.

In the early 1990s, in a very different context from what we have been studying, Argentinian historian Carlos Escudé, inspired by this reading of events, proposed a doctrine of diplomatic action he called "peripheral realism," which advocated a foreign policy aimed at offering political support to the central powers in exchange for investment and development support. During Carlos Menem's presidency, the same vision lent itself to an attempt to align with George Bush Sr. by sending ships to take part in the Gulf War (let us recall, incidentally, the unfortunate phrasing by Chancellor Guido di Tella that Argentina should seek "carnal relations" with the United States).

Oswaldo Aranha, the primary architect of Brazil's strategy in the diplomatic sphere, defined it in a brief and simplifying way: "Brazil's traditional policy can be summarized in [...] the formula 'support the United States worldwide in exchange for its support in South America.'"³⁴ This synthesis referred to the interpretation that had been made in Brazil of the "unwritten alliance" of the Rio Branco–Nabuco era—although the Baron, always prudent and restrained in his words, never translated his presumed intention in such a transparent, definitive and compromising way.

There were two main elements to this formula. The first was explicit and pragmatic: the exchange of support in line with the interests and objectives of each party. The second, which was tacit, consisted of an ideological element of shared values with the Americans, British and the West in general in pursuit of the same ideals of liberal democracy and the market economy.

While it may have been the case for Aranha and the sectors linked to classical liberalism, this ideological approach did not initially extend to figures like Vargas, Dutra, Góes Monteiro, Francisco Campos, Filinto Müller and the legion of integralists, fascist sympathizers, right-wingers, and reactionaries of all kinds. Over time, however, as Nazism and fascism were relegated to the dustbin of history, one of its components, anti-communism, would survive to bring these figures closer to the liberal democrats. Those who had previously seen the Axis as a bulwark against the Bolshevik revolution now transferred to the United States their hopes of stopping the Red Wave.

That, however, is a topic for the next stage. In the period that ended with Brazil's involvement in World War II, it is worth noting, as Gerson Moura does, that "the most significant feature of Brazil's policy was its *ability to negotiate* the terms under which this alignment would take place" [emphasis in original]. The author acknowledges that the space for negotiation was narrow and limited by the power differential between the two partners. He sees no contradiction between Brazil's gains and the US hegemony resulting from the alliance: these were concomitant and mutually conditioned phenomena. He concludes that, when established through a process of negotiation rather than coercion, hegemony "allowed and even implied that substantial concessions would be made."³⁵

Notes

- 1 Marcelo de Paiva Abreu, "A economia brasileira 1930–1964," *Texto para Discussão*, no. 585 (November 2010): 5. From the same author (ed.), see also "Crise, crescimento e modernização autoritária: 1930–1945," in *A ordem do progresso: cem anos de política econômica republicana—1889–1989* (Campus, 1990), 73–104.
- 2 Celso Furtado, *Formação econômica do Brasil*, 4th ed. (Fundo de Cultura, 1961), 216.
- 3 *A ordem do progresso: cem anos de política econômica republicana—1889–1989*, ed. Marcelo de Paiva Abreu (Campus, 1990), 78.
- 4 Victor Bulmer-Thomas, *The Economic History of Latin America Since Independence*, 2nd ed. (Cambridge University Press, 2003), 206.
- 5 Abreu, *Ordem do progresso*, 86.
- 6 Roberto Gambini, *O duplo jogo de Getúlio Vargas* (Símbolo, 1977).
- 7 Gambini, *O duplo jogo*, 89.
- 8 These and other data on the world panorama, Latin America and Brazilian trade and Brazilian trade were gathered from Bulmer-Thomas, *The Economic History*.
- 9 Bulmer-Thomas, *The Economic History*, 216.
- 10 Bulmer-Thomas, *The Economic History*, 217.
- 11 Abreu, "A economia brasileira," 10.
- 12 Bulmer-Thomas, *The Economic History*, 217.
- 13 Abreu, "A economia brasileira," 14.
- 14 Abreu, "A economia brasileira," 13–15.
- 15 Quoted in Lira Neto, *Getúlio 1930–1945: do governo provisório à ditadura do Estado Novo* (Cia. das Letras, 2013), 271.
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- 31 Abreu, "A economia brasileira," 19.
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Part VIII

The Brief Period of the 1946 Constitution: From the Dutra Government to the Military Coup of 1964

The legal order established by the October 1946 Constitution never even reached the threshold of maturity, the 18-year mark. With the exception of the 1934 Charter and the 1937 “Polish” Charter, it was one of the most fleeting the country has ever known. That is, if we disregard what was to come later—the proliferation of constitutions and institutional acts by the military, which led Afonso Arinos to remark that Brazilian constitutions were becoming like periodicals to which one could subscribe.

Amid threats and upheavals, democratic legality allowed for governments as diverse as those of Eurico Gaspar Dutra and Getúlio Vargas, Juscelino Kubitschek and Jânio Quadros, or the ephemeral parliamentary experiment that preceded the end of João Goulart’s tenure. The first 15 years of this period did not represent any unusual discontinuity in foreign policy compared to previous phases of Brazilian history. Of course, there were differences between the foreign policy problems that demanded the governments’ attention, as well as in the style and character of those responsible for diplomacy between 1946 and 1960. Fundamentally, however, it would take Jânio Quadros to shake up the traditional paradigm of close political identification with the United States and the limitation of direct diplomatic action to neighboring countries and Pan-American forums.

Dutra Government: Conservative Democratization and Diplomacy in the Service of Internal Anti-Communism (1946–1950)

Few governments have leveraged foreign policy to address domestic political and social concerns as much as that of General Eurico Gaspar Dutra. Only in the military regime of 1964 would Brazil again see a similar obsession with communism as a threat to the survival of the social order. In both cases, the fear was not, as it was in Europe, of the Soviet Union and the Red Army, but rather of Moscow’s supposed or real ability to undermine the Brazilian regime through the political-electoral activity of

the Communist Party, subversion and influence within the labor union movement.

From this view came the tendency to see the struggle against internal communism and external resistance to the Soviet Union as one and the same fight. Since the outcome of this struggle was seen as crucial to the salvation of the homeland, it was evident that no reward could be demanded or expected other than total success. Brazil's participation in the American-led bloc should not be seen as a bargaining chip offered in exchange for some form of compensation; it was instead seen as an existential condition and a necessity for the country's survival. It is important to bear this key point in mind when considering why the leaders of the time adopted an attitude so disparate from the so-called pragmatic equidistance or negotiating opportunism of the first Vargas era.

The men in power—Dutra and Góes Monteiro—were the same ones who had suppressed the attempted communist rebellion in 1935,¹ a disastrous miscalculation by Luís Carlos Prestes and the Comintern. The “Bonapartist” aspects of the uprising, namely the visible participation of the military and the mythologizing propaganda that followed—that of officers who had been assassinated in their sleep—would feed a virulent anti-communism within the armed forces that has persisted to the present day. American encouragement (which would not be lacking in the future) was therefore not needed to unleash repression against the communists in Brazil; there were plenty of internal reasons.

In this respect, Brazil was far from being a unique case on the continent. Between 1944 and 1946–47, Brazil's internal developments mirrored those of other Latin American nations in three interconnected trends: democratization, the advance of the communist left, and the intensification of labor conflicts.¹ The overthrow of the dictator had removed Vargas and his machinations without affecting the Army, the main source of power in the *Estado Novo*. On the contrary, Dutra's victory in the elections on December 2, 1945, was mocked as the “promotion of the minister of War to President of the Republic.”

¹ The *Intentona Comunista* (the term “*intentona*” in Portuguese means a crazy or senseless attempt) was a failed communist uprising in 1935 by military personnel on behalf of the National Liberation Alliance.

The 1945 Elections and the Communist Scare

In 1945, the Brazilian electorate comprised some 7.5 million people, four times more than in 1930. This excluded the illiterate, who counted for more than half of the adult population, and corresponded to 35% of those over 18 years old (this figure had been 10% in 1930). A total of 6.2 million people voted in the election, considered the freest and most democratic in the nation's history to that point. With last-minute support from Vargas and the workers, Dutra (PSD) received 55% of the votes against Brigadier Eduardo Gomes (UDN), who got 35%. These two center-right parties easily dominated the Constituent Assembly, enabling swift approval of the new Constitution, promulgated in October 1946. Article 114 of the document authorized the cancellation of registrations for political parties whose programs were deemed contrary to the democratic regime or whose funding and guidance came from outside the country.

The provision targeted the Brazilian Communist Party (PCB), which garnered almost 10% of the votes, a third of which came from the state of São Paulo. The PCB won in Santos and performed well in industrial areas such as the capital city of São Paulo, Campinas, Sorocaba, Rio de Janeiro and some northeastern capitals, especially Recife and Natal. Alongside his persecutor, Getúlio Vargas, Prestes was one of the two candidates with the most votes; the communists elected a caucus of 14 federal deputies and one senator (Prestes).

Labor conflicts intensified in parallel to the process of democratization due to wartime inflation and the consequent loss of purchasing power. The American Chamber of Commerce in Rio de Janeiro estimated that, during the war, prices had more than doubled (250%) and the cost of food had tripled (317%), while wages had only increased by 50%, with no adjustments recorded since November 1943.² Official inflation during this phase was 121% (compared to 37% in the United States).

Any hopes that the new government, elected with the votes of workers, would be sensitive to the need for wage increases to offset inflationary pressures were soon dashed. In the first half of 1946, an impressive wave of strikes swept across the country, with near-total participation in some cases. Buoyed by a climate of unrest and their own capacity to organize, the communists proved unbeatable in contests for union positions, as long as a minimum level of fairness was guaranteed. By 1947, the Brazilian

Communist Party (PCB) boasted 180,000 members, a figure that was probably exaggerated and three times higher than that of its counterparts in Chile (50,000) and Cuba (55,000).

From that year onwards, fearful governments in most of Latin America went on the offensive to contain the push for social change, repressing strikes, limiting union independence and making communist parties illegal. In Brazil, interventions, the annulment of elections and purges of labor union membership multiplied (in July 1947 the government intervened in 170 unions representing 300,000 members). Strongly pressured by the government, the Superior Electoral Court decided by a narrow margin (three votes against two) to cancel the registration of the Brazilian Communist Party (May 1947), pushing the communists back into the clandestine status from which they had only recently emerged. The battle for the revocation of mandates would drag on until January 1948. Chile, Costa Rica and other Latin American countries adopted similar measures.

The Economic Issues

It was not only in the sociopolitical arena that the direct and indirect effects of wartime inflation proved harmful. To combat the acceleration of prices, which fluctuated between 15% and 20% per year, the Dutra government fixed the exchange rate of the cruzeiro (established in 1942) at 18.50 per dollar, an exaggerated appreciation of the national currency. This compromised the competitiveness of exports at a time when external financial conditions were worsening dangerously.

In 1946, the country had fallen into the sweet illusion of having accumulated \$730 million in foreign reserves. Of that total, however, only about \$90 million consisted of convertible currencies, mainly dollars. Much of the rest comprised non-convertible currencies, which could therefore only be spent on import goods from the issuing country. As economist and economic historian Pedro Malan observed, the “fundamental problem for Brazil’s balance of payments not only in 1946, but in the 10 years that followed, was that of currencies from countries that would absorb around half of its exports.”³ Before long, foreign trade began to show significant deficits with the United States, the only economy in a world in ruins where equipment, machinery and manufactured goods could be purchased.

Everywhere there was an acute “dollar shortage.” The financial situation was far from normal, despite the ambitious liberalizing targets set by international delegates at the 1944 Bretton Woods meeting on economic recovery in the wake of World War II. Few countries were able to guarantee the convertibility of their currency; even England, which tried the measure prematurely, fell victim to a relapse from which it would only emerge in 1979. Outside of the United States, there were practically no alternative sources of capital. Lulled by the liberal illusion of a world economy with a free flow of capital, Brazilian economic authorities imprudently relaxed outflow controls, confident that this would stimulate the inflow of new resources.

Instead, with capital unavailable in Europe or Japan, “there was an astonishing outflow of foreign currency from the country.”⁴ Malan estimates that, from 1946 to 1952, “the Brazilian economy experienced a net outflow of foreign currency in the order of \$500 million.”⁵ As a result, at the beginning of 1947, a balance of payments crisis forced Brazil to ration foreign currency for imports. Ironically, what had begun as a purely liberal economic policy ended up, against the intentions of its authors, being a strong stimulus for industrial expansion to replace imports.

Partly as a result, Brazilian industry grew at a “Chinese” average annual rate of 11.4% (compared to 4.4% for agriculture) during the Dutra years, boosting GDP growth to 7.6% per year. Inflation, which in 1948 had dropped to 3.4%, the lowest level since 1940, again approached 10% per year in 1950.⁶ This intertwining of political, social and economic problems ultimately explains the country’s foreign policy of the late 1940s.

Disappointment with “American Ingratitude”

What is most striking then is Brazil’s spirited disappointment with the outcome of the war effort. Frustration in elite circles was widespread; it began with the military, spread to those who expected a prestigious political role in the international peace arrangements and culminated with those responsible for the economy and development. Brazil’s bet on its American alliance had been reflected in the agreement to increase coffee prices, the purchase of strategic materials, loans to Volta Redonda, and the training and equipping of the Brazilian Expeditionary Force. Now,

though the conflict was still far from over, the agreement had begun to yield diminishing returns.

American goodwill diminished as the Brazilian Northeast salient lost strategic importance, the entire continent aligned against the Axis (the tardy Argentina had broken off relations with Germany and its allies in 1944, but would only declare war in March 1945, in the final days of the war) and new difficulties loomed on the horizon with the advance of the Red Army. Even what had seemed definitively assured returned to a state of precariousness. This was the case with coffee prices which, although set at a remunerative level by the Inter-American Agreement in 1940, gave rise to frequent friction between Brazil and the United States after 1943.

A similar scenario was true of the various economic missions sent to Brazil during the war. The Taub Mission (1942) suggested a 10-year plan of \$4 billion in investment to raise Brazilian industrial production from 2% to 4% of American industrial production. The following year, the Cooke Mission proposed an industrialization program to replace equipment imports hindered by the lack of maritime transport and the war effort. It is symptomatic of the mismatch of perceptions that a senior State Department official referred to these missions as “charming forays into the realm of fantasy.” On the Brazilian side, they fed expectations that, once the wartime limitations had been overcome, the United States would support the country’s industrialization effort, using the official credits granted to Volta Redonda as a model.⁷

Its victory in the war marked the definitive rise of the United States to the status of a global power. At Dumbarton Oaks (August 1944), the three major Allied powers—the United States, the United Kingdom and the Soviet Union—agreed on the general framework of the post-war political order. One of its features would be the subordination of regional entities, such as the Pan-American Union, to the global organization that would soon be established. The Yalta Conference (February 1945) concluded agreements on the United Nations Security Council and consolidated the hierarchy of the international order, with the powerful nations reserving the exclusive right of veto. Encouraged at first by the Americans, Brazil entertained the illusion of becoming one of the permanent members of the Council. From then on, it had no choice but to resign itself to the subordinate position of the others, although it still made one last futile

effort at the San Francisco Conference (April–June 1945), when the United Nations Charter was signed.

The United States had obtained the (reluctant) adherence of the Latin Americans to these principles at the Inter-American Conference on Problems of War and Peace, or the Chapultepec Conference, held in Mexico (February–March 1945); Argentina had not been invited due to its ambiguous position during the war. The Economic Charter for the Americas, adopted at that conference, attempted an impossible task: to reconcile Latin America's aspirations with the United States' position on financing economic development. While the Latin Americans wanted to receive funds directly from the US government for government-led industrialization projects, the Americans advised these countries instead to reduce trade barriers, eliminate economic nationalism, reduce state participation in the economy and, by these means, attract private capital from foreign companies. The seeds for divergent positions that would worsen in the following years had thus been sown.

It should be noted that all of this was happening with Vargas still in power in Brazil (until October 1945). Negotiating pragmatism had therefore ceased to produce results long before Dutra took office on February 1, 1946. At that point, the first skirmishes of the Cold War would inspire Churchill's famous Iron Curtain speech (March 1946). A year later, the Truman Doctrine (March 1947) would formalize the confrontation between the former allies, which was feared might escalate into open war. US priorities would shift towards Europe, under pressure from the Red Army and powerful internal communist parties, and towards Japan, the Korean peninsula and China, where Mao's People's Army was advancing inexorably. Compared to these incandescent areas, the vast expanse of Latin America, firmly controlled by traditional sectors, conveyed the impression of an oasis of tranquility and rest.

It is not surprising, then, that the militaries of this peaceful continent were the first to discover that the supply from the United States had dried up. In 1949, the Mutual Defense Act earmarked \$1.3 billion for aid in arms and equipment to the Allies; not a single cent reached Latin America.⁸ Even more disappointed were those who, encouraged by the announcement of the Marshall Plan (June 1947), had dreamed of massive transfers of resources for regional development. Aimed primarily at rebuilding the

devastated economies of Western Europe, the Plan would transfer around \$19 billion to these dollar-starved economies, a sum equivalent to more than \$200 billion today.

During the same period (1947–1950), Latin Americans received a total of \$400 million (less than 2% of American aid), less than what was allocated to the tiny countries of Belgium and Luxembourg! In 1950, except for the modest technical assistance of the Point Four program (1949), Latin America was the only continent in the world without a US aid program. In fact, when it dared to ask for a Marshall Plan for the area, President Truman replied with an extraordinary mixture of ignorance and bad faith: “There has been a Marshall Plan for the Western Hemisphere for a century and a half: it is known as the Monroe Doctrine!”⁹

It must be said, in retrospect, that the Americans were wrong to think that the shortage of dollars could be resolved through Latin American efforts or by attracting foreign capital. Latin America’s unanimous demand for public credit stemmed from an inescapable reality: a scarcity of dollars, the lack of available private capital flows and the inability to finance the import of capital goods that could only come from the United States. Other sources simply did not exist: only at the end of the decade would the World Bank begin to slowly function, focusing more on the first element emphasized in its official name (International Bank for Reconstruction and Development). The Eurodollar market would not make its appearance until the 1950s.

Meanwhile, American private capital was primarily attracted by the extraordinary opportunities in their own country or by high returns abroad, such as the investment in Venezuelan oil. With few exceptions, the primary products exported by the region were not enough to cover imports. On the other hand, Washington opposed schemes to stabilize or increase the income of primary product exporters. At Bretton Woods, this demand from the Brazilian delegation and other countries met opposition from the United States, which did not accept interference in the functioning of markets. The same disagreement over how to deal with fluctuating commodity prices would reappear at the Havana Conference (1947). The Charter of the International Trade Organization (ITO), approved on that occasion, included the issue in the new organization’s remit. Partly because of American disagreement on this matter, the treaty establishing the ITO

was never submitted to the US Congress for approval and therefore never entered into force.

The only thing that can be said in defense of the American attitude is that it was applied without discrimination or privilege on all Latin American countries. This, however, only exacerbated Brazil's irritation. Brazil considered itself entitled to deferential treatment due to the illusory "special relationship" it had supposedly established through the provision of bases and the dispatch of the Expeditionary Force to Italy. To assuage these complaints, the Truman administration agreed to send the Abbink Mission to Brazil, whose members formed the Brazil-United States Joint Technical Commission with their Brazilian counterparts, led by Otávio Gouveia de Bulhões (1948). The State Department's instructions were categorical: do not examine specific projects, refrain from statements that could be interpreted as a financial commitment, emphasize the use of Brazilian domestic resources, and advise measures to attract private capital.

New Attempts to Obtain Foreign Aid—Under these conditions, there was little change in Brazil's increasingly difficult balance of payments situation. Around the same time, the Dutra government drew up a first, still rudimentary, attempt at economic planning: the Salte Plan (named after the Portuguese words for Health, Food, Transport and Energy: Saúde, Alimentação, Transporte and Energia). The plan, which included ambitious initiatives such as the construction of the Rio–Bahia highway and the Paulo Afonso hydroelectric plant, would only be approved by Congress under the following government, and many of the proposals would ultimately not materialize due to lack of funding.

At the end of the administration, Brazil would once again attempt to obtain development aid from the United States, this time in the context of the Point Four technical assistance program. The request gave rise to the Brazil-United States Joint Commission (1950). The new body emerged with promising potential, as its main function would be to draw up "concrete, well-worked projects capable of immediate consideration by financial institutions such as Eximbank and the World Bank." That work would, however, be left for the subsequent government.

The “Automatic Alignment” and its Reasons

The diplomacy of the Dutra era would serve as the prototype of what came to be pejoratively called “automatic alignment.” Gerson Moura, who dedicated several studies to the approach, compared it unfavorably with Vargas’ foreign policy. Although formally similar in its alignment with the United States, Vargas was guided by the “need to generate economic, political and military gains for Brazil.” Dutra, on the other hand, besides not operating under the same conditions, did not have “the desire to produce the essence of Vargas’ policy,” according to Moura. Alignment, rather than simply a bargaining tool, was the “very objective of foreign policy.”¹⁰

Both this formula and the arguments for it contain some explanatory utility, provided that the necessary qualifications and nuances are introduced. The main factor in the evolution between the two diplomacies, outlined at the end of the war and the Vargas regime, lay in the profound change in the international framework, which gradually eliminated any real possibility of bargaining.

It was one thing for authoritarian and anti-communist leaders to have simulated, between 1937 and 1941, a possible inclination towards fascist powers with which they collaborated on police and security matters to strengthen internal power. Another very different situation would have been for those same anti-communist leaders-turned-liberal democrats to contemplate, from the onset of the Cold War in 1947–48, an unthinkable communist alternative in favor of the Soviet Union, a communist state. The world remained divided into two camps, as in the late 1930s. However, the side now opposite to the Western democracies obeyed the rigid leadership of the Stalinist Soviet Union, devastated by the war, itself in need of aid for reconstruction and the ultimate source of the mortal danger that the Brazilian government saw in the Communist Party. It was therefore not nor could it be a plausible alternative, even if only simulated.

In fact, long before the Cold War, during the Vargas government, the authorities in Rio de Janeiro preferred to fight communist subversion rather than accept formal relations with the Soviet Union. Brazil was very reluctant to establish diplomatic relations with Moscow and only resigned to it at the end of World War II (April 1945). Even then, the decision was only made because the Americans made it clear that it would be impossible

for Brazil to participate in post-war arrangements without first normalizing its relationship with one of the two main victorious powers.

Similarly, the rupture of relations (October 1947) resulted not from any external pressure as a result of the Cold War but from the proscription of the Brazilian Communist Party (PCB), a matter of domestic policy. It was criticism from the Soviet press over the decision to outlaw the PCB that provided the pretext for the rupture. Far from being desired or encouraged by the Western powers, it was considered an excessive reaction, as evidenced by American and British diplomatic documents. Washington even offered its good offices to avoid the extreme measure.

The First Steps of Diplomacy in the United Nations and the OAS

The formula of “automatic alignment,” i.e. an orientation that followed the votes of the United States, better describes multilateral diplomacy on the global stage (UN, peace conferences, specialized agencies) or on the regional stage (inter-American conferences and later the Organization of American States or OAS). Neighborly relations in South America continued to be inspired by traditional Brazilian interests in this old area of bilateral diplomatic action. The ups and downs of the rivalry with Argentina and cooperation initiatives with Uruguay, Paraguay, Bolivia and Peru changed little or not at all with the onset of the Cold War.

Nor is it helpful to treat a tendency to vote with the United States or the West as if it were a novelty. Apart from a few episodes, voting was done as it had always been, whether in the League of Nations or in Pan-American forums. In the early days of the UN, when membership was limited to 51 countries, the American nations formed the largest of the parliamentary blocs, with 20 votes. In most cases, Brazil’s position did not differ from the others, except for Argentina, which was always an exception and, at the time, treated almost as a pariah due to its benevolent neutrality towards the Axis powers.

One moment when Brazil played truly a leading role, reminiscent of Aranha’s action in 1942, was at the Petrópolis Conference. The summit was held at the Quitandinha Hotel in the second half of August 1947, and included the presence of General George Marshall, the US secretary of state. Chaired by Chancellor Raul Fernandes, the meeting approved the text of the Inter-American Treaty of Reciprocal Assistance (TIAR),

the core of which was the provision that “an armed attack by any State against an American State shall be considered as an attack against all the American States.”

President Harry Truman visited Rio de Janeiro to mark the importance of the treaty, the first in a network of reciprocal alliance and defense agreements with which the United States would cover all regions and continents, culminating in the most significant, the North Atlantic Treaty Organization (NATO, April 1949). The following year, President Dutra became the first in a long series of Brazilian presidents to make official visits to the United States.

The perception of a basic coincidence of interests and values with the United States in the containment of international communism made alignment with Washington in multilateral diplomacy something natural for Brazilian leaders when it came to political issues, especially on those that seemed less relevant to Brazil. The calculus changed when it came to the economy, where the two countries’ interests did not coincide and doctrinal convictions sometimes clashed. As diplomat and historian Paulo Roberto de Almeida points out, Brazil’s stance on multilateral economics departed considerably from the privatist liberalism and free trade advocated by the United States and the West.

Differences in Economic and Commercial Diplomacy

Both at the Geneva meetings that negotiated the GATT (General Agreement on Trade and Tariffs) and, especially, at the Havana Conference (1947–48), which approved the Charter of the International Trade Organization (ITO), the participation of the Brazilian delegation “was guided by a consistent defense [...] of the need for special measures in favor of the development of countries with young economies.”¹¹ At the same time that the Brazilian minister of finance stated in a message to Congress that Brazil was essentially an agricultural country, the former Foreign Minister João Neves da Fontoura, appointed to lead the delegation to the creation of the OAS meeting in Bogotá (1948), surprisingly stated in his report:

What we do not want is to remain in the stage of the so-called semi-colonial economy based on agriculture, with the sole privilege

of exporting raw materials and importing industrialized products, often derived from our own natural wealth.¹²

It is intriguing that expressions which today are commonly attributed to the influence of the United Nations Economic Commission for Latin America (ECLAC) should appear so early in official Brazilian diplomatic documents. Also created in 1948, against American wishes, ECLAC found in the thinking of Argentine economist Raúl Prebisch a framework of ideas that would shape the reflection and action of several Latin American generations. The document that went down in history as the Latin American Manifesto dates to 1949 and was actually an analysis written by Prebisch on “The Development of Latin America and Some of its Problems.” Between 1950 and 1963, he served as the executive director of ECLAC, with Celso Furtado as his main collaborator at one stage.

In addition to his original and refreshing insights into classical economic development theory, Prebisch rationalized and systematized many elements of the region’s concrete experience during those years. Import substitution industrialization was obviously not his invention; the phenomenon was occurring everywhere as an often-unintended consequence of the war and other external factors. As we have seen, even the Dutra government, despite its liberal and non-interventionist creed, ended up strongly promoting Brazilian industrialization as a result of the currency squeeze in economy.

Prebisch’s analyses gained significant traction because they seemed to reflect and make sense of the facts and events that were unfolding before the region’s eyes. Brazil, not unique in its predicament, was chronically short of dollars, unable to finance the import of increasingly expensive manufactures with its exports. By trying to increase coffee prices, it clashed with the US government and importers. In the absence of a Marshall Plan, Brazil sought to appeal to Washington for official financing; despite the various missions and joint commissions, the harvest had been meager.

No wonder, then, that doctrines like that of ECLAC won the support of those in Brazil who had long defended industry, the role of the state and planning. These included people like Roberto Simonsen and his followers. Their internal opponents, the liberal champions like Valentim Bouças and Eugênio Gudin, had the external support of the US government and the

organizations it set up as pillars of the new international economic order: the IMF, the World Bank, and the GATT.

A dialogue of the deaf would ensue between the United States and Latin America: the Americans preaching the fight against communist subversion and free-market, privatizing economics, while the Latin Americans responded that the best guarantee against subversion would be economic development promoted by industrialization with decisive state participation. The disagreement was built to last and, in a modified form, perhaps persists to this day.

Second Vargas Government: National-Populism and Traditional Diplomacy (1951–1954)

The biographies of the men who have occupied the highest office in Brazil have almost never ended in bloodshed. There has been no shortage of abdications, resignations, coups d'état and, more recently, impeachments. However, the country has been spared assassinations, executions, deaths in dungeons and fatal combat against coup plotters. This is true even in comparison with the presidential history of the United States, which, despite its institutional nature, has been interspersed with assassinations and attacks.

The solitary drop of blood in nearly two centuries of independent life in Brazil came from the obsession with returning to power of a man who could not live without it. By insisting on reclaiming, close to the perilous age of 70, the leadership he had first exercised at the age of 47, Getúlio Vargas discovered that neither he nor the country or the world were the same. In this, he preempted other contemporary statesmen who had failed upon their return to power, such as Perón in Argentina, Ibáñez in Chile, Carlos Andrés Pérez in Venezuela and Churchill in his last government (1951–55, coinciding with Vargas' second term). The difference is that, while the others sank into mediocrity and melancholy, he chose to end with tragedy both painful and calculated.

The anticlimax of the life that dominated the second quarter of 20th century Brazil began with the election of October 3, 1950. Supported by the PTB–PSP coalition (the Brazilian Labor Party and the Social Progressive Party of São Paulo Governor Ademar de Barros), Vargas garnered 48.7% of the total 8.25 million votes, compared to 29.6% for Brigadier Eduardo

Gomes (National Democratic Union—UDN) and just under 10% for Cristiano Machado (Social Democratic Party—PSD). An attempt to challenge Vargas' victory on the grounds that he did not achieve an absolute majority of votes foreshadowed the relentless opposition that would give the former dictator no quarter.

Vargas' campaign had revived social and nationalist themes that had been present in the “queremismo”^{II} movement during the final days of the Estado Novo. The formula of national-populism, first tried in 1945, reemerged in Vargas' political practice as a rallying cry suitable for moments of struggle, elections, or government crises. Despite this apparent openness to the left or popular sectors, once elected, the president surprised and disappointed many by appointing moderates or conservatives from the majority PSD to head up key ministries, including Horácio Lafer (Finance), João Neves da Fontoura (Foreign Affairs) and Negrão de Lima (Justice). This group of ministers, referred to as the “experience,” would characterize the first phase of his term, which extended until mid-1953, about two-thirds of the government's total duration.

The Economic Priority

Vargas' initial priority was to reverse internal economic deterioration marked by the deepening budget deficit (a nearly 200% plunge in real terms in 1949 followed by further deterioration in 1950) and its inflationary effects. Getúlio Vargas had left office when wartime inflation was at 20% in 1944 and 15% in 1945. It had then declined to less than 4% (1948), only to rise again to 8.1% (1949). In the election year of 1950, it reached 9.2% and was accelerating towards more than 10% as the new government took office.

The high cost of living, which had persisted since the conflict, was severely affecting urban wage earners and workers, the very groups that had secured Vargas' victory and now demanded the social improvements he had promised in his campaign. Wages were far outstripped by the rising cost of living. The last adjustment to the minimum wage had taken place in December 1943; it would take more than eight years (97 months, to

II Originating from the slogan “queremos Getúlio” [“we want Getúlio”], queremismo was a social and political movement in favor of Getúlio Vargas remaining as president of Brazil in 1945.

be exact!) until the next increase, in January 1952 (a 216% adjustment for 200% inflation over the period).¹³

Minister Horácio Lafer summarized his approach with an ingenious formula: the Campos Sales–Rodrigues Alves synthesis. In other words, the same government would combine financial stabilization (the Campos Sales phase) with infrastructure projects and industrial investments (the Rodrigues Alves phase) by attracting foreign capital. In the words of Monica Hirst, the leading scholar of the diplomacy of the period, the minister of finance was “the most important figure in crafting an economic project that linked international economic cooperation to state entrepreneurial action and the growing participation of national private interest.”¹⁴

With his usual irony, Marcelo Abreu acknowledges that Lafer was a rare bird: an industrialist from São Paulo committed to prudent macroeconomic policies. However, contrasting this prudence was the expansion of credit practiced by another São Paulo industrialist, the President of the Bank of Brazil Ricardo Jafet, who had been appointed by the populist governor Ademar de Barros.¹⁵ As would happen before and afterwards in Brazil, the positive results achieved by the finance minister in reversing the country’s deficit and improving public finances were undermined by Jafet’s incoherent credit expansion and the exploding deficits of the states, particularly São Paulo. This was due to the cheerful fiscal irresponsibility of a governor who would go down in history as the man who “steals but gets things done!”

The external picture was initially more encouraging. Thanks to a sharp rise in coffee prices between 1948 and 1950¹⁶ and the expectation that prices would continue to benefit from the upward pressure of the Korean War, the chronic fear of a currency crisis subsided. Coffee continued to rise in the early 1950s, accounting for 73% of total exports (1952).¹⁷

In the first year of the Vargas government (1951), Brazilian exports reached \$1.77 billion, an absolutely exceptional figure that would only be matched 17 years later in 1968. In this environment of premature export euphoria, the authorities made an error of exaggerated optimism similar to the liberalization of capital outflows in the previous government. This time, it was decided to loosen import restrictions, with the expectation of using imports to combat high prices and build preventive stocks in case the fighting in Korea led to the feared World War III. In a country that had been living under severe import rationing for years, foreign purchases

exploded by more than 80%, reaching \$1.7 billion (1951). They remained at a similar level the following year, while exports returned to their usual modesty (around \$1.4 billion). As sales were largely paid for in non-convertible currencies, by 1952 trade arrears had quickly accumulated, requiring new foreign loans to settle them.

The New American illusion

At the time, “foreign” was synonymous with the United States. Repeating another illusion of the Dutra administration, Neves da Fontoura and Lafer trusted in their ability to leverage the necessary financial resources from the Americans. Perhaps it was not absurd to nurture this hope in light of encouraging signs from Washington, such as the formation of the Brazil-United States Joint Commission on the eve of the new administration. The move represented

a fundamental qualitative change in the American stance, insofar as it proposed to develop concrete projects that would have to be financed by institutions such as the Export-Import Bank (Eximbank) and the International Bank for Reconstruction and Development (World Bank).¹⁸

Many people, and not just in Brazil, saw what was happening in Europe and Asia in those days as a repetition of the sequence of events that, between 1939 and 1941, had set the entire world ablaze. From 1948 onwards, first the Berlin blockade and then the Korean War looked like preludes to armed antagonism between the two blocs. The Vargas administration began under the shadow of North Korea’s invasion of South Korea, which had occurred six months before the presidential inauguration. Taking advantage of the Soviet delegate’s boycott of the Security Council to protest the refusal to grant China’s seat on the Council to the newly victorious communist regime, the Americans passed a resolution authorizing military reaction in Korea under the aegis of the United Nations. Months later, with the Soviet Union having corrected its mistake (which it would never repeat), the United States managed to move the issue to the General Assembly. There, an overwhelming majority (52 votes, including Brazil’s, against five from the Soviet bloc and two abstentions, one of which came from Argentina) adopted the Uniting for Peace resolution, which authorized measures to continue the war.

All this encouraged Chancellor Neves da Fontoura to think that the time had once again become favorable for negotiating a grand bargain with the US, perhaps one even more advantageous than that struck by Aranha in 1942: the exchange of military support for economic collaboration. However, the historical parallels were limited to a few superficial elements. On closer inspection, the differences far outweighed the similarities. There would be no world war, as the adversaries were determined to limit the confrontation, as would be seen in the indecisive outcome of the Korean War. The geostrategic game was being played in the opposite side of the world to Brazil, which had no well-located bases to bargain with. Compared to those of the past, the strategic materials on offer were modest: only monazite sands and rare-earth elements.

However, what had changed most was the strategic and political interest of the United States. In the 1930s, the Good Neighbor Policy had been a particularly valued regional component of a foreign policy whose global engagement was still in its early stages. A whole generation of Americans had become genuinely interested in their Latin neighbors. They were not just diplomats and politicians, but writers, artists and filmmakers like Orson Welles and Walt Disney, all part of a well-orchestrated campaign led by Nelson Rockefeller to win the “hearts and minds” of Latin America.

New Disappointments—By the time of the second Vargas administration, all of this had changed, and the icy winds of the Cold War had swept these Latin Americanists out from Washington. Nostalgically, one of the remnants of that generation, Ambassador Adolf Berle, along with Oswaldo Aranha and others, lamented the absence of interlocutors interested in the continent at the center of American power. Franklin Roosevelt, Cordell Hull, Nelson Rockefeller and Sumner Welles had been replaced by Atlanticists, Kremlinologists, and specialists in Japan and China. George Kennan, the emblematic figure of “containment”^{III} whose doctrine had shaped the State Department’s planning division at the time of its implementation, had been trained as one of the first American Sovietologists and had spent much of his career in Moscow. During this time, he made his first and only visit to Latin America, including Rio de Janeiro. His observations from that trip

III *Containment* was the term given to the foreign policy practiced by the United States from 1947 onwards to restrain the communist advance. The doctrine was inspired by a famous article entitled “The Sources of Soviet Conduct,” published in *Foreign Affairs* magazine (1947), by American diplomat George Kennan, under the pen name “X.”

reveal an embarrassing lack of understanding, an aversion to the region's cultures and people, and an absolute absence of any shadow of empathy.

Men of this kind would clearly not accept linking a military alliance to economic support for a country considered to be of peripheral interest in world strategy. The military agreement that was finally negotiated and signed in March 1952 was of a classic nature: the supply and sale of arms and equipment, exchange of officers, courses, training. Washington showed interest in the participation of a Brazilian contingent in the United Nations forces in Korea, not because of its military importance but as an additional element of legitimization and universalization. However, the lack of motivation was then on the Brazilian side. The setbacks of the war, nationalist and left-wing propaganda against sending troops and frustrated expectations in terms of economic aid led the Brazilian government to cede to Colombia the dubious advantage of being, this time, the only Latin American country to pay the blood tribute.

Although much less important in essence and symbolism than the 1942 agreement, the 1952 agreement faced fierce opposition during a lengthy nine-month congressional process, which soon fueled public debate involving the military, businessmen, intellectuals, politicians, and labor union organizations. Monica Hirst writes that "for the first time, the antagonism between nationalism and alignment became a topic of national debate."¹⁹ In the end, the instrument was only approved thanks to the votes of the UDN in exchange for the appointment of Brigadier Eduardo Gomes as president of the Joint Brazil-United States Military Commission. Instead of the grandiose results expected, the agreement produced modest gains and was costly in terms of political wear and tear. One of its consequences would be the departure of General Estillac Leal, leader of the Army's nationalist faction, from the Ministry of War. His departure would weaken military support in the decisive crisis of 1954.

The serious frustration with the attempt to rebuild the wartime alliance did not, in theory, compromise the possibility of obtaining development credits. This objective was being examined by the Joint Brazil-United States Commission for Economic Development, created in the context of Point Four (a reference to the technical cooperation program between the United States and Latin American countries proposed in the fourth item of President Truman's inauguration address in January 1949). As the

commission defined the priority infrastructure projects, the Presidential Economic Advisory Office, headed by Rômulo de Almeida, prepared the mechanisms and institutions to execute them. Notable among these were the creation of the National Bank for Economic Development or BNDE (1952), Eletrobras and the National Electrification Plan, as well as Petrobras (1953), which was approved amid a national mobilization campaign. Apparently, both the planning efforts and the selection of projects worthy of funding were progressing well.

Convergence of Crises—The strategy of obtaining resources for long-term development was frustrated by two unexpected factors. One was internal, resulting from the exchange rate crisis, the other external, originating in the change of government in the United States. The first was related to the explosion in imports following the liberalization of licenses. The current account deficit had jumped from \$290 million (1951) to more than twice that figure, \$615 million (1952), generating substantial trade arrears. Instead of negotiating credits with the Eximbank to fund the structuring projects chosen by the Joint Commission, it became essential to immediately raise \$300 million from the bank, under onerous short-term conditions, to settle outstanding commercial obligations.²⁰

The worst was yet to come with the election, for the first time in 20 years, of a Republican Party president in the United States. The administration of General Dwight Eisenhower (1952) strongly supported the World Bank, which jealously defended its exclusivity on deciding, in any country, which development projects deserved support. The organization was unwilling to share this prerogative with the Eximbank, and the changing landscape would be disastrous for Brazil, whose macroeconomic policies found little sympathy from parts of the IMF and the World Bank orthodoxy. Abruptly, the Commission and its financing, even for the projects that the organization had already approved and officially presented, came to an end. A total of 41 projects were approved, requiring credits of \$387 million, of which only \$186 million were actually obtained (nearly a third of this amount, \$60 million, benefited Canadian electric company Light and Power).²¹

The controversy over profit remittance, one of the nationalist themes of the election campaign, weighed heavily in the balance. As a candidate, Vargas had attacked capital liberalization during the Dutra period, which

had facilitated the outflow of foreign currency, contributing to the rapid depletion of reserves accumulated during the war. As president, he reviewed the criteria for recalculating the stock of registered foreign capital and politicized the issue in a speech at the end of 1951 and subsequent message to Congress. The measure practically halved the total amount of capital base for repatriating profits and coincided inauspiciously with the ideological hardening underway in decision-making circles in Washington. The harsh responses from the US government and the World Bank would produce pernicious and lasting consequences. The Bank, in particular, reacted by suspending new loans, which led to reduced disbursements in the last two years of the government (1953 and 1954) and their complete elimination in the following years.

It was not just the US government and the Bretton Woods organizations that felt antagonized by the increasingly nationalist tone adopted by Vargas regarding profit remittances. His internal adversaries—conservatives in politics and liberals in economic orientation—were uneasy with the opening to labor unions and support for the communist. Along with the urban middle classes, they were mobilized by the virulent campaign of denunciations conducted in the pages of the *Tribuna da Imprensa* by journalist Carlos Lacerda. This campaign was echoed in Congress by the fiercest wing of the UDN, the so-called “banda de música” [music band],^{IV} which included deputies Afonso Arinos de Melo Franco, Adauto Lúcio Cardoso, Aliomar Baleeiro and Bilac Pinto.

The Escalation of Internal Struggle and the Latin American Context

The core of the opposition brought together all those who had fought against the dictatorship of the Estado Novo, such as the signatories of the Manifesto dos Mineiros,^V which had advocated redemocratization in 1943. They felt cheated of victory by the military coup of October 1945, which at the decisive moment had paved the way for Dutra’s presidency, and by the nightmare of Vargas’ return in 1950. For them, the struggle would only end with the complete elimination of the former dictator from the political scene. It is worth remembering that this period coincided with

IV Group of parliamentary speakers who led the radical opposition to the Vargas government, delivering daily speeches against the administration.—Trans.

V The term “mineiros” refers to the origin of the signatories of the manifesto against the Estado Novo, who were from the state of Minas Gerais.

the peak of the “witch hunt” of Senator Joseph McCarthy’s suspicious and implacable anti-communism, a heightened climate of police investigations, espionage and alleged subversive conspiracies.

South America in the first half of the 1950s offered a breeding ground for the spread of real or imagined fears of left-wing radicalization. From war-torn Europe came the echoes of the prestige of the Soviet Union and the Red Army, the assertion of Marxist influence in intellectual circles, and the apparent inevitability of communist victory, a belief to which the conquest of vast China by Mao Zedong’s peasant army lent plausibility. These winds from afar fueled the ferment brewing in societies that were for the first time confronted with the phenomenon of the emergence of the people, the masses arising from the recent explosion in demographics and urbanization, clamoring for a place in the sun in the economy, politics, and culture.

The challenge bore analogies to the period when the European masses, arising from the urbanization promoted by the Industrial Revolution, struggled to gain a foothold in the succession of revolutions of 1830 and 1848, and in the formation of the first trade unions and the social-democratic movement. As had happened in 19th-century Europe, the appearance of a new actor on the political stage would bring with it destabilization and struggle that set the tone for the entire contemporary history of the continent and continues to this day.

The Argentine Factor—In no other country was this process as advanced as in Argentina, with its massive European migrant communities and the emergence of the great modern metropolis of Buenos Aires. It was here, in the words of sociologist Gino Germani, where the first mass society in Latin America was to emerge. A few months after the Army ousted Vargas from power, in Argentina Colonel Juan Domingo Perón, a member of the group of ultranationalist officers who carried out a coup in 1943, was on his way in. As minister of labor, he soon established an unbreakable alliance with the organized and powerful labor union movement that would help him to be elected president in June 1946.

It is interesting to note how certain pioneering ideas circulated almost as if in the air breathed in this part of the world. The same formula of national-populism that Vargas had used belatedly and unsuccessfully to maintain power in 1945 would enable Perón’s rise and his dominance

from 1946 to 1955. There were significant differences between the two movements: the attitude of a communist left that was hostile to Peronism but allied to Getulism, the distancing and near hostility of Argentina toward the leadership of the United States both before and after the Cold War in contrast to Brazil's policy of alliance even after the loss of illusions. In essence, however, the affinities and similarities outweighed the differences, though this was not enough to make articulation and collaboration between the two regimes feasible.

The second Vargas government occupied the same timeframe as other populist, radical or nationalist trends in the region: MNR's violent revolution in Bolivia, with significant participation from mine workers; Ibáñez's leftist popular government in Chile; Velasco Ibarra's third presidency in Ecuador; the influence of Haya de la Torre's Peruvian Aprismo^{VI} and Acción Democrática's social democracy in Venezuela, not forgetting, in a more distant context, Jacobo Arbenz's socialism and agrarian reform in Guatemala. Many initiatives of the Vargas era that are considered original in Brazil can be found, in modified but recognizable form, in other countries of the continent: the role of the state in promoting development, industrialization, the creation of state banks, the nationalization of natural resources, the institution or increase of the minimum wage, the expansion of labor rights.

Of all these experiences, the one that would prove to be the most solid and long-lasting would be Argentina's, favored by the wealth inherited from the past and deceptively reconstituted through the enormous volume of reserves accumulated during the war. The success of the Peronist pact in consolidating undisputed hegemony in domestic politics also gave it the conditions to develop an imaginative and audacious foreign policy. At the same time as Jawaharlal Nehru's India and before the Bandung Conference (April 1955), Argentina had defined a "third position" between the two Cold War blocs, something very close to the concept of the future Non-Aligned Movement.

It was therefore naturally up to the *justicialismo* created by Perón to outline what the government of Luiz Inácio Lula da Silva would do in the first decade of the 2000s: attempt to articulate under his leadership a

VI Term referring to the American Popular Revolutionary Alliance [Alianza Popular Revolucionaria Americana—APRA] as proposed by Víctor Raúl Haya de la Torre for the creation of a network of anti-imperialist social and political movements in Latin America.

network of coordination and collaboration that would bring together South American regimes with an ideological affinity. In this sense, Perón tried to revive the ABC, a pact that had failed several times in the past. He started with Chile, announcing in mid-1953 during his visit to Santiago the signing of a treaty establishing economic union between the two countries. The news, which had a strong impact on the region, was accompanied by the announcement that active efforts would be made to seek the adherence of other Latin American nations.

Peronist diplomatic activism had the effect of exacerbating the ghosts of the old Brazilian-Argentine rivalry and inspired an offensive by Itamaraty among neighboring countries to neutralize his maneuvers: railway projects with Paraguay and Bolivia, an invitation to President Manuel Odría of Peru (a permanent rival of Chile) to visit Rio de Janeiro, initiatives to collaborate with Andean countries. Minister Neves da Fontoura embodied the traditional line of distrust towards Argentina and engaged deeply against any inclination of the country to join the pact between Buenos Aires and Santiago. This countered the pro-Argentine influence of Ambassador Batista Luzardo in the government, a Rio Grande do Sul caudillo from the Uruguai border region appointed by Dutra as a representative in Argentina and kept in post by Vargas, despite the Chancellor's opposition.

Still, there were one or two advancements in bilateral relations with Argentina despite this difficult context. The signing of a trade agreement in early 1953 was one of the most significant results of the frustrated rapprochement: it provided for the import of 1.5 million tons of Argentine wheat annually in exchange for Brazil's supply of coffee, wood, cocoa, tropical fruits, and steel. On the other hand, it was not possible to finalize a military agreement, an idea put forward to compensate for Perón's disappointment and concern with the Brazil-United States military agreement of 1952. On the issue of the Malvinas, of direct interest to Buenos Aires, Brazil refused to support the demand to include the issue on the agenda for the 10th Inter-American Conference in Caracas (April 1954).

The animosity between the two countries would explode in early 1954, when Brazil became aware of Perón's secret conference at the Argentine War College in which he pointed to the "dream of hegemony" attributed to Itamaraty as the main cause of Brazilian opposition to the ABC pact. While nominally blaming Neves da Fontoura (by then out of government),

the Argentine leader spared Vargas, whom he described as personally sympathetic to the rapprochement with the Argentine-Chilean axis but paralyzed by the pressures and intrigues of Brazilian domestic politics, of which Itamaraty was an expression.

This distinction was interpreted in opposition circles as indirect confirmation that Vargas and his close associates intended to tie Brazil to Peronist politics and its organizational model. The favorite target of the accusations of plotting to install a “syndicalist republic” was the personal emissary that Vargas had sent to Buenos Aires in 1950, before the Brazilian presidential election, to meet with Perón: João Goulart. According to Monica Hirst, “never before in contemporary Brazilian history have relations with Argentina generated such internal political mobilization.”²²

The Exacerbation of Opposition—As described above, this was the golden age of McCarthyism, of an inquisitorial style of politics based on anti-communism and obsessed with conspiracy theories about Soviet infiltration. The phenomenon manifested itself in Brazil through the actions of Carlos Lacerda, who in his youth was a communist leader of the Aliança Nacional Libertadora (National Liberation Alliance). Lacerda later converted to systematic anti-communism, using his fearsome skills as an orator and journalist in its service. As a member of the most anti-Vargas faction of the UDN, he introduced Senator McCarthy’s police investigation methods into Brazilian politics. He was one of the pioneers in the use of mass media, especially the still incipient black-and-white television, radio and his newspaper, *Tribuna da Imprensa*.

Lacerda’s alarmist style contributed to radicalizing internal debate, which spread through the pronouncements of the military, clubs of active and reserve officers and professional associations, and mobilized for or against issues such as the remittance of profits or the “Oil is ours” campaign.^{VII} Foreign policy issues appeared in these denunciations, primarily the conspiracy of international communism, as well as the fear of Peronism and the establishment of a “syndicalist republic.” There was even a cloned copy of McCarthy’s offensive against the State Department, which in the Brazilian case took the form of an allegation of the existence of a communist cell in Itamaraty (prophetically named the Bolívar cell),

VII The slogan “O petróleo é nosso!” [Oil is ours!] sparked a popular mobilization for the nationalization of Brazil’s oil reserves, leading to the creation of Petrobras and the establishment of a state monopoly on its exploration and refining.

of which the poet and diplomat João Cabral de Melo Neto was claimed to be a member.

The common thread of the campaign never lost its focus on internal corruption, a topic built to inflame the political energies of the urban and professional middle classes. Articles and speeches zeroed in on suspicious foreign exchange operations carried out by Jafet and his minions at the Bank of Brazil, the bank's loans for the establishment of *Última Hora*, a newspaper run by the media modernizer and Vargas supporter Samuel Wainer, and the "mar de lama" [sea of mud]^{VIII} involving the Catete palace clique at the end of the government.

Probably none of this would have been strong enough to trigger the final crisis had it not been for the country's accelerating economic and social deterioration, followed by the aggravation of political strife because of a reckless assassination attempt on Tonelero Street. A severe drought in the Northeast combined with difficulties in São Paulo's coffee industry to put pressure on budget spending in 1953. In March of that fateful year, the government was both defeated in trying to prevent Jânio Quadros from being elected Mayor of São Paulo and in an impressive general strike that paralyzed more than 300,000 São Paulo workers. Jafet was fired from the Bank of Brazil the same month and, three months later, Minister Horácio Lafer left the government. The Campos Sales–Rodrigues Alves project came to an end without achieving either the monetary-financial stabilization of the former or the accomplishments of the latter.

Getúlio Vargas took advantage of the moment to reshuffle his cabinet, giving him ample room for maneuver in preparing for his succession. Possible candidates included the conservative new finance minister, Oswaldo Aranha, who was close to the UDN, or the national-populist option with Vargas' ill-fated political heir, the young Rio Grande do Sul rancher João Goulart, who took over the labor portfolio. The new cabinet lineup also included another young figure who would become well-known, Tancredo Neves, overseeing the justice portfolio, José Américo de Almeida, in roads and public works, and the civil law professor at the University of São Paulo, Vicente Rao, in the Ministry of Foreign Affairs.

VIII The expression, believed to have been coined by Getúlio Vargas himself, was used by the opposition as a political slogan to denounce systemic corruption in the government and has since become part of Brazilian vocabulary.—Trans.

Unfortunately, not everything went to plan. Already on an upward trajectory, the consumer price index in Rio de Janeiro went from 12% in 1951 to over 17% in 1952, then jumped to almost 21% in 1953. The economy, which had grown in real terms at 4.9% and 7.3% respectively in the first two years of Vargas' government—impressive rates considering the very high levels of demographic expansion—shrank to 2.5% in 1953. Aranha had tackled the serious exchange rate challenge with the creative Instruction 70 of Sumoc (Superintendency of Currency and Credit), which extinguished the subsidized exchange rate and instituted a multiple rate system. However, his stabilization program was ultimately derailed by difficulty in the coffee industry and the severe minimum wage crisis.

After the wage adjustments of 1952, there were no salary increases in 1953. In early 1954, Goulart, then minister of labor, proposed a 100% increase, well above the inflationary devaluation (53%). The proposal sparked a national debate and opposition from the minister of finance, the president of the Bank of Brazil, the Federation of Industries of the State of São Paulo (FIESP) and even military signatories of the so-called Colonels' Manifesto, including the future ideologue of 1964, Golbery do Couto e Silva. In his characteristic manner, Vargas removed his minister of labor and later implemented the controversial increase by decree (May 1, 1954), overriding opposition from the entire economic sector, both public and private, with an eye on the following year's elections.

The Assassination Attempt and the Suicide—Getúlio Vargas consolidated his support base among workers, but their limited political organization was not enough to compensate for the reinforcement of the opposition thanks to backlash from industrialists, bankers, merchants, newspapers, and the conservative military. The offensive against the government intensified, fueled by a Parliamentary Commission of Investigation into the financing of *Última Hora* by the Bank of Brazil. Carlos Lacerda exploited the issue politically as a trump card for the upcoming elections. On August 5, 1954, an assassination attempt that left Lacerda injured and resulted in the death of Air Force Major Rubens Vaz, Lacerda's volunteer bodyguard, set in motion a chain of events that led to the president's suicide on the 24th of that month.

Far from being an act of despair or moral annihilation as he found himself plunged into the "sea of mud," Vargas' suicide was, as the Swiss

writer Albert Béguin wrote shortly afterwards in the magazine *Esprit*, “a final political act, the only one through which he could disconcert his enemies and ruin their triumph.” Béguin saw a certain terrifying grandeur in a consciousness that, in the moment of death, was entirely focused on the desire to “survive in history not as a memory, but as an active ferment.” Without any illusions about Vargas’ moral character, the analyst recognized him as one of the rare Brazilian politicians aware of modern problems and the rise of the masses. He predicted that, by prodding the people to take an active part in national life, the suicide had brought Brazil into the 20th century.

Béguin’s interpretation was inspired by Vargas’ suicide note, a text possessing the simplicity and strength of many great political documents. In a sort of synthesis of national-populism, Getúlio Vargas subjected Brazilian history to a revisionism in line with the situation he was experiencing. For example, he described the 1930 Revolution as having aimed to end “decades of domination and plundering by international economic and financial groups.” These “underground” forces had allegedly allied, during his second term, with “national groups revolting against the regime of labor protection.” The complexity of history was simplified into a single explanation: the union of anti-popular forces and interests, both external and internal, to prevent Vargas from continuing to defend the people, and especially the poor.

Alongside reference to his populist agenda—the revision of the minimum wage, the fight against extraordinary profit, social freedom, repeated mentions of the poor—nationalist themes stood out: the harnessing of wealth through Petrobras, the denunciation of profits of up to 500% [*sic*] by foreign companies, import fraud, resistance to Eletrobras, the valorization of coffee. For the first time, at the highest level of government, a politician with extraordinary popular appeal endorsed an explanation of Brazilian problems that blamed “international economic and financial groups,” not explicitly identified but easily associated with the Americans.

Contrast between Vargas’ Discourse and the Discourse and Practice of Diplomacy

It is suggestive of Vargas’ ambiguity that neither these themes nor the tone of his denunciations were ever part of official and formal foreign

policy conducted by Itamaraty. It is as if two different, even opposing, worldviews coexisted during Vargas' second administration. The president's perspectives appeared in his speeches, political campaigns and farewell letter, but were rarely translated into concrete initiatives. When they did it was merely through tentative gestures, aspirations that aroused suspicion without yielding benefits: João Goulart's mission to Perón, Luzardo's diplomatic activities in Argentina, the nationalist speeches.

The official diplomacy of Itamaraty, as expressed in inter-American and world forums and in opposition to Argentine influence, was no different from the conventions of so-called automatic alignment and followed a policy of continuity with the previous government. These similarities were even expressed in the fact that Neves da Fontoura, the first of Vargas' two foreign ministers and the one who remained in office the longest (almost two and a half years, from February 1951 to June 1953), had already held the post under the Dutra administration.

Nor did Vicente Rao, who succeeded Fontoura, introduce any innovations or corrections to the traditional course. The most significant example of this continuity is Brazil's performance at the 10th Inter-American Conference (Caracas, March 1954). Led by Foreign Minister Rao himself, the Brazilian delegation refused to support Argentina's request to include the Malvinas issue on the meeting's agenda, arguing that the matter should continue to be addressed within the UN framework.

On the most important issue—a resolution equating potential communist control of any country in the Americas as a threat to all countries in the region—Brazil sided with the Washington-led majority. Aimed at the leftist government of Jacobo Árbenz in Guatemala, the resolution was approved by 18 votes, with Guatemala voting against and the abstention of Argentina and Mexico. Three months later, in an operation later proven to have been orchestrated by the CIA, forces led by Colonel Castillo Armas invaded Guatemala and put an end to Árbenz's leftist experiment. Once again, Brazil supported the position of the United States, this time on the UN Security Council.

The invasion of Guatemala, which took place two months before Vargas' suicide, represents a shocking example of the ambivalence, almost duplicity, of the Brazilian president's diplomacy. The script for a clandestine operation set up by the CIA seemed to have been mirrored

directly in the denunciations in his farewell letter. How can it be that the very person who signed it had aligned himself with those who provided international cover for this conspiracy, similar to the one he would soon blame for his own death?

Which was the real Getúlio Vargas? The one who penned the farewell letter or the one who systematically voted with the Americans at the UN and the OAS? Perón believed, or claimed to believe, that deep down Vargas was on his side but could not act on his convictions due to a lack of support in Brazilian domestic politics. The ambiguity of 1954 is reminiscent of the “pendular game” between Nazi Germany and Roosevelt’s United States, the style of governing by balancing opposites, at times relying on the integralists, and at others on the left.

In any case, objective conditions in Brazil at that time would not have allowed the country to adopt a nationalist and neutralist diplomacy inspired by the farewell letter and establish an axis with Perón. Vigorous opposition to such an approach was embodied in one of Vargas’ closest collaborators, who enjoyed the greatest degree of prestige and authority in diplomatic matters. In 1950, Finance Minister Oswaldo Aranha summarized the still-prevailing stance among Brazilian leaders in a lecture at the Escola Superior de Guerra. He reaffirmed his conviction that “no policy other than supporting the United States in the world in exchange for their support for our political, economic and military preeminence in South America would be suitable for us.”²³

It was precisely the ideological basis of this old diplomacy of the “unwritten alliance” from the distant days of the Baron of Rio Branco and Joaquim Nabuco that would be shaken by Vargas’ suicide. The document he left behind, a true charter of left-wing nationalism in Brazil, served a dual purpose. On one hand, it would consolidate the hegemonic electoral alliance between labor populism and conservative members of the Social Democratic Party (PSD), leading to the victory of Juscelino Kubitschek. On the other, it called into question the belief in a community of values and interests between the United States and Brazil, sowing the seeds for a break from the previous paradigm and the emergence of an independent foreign policy.

From Vargas' Suicide to Kubitschek's Inauguration (August 24, 1954–January 31, 1956)

The exasperation of Vargas' opponents reached its peak after two successive disappointments in which they saw victory slip away from their grasp at the last moment; first, at the end of the dictatorship (October 1945) and then by the masterstroke of Vargas' suicide. They had finally come to power, but were weakened by his final maneuver.

After Getúlio's suicide, the 15 months of the new government headed by Café Filho, Vargas' vice president, between August 24, 1954, and later the Juscelino Kubitschek's inauguration on January 31, 1956, reflected the tensions of an inherently unstable political situation, in which the correlation of forces was changing day by day in favor of the PSD-PTB alliance. The heterogeneous mix of UDN politicians, Lacerda's followers and anti-communist military personnel that had taken over the government showed little competence in reversing the trend and consolidating control of the levers of power.

This was evident in the economic arena, where three finance ministers—Eugênio Gudin, José Maria Whitaker, and Mário Câmara—succeeded each other with disjointed priorities that none of them managed to achieve. Gudin (September 1954 to April 1955), respected as the country's leading liberal economist, joined the government with the intention of fighting inflation. He soon found himself engulfed by currency problems, aggravated by the decline in exports and the price of coffee. The chronic difficulty of obtaining external financing remained.

The interconnection between these external issues once again demonstrated Brazil's vulnerability to international factors beyond its control. These could only be overcome through successful diplomacy in a broad sense. Thanks to his global prestige, the finance minister seemed like the right person to obtain the necessary support from the Eisenhower administration and the global financial community. Unfortunately, his trip to Washington shortly after taking office did not bring about any significant changes to the picture of external constraints.

Faced with this failure, Gudin sought another way to relieve the balance of payments: removing obstacles to foreign capital inflows through Instruction No. 113 of Sumoc (Superintendency of Currency and Credit). Building upon and expanding an initiative from the previous government,

the measure allowed the entry, without foreign exchange coverage, of productive equipment whose declared value would be incorporated into the assets of importers and the stock of foreign capital registered with the superintendency. Favored by the mechanism, foreign firms would later utilize it to establish an automobile industrial park and other sectors in line with the goals of the Kubitschek government.

The old coffee issue would eventually lead to Minister Gudin's departure and his replacement by a figure from the distant past: José Maria Whitaker. The civil servant from São Paulo had been the first to occupy the Ministry of Finance after the victory of the 1930 Revolution. If we find it difficult today to imagine how the Brazilian economy revolved around coffee, it is because we forget that, at the time, the product accounted for an average of 60% of the value of exports, and sometimes reached over 70%.

Whitaker's priority was not inflation but rather ending so-called exchange rate confiscation, which referred to the less favorable exchange rate that weighed on coffee exporters, with the government appropriating the difference in relation to the "free" rate, in practice, a kind of export tax. Failing in his ambitious attempt to unify exchange rates and completely eliminate confiscation, the minister left the government in October 1955; his replacement, Mário Câmara, could do little in the final three or four months remaining in his term.

Taking stock of the period, historian Demóstenes Madureira de Pinho Neto concludes that the Café Filho government does not deserve to be considered a "turning point" in domestic economic policy, external economic relations or Brazil's basic position regarding foreign capital. There would not have been "any significant discontinuity" in these areas as a result of Vargas' death and Café Filho's ascension to the presidency, he writes.²⁴

The same can be said of diplomacy or foreign policy itself: the continuity of the chancellors of that time made them almost interchangeable, as they succeeded each other at the whims of governments as though in a game of musical chairs. Raul Fernandes, foreign minister under Café Filho, had replaced Neves da Fontoura in the Dutra government, who himself would return with Getúlio Vargas and then give way to Vicente Rao. José Carlos de Macedo Soares, who would succeed Fernandes to become Juscelino Kubitschek's first foreign minister, had held the position in the first Vargas

government between 1934 and 1936. The mere circulation of these three figures is enough to suggest that, in foreign policy, presidents were seeking continuity, not innovation.

By contrast, neither continuity nor compromise were conceivable in the internal power struggle dominated by the irreconcilable conflict between the PSD-PTB alliance, heir to the Vargas legacy, and the UDN, which brought together its opponents in varying degrees of radicalism. Enjoying their first experience in power in decades, the UDN members were alarmed by the Juscelino Kubitschek–João Goulart slate presented to them in the presidential elections of October 1955. They feared that it threatened to bring back to power everything they had rid themselves of with great effort, with the aggravating factor of the promotion of the detested João Goulart to vice president.

It is no surprise, then, that military ministers attempted to destabilize the PSD-PTB candidacy through a manifesto suggesting “an altruistic movement of patriotic recomposition” aimed at choosing a candidate of national unity. Juscelino Kubitschek reacted: “God spared me the feeling of fear. The duration of my candidacy is conditioned by the duration of democracy itself in our homeland.” The die was cast and, except for an open coup, nothing could prevent elections that turned out to be among the most fragmented in the country’s history to that point, with three competitive candidates and a fourth capable of attracting a contingent of votes that could influence the final result.

The 1955 Elections and the Threats of a Coup

The election took place on October 3, 1955, and just over nine million votes were counted. Juscelino Kubitschek won with 35.68% of the votes, the lowest electoral victory percentage between 1945 and 1960, although he was victorious in 15 states. The UDN candidate, General Juarez Távora, received 30.27%, about 400,000 fewer votes than the winner; the populist Ademar de Barros received 25.77%, and the integralist leader Plínio Salgado obtained 8.28%. While it is true that the integralist votes could have swelled Juarez’s vote count, it is also true that the strength of Ademar’s populism (more than 2.2 million votes) would likely have migrated, in majority, to JK. In the election for vice president, at the time independent of the

presidential ticket, there was less dispersion, and João Goulart obtained 44.25%, nine percentage points more than Juscelino.

Results such as these had everything necessary to whet the coup appetites of those committed to “purifying democracy” through an authoritarian remedy. On November 9, Carlos Lacerda, the faction’s leader, published an editorial in *Tribuna da Imprensa* calling for a military coup: “These men cannot take office, must not take office and will not take office.” Two days later, the legalist minister of war, Marshal Lott, unleashed not an altruistic movement, but another euphemism invented by the fertile vocabulary of the country’s jurists, the “Movement for the Return to the Constitutional Framework.” In other words, a preventive coup removed from power those who were plotting against the electoral result.

The International Context

During his extensive trip to the United States and several European countries before taking office, Kubitschek came into direct contact with external transformations that would have a beneficial effect on his presidency. In the political sphere, the “thaw” following Stalin’s death (1953) and the rise of Krushchev in the Soviet Union, along with his policy of “peaceful competition,” softened the ideological confrontation of the Cold War—until the Cuban Revolution and the Berlin crisis soured it again at the end of the decade.

On the economic front, the Marshall Plan had practically come to an end in 1954, with recovery in Europe and Japan allowing both to once again compete in the global market for machinery and equipment. Taking advantage of the retrenchment of the Eximbank determined by the Eisenhower administration, these economies used export credits as a weapon, accounting for around 90% of such financing.

The change came in handy for the new Brazilian president, who needed to find some source of external resources for his ambitious growth plan. He could not count on official US credits, nor would he receive any loans from the World Bank between 1955 and 1960, except for an isolated case in 1958. Despite the relatively high interest rates and short repayment periods, export credits ultimately became one of the most important sources of external financing for Brazilian development in the context of Kubitschek’s Programa de Metas [Goals Program].

Kubitschek's Government: 50 Years in Five and Development Diplomacy (1956–1961)

Eager to avoid a tragic outcome like that of August 24, the new president made every effort not to provide any pretext for a repeat of the episode. The constant obstacles he had overcome to launch his candidacy and take office did not allow him to forget for a moment the potential of a coup by his opponents. Caught between McCarthyism and the Cuban Revolution, in a phase of world and Brazilian history fraught with ideological traps, Juscelino Kubitschek distanced himself from the national-populist themes that had convulsed the second Vargas government. Instead he sought to pacify and unite the population, granting amnesty to the officers who had been involved in the uprising against him, particularly those from the Air Force, shortly after taking office. He neutralized accusations of corruption thanks to his emphasis on material development, growth targets, and the construction of Brasília.

The enthusiasm sparked by the dynamism of his projects and accomplishments spread across almost all social classes and political-ideological tendencies, isolating and reducing the firepower of opposing politicians like Lacerda and his followers. In that effort, the president mobilized communication skills equal to or greater than those of the UDN orator, using to his advantage an optimistic, constructive discourse that was far more appealing than his adversary's apocalyptic harangues.

Kubitschek had exceptional and instinctive political communication skills, perhaps the most remarkable in Brazil's history to that point. He captured the imagination of Brazilians with his dream of achieving "50 years in five," of starting to make a reality the aspiration of turning Brazil into a strong, prosperous and respected nation. Using a teacher's pointer in live TV presentations and radio programs, he sold the ideology of material wealth to the population, demonstrating the feasibility of his plans with maps and charts. He added an element of adventure and the pioneering spirit to his pitch with the construction of a new capital city in the Midwest and the opening of the state-of-the-art Belém–Brasília highway.

In a way, he reproduced in Brazil the "glorious years" that Europe had been experiencing in its reconstruction at the time. His government coincided with the "golden age" of modern Brazil, when everything seemed

to be working towards making the “intense dream” evoked in the National Anthem come true. These few fortunate years concentrated the promise of the future in myriad ways: democratic tolerance in political life, the introduction of the automobile industry, the emergence of a new capital in the hinterlands that marked the pinnacle of modernist urbanism and architecture under Lúcio Costa and Oscar Niemeyer, the great works of Guimarães Rosa and Clarice Lispector, the poetry of Drummond and Bandeira, the bossa nova of Vinicius de Moraes and Antonio Carlos Jobim.

To achieve such results without the benefit of a particularly favorable economic climate, the president made decisions that allowed him to triumph in the short term but at a cost that, in the medium term, would jeopardize the survival of his efforts.

External and Internal Economic Constraints

The new government estimated that it would need \$2.17 billion in foreign currency resources from 1957 to 1961. During this era of “export pessimism” (it was debated whether Brazil would ever be capable of exporting \$2 billion!), not much hope could be placed in foreign trade. It is telling that in 1960, the last year of Kubitschek’s administration, the value of exports (\$1.27 billion) was lower than it had been 10 years earlier in 1950, the final year of the Dutra government (\$1.35 billion). The lowest point in the decade was reached right in the middle of the Kubitschek government, in 1958 (\$1.24 billion), primarily due to a collapse in coffee prices, which accounted for 60% of exports.

External constraints posed a significant challenge to development. Far from being a source of dynamism, as was beginning to happen in other countries, foreign trade suffered from stagnation or decline. The outlook for the main export product, coffee, did not offer much hope for improvement. Favorable official credits remained scarce, and those from the World Bank remained out of Brazil’s reach. In 1954, external debt had reached \$1.32 billion, 120% higher than the average from 1947 to 1951.

None of these international factors made the government’s project any easier, and each would directly or indirectly impact the innovative initiatives in the foreign sector during the Kubitschek era, indicating how development diplomacy had become the most important dimension of

foreign policy. In turn, the partial and imperfect solutions achieved would continue to affect the evolution of Brazilian policy in subsequent years.

To give substance to its promises, the government's path lay in executing the Goals Program, which comprised quantitative objectives inspired by projects and diagnoses drawn up by the Joint Brazil-United States Commission and updated by the ECLAC-BNDE Group. The program consisted of 31 goals, crowned by the construction of Brasília, the synthesis target. As had happened during Kubitschek's tenure as state governor in Minas Gerais, the economic emphasis was on energy and transportation, which accounted for more than 70% of the investments. To carry out the program, a parallel structure to the traditional bureaucracy was created, called sectoral executive groups.

In general, the results were impressive, reaching over 100% of the completion target in areas such as highway construction, and over 80% in the case of electric power. Driven by the program, growth, which in 1956 had not matched the population expansion rate (2.9% against around 3% of the demographic rate), accelerated to an annual average of 9% from 1957 to 1961. One of the consequences was an increase in government spending as a share of total expenditure from 19% (1952) to 23.71% (1961), deepening the budget deficit. The financing of deficits and program expenses in national currency was done in an inflationary manner through the issuance of paper money: inflation jumped from around 20% a year at the beginning of the government to between 30% and 35% at the end of it.

While recourse to inflation represented the government's internal solution to its financing limitations, the attraction of foreign capital made it possible to bypass the "exchange rate strangulation" generated externally by the stagnation of exports. The recovery of the European and Japanese economies, which were once again competing with US industry, restored a condition that had disappeared with World War II, 20 years earlier: an alternative to exclusive dependence on unlikely official credits from the United States or on the spontaneous interest of private capital from that country.

In a way, it was a return to 1930s-style competition for the Brazilian market between the United States, England and Germany. The possibility of rebalancing any American lack of interest though the Europeans or the

Japanese had reappeared. This was indeed initially seen in the automotive sector, which only caught American attention after investments from European companies like Volkswagen. Thanks to Gudin, the government had the ideal instrument to attract foreign investment at its disposal: Instruction 113, which essentially favored foreign capital over domestic, since foreigners could bring in equipment without exchange coverage while Brazilians were obliged to acquire foreign currency through costly internal auctions.

Privileged by this advantage and the implicit subsidy from the exchange rate differential, foreign direct investments made massive use of the mechanism: no less than \$401 million of the \$565 million that flowed into Brazil between 1955 and 1960 benefited from Instruction 113. Furthermore, of the \$1.71 billion obtained in loans and financing in the same period, \$1.16 billion—more than 60%—entered the country in the form of machinery, vehicles and equipment without exchange coverage.²⁵

Just as implementation of the Goals Program without prior stabilization had come at the cost of worsening inflation, the strategy employed to avoid external strangulation had the cost of increasing the foreign debt. From less than \$2 billion at the end of 1955, it would accelerate to \$2.7 billion in 1960, more than double the value of exports. Worse than the volume was the short-term nature of the debt: in that final year, 70% of the total had to be paid off within the following three years.

The three foreign sector problems that dominated Kubitschek's diplomacy revolved around coffee, the tumultuous relationship with the International Monetary Fund and the Pan-American Operation. They all have a predominantly economic nature and clearly belong to the sphere of development diplomacy.

Coffee—Since the time of the distant Taubaté Agreement (1906), Brazil or some Brazilian states—mainly São Paulo—had tried with varying degrees of success to control the volatility of coffee prices on the international market. At first a unilateral Brazilian initiative, efforts to set minimum prices and manipulate supply through retention or destruction of the product gradually took on hemispheric dimensions with the signing of the Inter-American Agreement (1940). These efforts gained international significance two decades later.

Vital to national exports, coffee accounted for three-quarters of sales to the US market. It is not hard to understand why this product has figured so prominently in relations with Washington since the end of the Empire and the Rio Branco era. When the Eisenhower administration abolished the price ceiling for Brazilian coffee (54 cents per pound), the Vargas government decided to adopt the same price as the minimum export price.

Boosted by the frost of 1953, prices exploded, reaching a record level of 80 cents and indeed almost 90 cents at one point. Between 1945 and 1954, the price in dollars had increased three and a half times, even after accounting for American inflation. Under pressure from a potential reaction from American and European consumers, the Brazilian government backed down, in an episode that Vargas mentioned in his farewell letter as follows: “The coffee crisis came, our main product’s value was increased. We tried to defend its price and the response was violent pressure on our economy, to the point where we were forced to give in.”

For a brief period of three years (1955 to 1957), prices remained stable at around 57 cents per pound. It was not long, however, before new plantations stimulated by the high prices began a cycle of overproduction that would last until the second half of the 1960s, compromising the external sector of the economy. The struggle to bring some stability and predictability to the market became a new vector for Brazil’s multilateral economic diplomacy, which endeavored to enlist international collaboration to this end.

The effort resulted in a series of agreements: first a voluntary retention agreement (1957), then the Latin American Coffee Agreement (1958) and the International Coffee Agreement (1959), which was the first to set annual export quotas and was renewed in 1960. The policy of stabilizing primary products would remain one of the main lines of Brazilian economic diplomacy for a long time, serving as a driving force for convening the United Nations Conference on Trade and Development (UNCTAD) in Geneva in 1964 and spurring the creation of the International Coffee Organization. Much is said about the “pharaonic” cost of building Brasília: 2% or 3% of the GDP. Hardly any mention is made of the fact that the coffee policy consumed resources of a similar magnitude. Despite this, in 1959 and 1960, the final years of the Kubitschek government, the price of coffee plummeted to 37 cents, with a resulting drop in exports.

Relationship with the IMF—The episode that went down in history as Brazil’s “break with the IMF” and gave Kubitschek his nationalist credentials stemmed from the only relatively serious attempt during his government to contain accelerating inflation. It took place roughly halfway through the president’s five-year term, when it had become clear that growing deficits and pressures from the coffee crisis were combining to push inflation to ever higher levels. In mid-1958, Lucas Lopes succeeded José Maria Alkmin in the Ministry of Finance and, supported by Roberto Campos as president of the BNDE, submitted a monetary stabilization program to the president with the reassuring caveat that its implementation would not imply sacrificing the Goals Program.

Despite this assurance, in December of that year the president of the Bank of Brazil rekindled a traditional conflict with the Finance Ministry and disregarded lending limits, undermining the program. Brazil needed the IMF’s endorsement for a \$300 million loan that it was then negotiating abroad due to the fall in coffee prices and exports. The negotiations were difficult and time-consuming until, in June 1959, speaking as the official spokesperson, Deputy Horácio Lafer informed Congress and the public that the government had ordered the negotiators to return to the country.

The decision was justified as a response to IMF demands that would increase the cost of living “with consequent social disturbances dangerous to the tranquility of the country.” Kubitschek received an overwhelming show of solidarity at the Catete Presidential Palace, which even included the clandestine Communist leader Luís Carlos Prestes. In his speech of thanks, he stated that Brazil’s development was not

an expansionist delirium, but a vital necessity [...] we do not just need advice [...] but effective and dynamic cooperation [...] We do not see how we could follow guidelines dictated by purely technical reasons that [...] do not take into account numerous aspects of a different nature.

In fact, the testimonies of the protagonists of the episode, starting with Lucas Lopes, indicate that Kubitschek was only concerned about inflation to the extent that it could be controlled without sacrificing government spending. He suspected, with good reason, that effective action against inflation would require renouncing or reducing some of his goals.

Pedro Malan believes that, at a time when the electoral succession campaign was approaching and the opposition was growing stronger,

the IMF's intransigence provided the president with an exemplary alibi to unite the developmentalists around him, as well as to transfer the problems of inflation and, particularly, of the serious short-term foreign debt [...] to his successor, keeping his developmentalist reputation intact, probably with an eye on the 1965 presidential elections.²⁶

Pan-American Operation—With the same sense of timing that allowed him to turn the failure of stabilization into a “break” with the IMF and an occasion for domestic political triumph, Kubitschek would take advantage of a critical moment in US policy in Latin America to project himself as the leader of renewal for the aging spirit of Pan-Americanism. The Pan-American Operation (PAO) began shortly before the stabilization program, developed in parallel with increasing disagreements with the IMF, and continued until the end of his government, of which it became a diplomatically characteristic hallmark and guiding thread.

In May 1958, after representing the United States at the inauguration of President Arturo Frondizi in Buenos Aires, Vice President Richard Nixon visited other Latin American capitals, including Lima and Caracas, where he faced unexpectedly virulent street protests that even threatened his physical integrity. The sudden revelation of the intensity of anti-American sentiment shocked the continent. Taking advantage of the situation, the poet, businessman and advisor to Kubitschek, Augusto Frederico Schmidt, proposed that the president immediately send Eisenhower a letter suggesting that the incidents should be put at the service of a fundamental review of US policy in the hemisphere. Pan-Americanism, a kind of social pact between the United States and Latin America, was in crisis and needed renewal.

Schmidt had influence and easy access to Kubitschek, but behind the poet hid a group of diplomats dissatisfied with Itamaraty's immobility. They were determined, as Italo Zappa wrote, to “conspire to make foreign policy.” More agile people with fresher thinking, like Mozart Gurgel Valente, Celso Souza e Silva, Paulo Nogueira Batista and others, found the President's Civil House receptive to their ideas. Itamaraty was well represented within the Civil House under the direction of Ambassador

Sette Câmara and with young diplomats who would later become well-known, like Paulo Tarso Flecha de Lima.

The American president's response implicitly acknowledged the crisis and showed his readiness to reach an understanding to formulate a specific program to strengthen the bond between the peoples of the Americas. In this context, he referred to the need to implement the Declaration of Solidarity approved at the 10th Inter-American Conference in Caracas (1954), which had been designed as a compensation to the Latin Americans for their support of Washington's position regarding the leftist government in Guatemala.

The next step would fully reveal Kubitschek's talent for grand gestures and mass communication. On June 20, 1958, the president gathered his entire cabinet and the ambassadors of Latin American countries at the Catete Palace. He had previously secured, through letters and diplomatic efforts in various capitals, the support of other heads of state, with Argentine President Frondizi's response being decisive. On national radio and TV, he delivered a speech that became the charter of the Pan-American Operation or PAO.

The document revisits and updates traditional themes of Brazilian diplomacy, some dating back to the Baron of Rio Branco, such as Brazil's claim not only of the right but the obligation to make itself heard in matters that jeopardize society's and the country's vital interests. The forceful language of the document stands out for its novelty: "it [Brazil] cannot continue to passively accept the guidelines [...] of a policy with which it is not appropriate to merely be in solidarity in an almost automatic way" (I believe this was the first time that a near-literal allusion to "automatic alignment" appeared in a presidential text).

After rejecting the position of being part of "a mere choral ensemble" or "a simple backdrop," Kubitschek asserted that a "dynamic participation in global issues" must be preceded by an "analysis of continental policy." This was followed by an important caveat: Brazil only intended to collaborate towards a general understanding between the countries of the continent. "It claims nothing for itself, in isolation, nor will there be, in the efforts of the Operation [...] room for bilateral conversations." The president rejected any claim of leadership, dismissed the possibility of prestige competitions and reaffirmed that the idea belonged to everyone.

Moreover, Kubitschek places the initiative in the context of a bipolar world: the letter to Eisenhower was “a cry of alert against the Cold War, which is already beginning to show its first symptoms on our continent”; it should lead to a “collective soul-searching” about what has been done “in reality” for the cause of Pan-Americanism. He praised the sacrifice of the United States in the two world wars and its magnanimity in the Marshall Plan, while noting that “almost all the emphasis was placed on reconstruction, without equal interest being shown in the very serious problem of development.” The Americans turned their attention and resources to the sharp areas of the East-West dispute, while Latin America found itself in a more distressing situation than the devastated nations and became the “most vulnerable point of the great Western coalition.”

It was therefore necessary, Kubitschek said, to “warn our allies and friends of the grave risk they would incur if they persisted in ignoring a crisis of undeniable existence and unforeseeable consequences.” He then tempered this warning by noting that Eisenhower’s letter had revealed the same concern about underdevelopment, the elimination of which would be the greatest service to the Pan-American ideal. In addition to the economic arguments, he aligned those of ethics, Christian morality and the political-strategic interest of avoiding the imprudence of keeping entire areas on the American side of the world weakened at a time when “countries opposed to our democratic system” might be experiencing “impressive rates of growing development.” (This was the time of the Soviet launch of the first Sputnik satellite and Khrushchev’s boasts that he would bury the capitalists in their own terrain of economic competition).

Kubitschek then ended his speech with a proposition. First, he suggested intensifying pioneering investment in underdeveloped areas to compensate for their lack of internal resources and the scarcity of private capital, a veiled reference to American official funding for infrastructure. He continued with a reference to technical assistance, a subject favored by the Americans, and measures to protect primary products from harmful fluctuations, a subject they had little sympathy for. Finally, he proposed “updating international financial organizations by increasing their resources and liberalizing their statutes” (a mild allusion to the orthodoxy of the IMF and the World Bank at a time when the disagreement with the Fund had not yet reached a breaking point). These issues should find practical,

effective and positive solutions in their proper forum, at a meeting of the highest political level, he said.

After the public presentation, the PAO would proceed in two directions. It would serve to raise internal political support for the government and its development ideology through successive meetings in which the president convened politicians, business leaders and military officers. These foreshadowed what Kubitschek would do a year later in his run-in with the IMF. The two episodes and their use in terms of “public diplomacy” represent the first examples in Brazilian history of resorting to large-scale diplomatic issues to mobilize domestic support. They justify considering Juscelino Kubitschek as the pioneer of “presidential diplomacy” in the country, in which, independently of the ministers of foreign affairs, the head of state becomes the internal and external face of diplomacy.

In the hemispheric arena, Kubitschek’s initiative gave rise to intense diplomatic activity, culminating in September 1958 with the OAS’ decision to establish a special body within its Council, the Committee of 21. The operation became institutionalized, adapted to the multilateral routine until presidential succession in Brazil and the emergence of acute problems (the Cuban Revolution) and new initiatives (the Alliance for Progress) on the continent gradually transferred it from the realm of action to that of history.

From this point of view, what can be said about the PAO’s legacy today? It is often stated that the Inter-American Development Bank (IDB) was its greatest, if not only, concrete result. Unable to convert the Americans to the Brazilian and Latin American ideology of using public resources applied by the entrepreneurial state, the closest parallel was to establish a regional bank with funds predominantly from the US government.

Initially resistant to regional banks, the United States began to change its mind because it wanted to set one up for the Middle East. The PAO likely played a role in hastening these already ongoing developments. The same catalyzing influence probably manifested in the reluctant American acceptance of the coffee agreement, which entailed consumer participation and the creation of a corresponding international organization, as well as the channeling of official funds to social projects in Latin America.

Although these results are appreciable, I do not believe it is appropriate to judge the PAO by such a criterion. It did not primarily aim for specific

goals, but rather sought to renew an international social pact—the relationship between the United States and Latin America—and to replace the emphasis on anti-communist struggle with a sustained effort for the development of the Latin American peoples. From this perhaps overly ambitious perspective, the final assessment must be mixed, and not predominantly due to failures in execution or structural inconsistencies, which also existed.

The harshest assessment came from President Kubitschek himself in his last major speech, on December 31, 1960, in which he bade farewell shortly before handing over his post. He started by noting that

the major Western countries [...] continue to give secondary priority and insignificant attention to the problems [...] of Latin America [...] US policy has been characterized [...] by a reluctance to make substantial commitments [...] we have [...] reason to be perplexed by the [the United States'] neglect and [...] misunderstandings of the legitimate demands of the rest of the continent [...] I consider it proof of indifference [...] that there has been no attempt [...] to implement a joint development program for this Hemisphere [...] the purpose of [the] Pan-American Operation.

I can think of no stronger and more insistent expression of the Brazilian elites' resentment over the dashed expectations created by the wartime alliance. Indeed, Kubitschek's tone verged impertinence. The PAO represented the peak aspiration for development in association with the United States in terms of government-to-government cooperation along the lines of the Marshall Plan. Its failure ultimately demonstrated the unfeasibility of the project. For it to have succeeded, it would have been necessary to persuade the Americans that "the decisive and final struggle for world dominance" would take place in Latin America, as Kubitschek declared. This was a reference to the recently victorious Cuban Revolution: something had to be done to "prevent the spread of Cold War disruptions across the continent, which, unfortunately, are already exerting their harmful influence in certain areas of this hemisphere."

Less than two years later, the Cuban Missile Crisis seemed to give prophetic weight to Kubitschek's words. The crisis passed, however, and what prevailed was not the wisdom of the PAO's preventive and progressive approach. Instead, the radicalization accentuated by the fear of ten or

one hundred Sierras Maestras on the continent would usher in several decades of dictatorships, guerrillas, repression, and direct or covert armed interventions.

The diplomatic discourse of the Kubitschek era marked the end of a long cycle of Brazilian foreign policy that traced back, above all, to Joaquim Nabuco's belief in Pan-Americanism as a superior international system, with its purported peaceful and cooperative nature, compared to the system dominated by Europe. Brazil saw itself as Latin American and hemispheric, an integral part of the democratic West, allied with the United States in the Cold War, confident in American reciprocity that would translate into development aid.

There are hardly any echoes of what would later become the broader consciousness of a community of developing countries, the movement initiated at the Bandung Conference, of the Third World. Africa, which at the time was emancipating itself, appeared rather more like a rival than a counterpart. Kubitschek even declared that giving that continent higher priority than Latin America would be a "disastrous mistake." The horizon of international action was confined to the limits of the hemisphere.

Closer to home, in South America, cooperation with Paraguay was given a boost with the inauguration of the Friendship Bridge and the road link between the two countries. In 1958, the 31 agreements signed between Brazil and Bolivia in Roboré, of varying importance, covered everything from the possible exploitation of Bolivian oil by Brazilian companies to the Corumbá–Santa Cruz Railroad. One relevant political turning point was Brazil's convergence with the Argentine *desarrollistas* [developmentalists], who had come to power with Frondizi. The priority given to Argentina by Kubitschek's third and final foreign affairs minister, Horácio Lafer, who succeeded Macedo Soares and Negrão de Lima, established a decisive axis of understanding to make PAO diplomacy viable.

In February 1960, the treaty establishing the Latin American Free Trade Association (ALALC) was signed in Montevideo, reflecting the influence of ECLAC's theses and the example of the European Common Market, which had recently been established by the Treaty of Rome (1957). Even then, the radicalization of the Cuban issue in the hemisphere and worsening internal crisis in Brazil combined to put an end to the golden

Kubitschek years. They would be replaced by a long period of instability and confrontation.

Assessment of Juscelino Kubitschek's Foreign Policy

Although Juscelino Kubitschek's diplomatic agenda enjoyed support from the same political alliance as had that of Getúlio Vargas and João Goulart, his foreign policy approach did not arouse comparable opposition from the adversaries of national-populism. These sectors, which would come to power in the military movement of 1964, had harshly criticized Vargas' foreign policy and intensified their tone towards Goulart. Why, then, did they spare Kubitschek, whose party base was the same? Pedro Malan draws attention to the apparent contradiction in the conclusion of his essay "*Relações econômicas internacionais do Brasil (1945–1964)*," which offers much more about the social and political evolution of Brazilian diplomacy than the exclusively economic title suggests.

The explanation, Malan believes, lies in the economic-structural continuity between the development model associated with American and Western capitalism that ensured expansion during the Kubitschek years and the type of growth that would later characterize the military regime period.²⁷ Malan is careful to point out that the analogy is limited to aspects of economic structure, without the political-electoral dimension of national-populism that was banned by the regime. Implicit in this analogy is an additional reason, of a political-ideological nature, for the lack of conservative or right-wing objection to Kubitschek's diplomacy: his caution in never questioning, in the context of the Cold War, the foundations of Brazil's alignment with the Western bloc led by the United States.

A third reason lies in another area, which helps explain why not only his foreign policy apparatus but Kubitschek's government as a whole, did not provoke the same kind of exasperated hostility that destroyed the governments of Vargas and Goulart. From the point of view of the social classes that supported the PSD-PTB alliance, Kubitschek came from the first element, the large economic interests linked to the PSD: bankers, industrialists, landowners. No one would have suspected that he intended to establish a syndicalist republic in Brazil.

The sum of these and other distinctive factors justifies the assertion that Kubitschek's five-year term was an isolated exception, a parenthesis

of appeasement and prosperity that was only able to temporarily halt the destabilization caused by the appearance of the popular masses in the political game of modern urban Brazilian society.

Jânio Quadros' Government: Internal Frustration and Breaking Point in Foreign Policy (January 31, 1961–August 25, 1961)

Juscelino Kubitschek boasted that he was the only president in 40 years to begin and end his mandate on the date specified in the Constitution. In his farewell speech, he said that “in a country constantly subject to instability and upheavals [...] no one dares to attack institutional stability anymore [...] the victory on this political level is so complete [...] that... the structure of the regime of freedom from which we benefit is consolidated.”

It did not take long for this premature optimism to be disproved. After just a few months, Kubitschek's successor would leave office in a reckless move that nearly led to a military coup. The real thing—the putsch meant to last—would not take long. When it came on March 31, 1964, it opened a cycle that lasted almost 21 years, a human generation spanning five different but equally illegitimate general-presidents.

Far from being anti-establishment, Jânio Quadros demonstrated his ability to take full advantage of the opportunities for political ascension offered by the albeit imperfect universal suffrage system of the 1946 Constitution. Few in Brazil have climbed step by step, as he did, through the electoral hierarchy: councilman, mayor, state deputy, governor, federal deputy, president.

Without personal wealth or belonging to a political dynasty, he echoed the sentiment of the five-time president of Ecuador, Velasco Ibarra: “Give me a platform and I will win any election!” In Quadros' case, “platform” included everything: little notes, histrionic outbursts, abrasive language, bizarre attire, temperamental explosions. He was the first major politician in Brazilian history to craft a biographical strategy designed to make the most of the society of the spectacle, anticipating by more than half a century Donald Trump's extravagant methods of gaining free publicity and becoming a pop hero.

In another respect, Quadros was also the first president to signal the reemergence of São Paulo as a breeding ground for presidents, no longer based on the old coffee oligarchy but giving voice to a transformed state:

the country's largest megalopolis, a melting pot that prepared a *mélange* of all newcomers, including the Mato Grosso-born Quadros. The state of São Paulo concentrated a disproportionate share of the Brazilian electorate and its wealth. These factors would once again come to the fore with the election and reelection of Fernando Henrique Cardoso, born in Rio de Janeiro, and Luiz Inácio Lula da Silva, originally from Pernambuco, once popular suffrage was restored to choose governments.

The last to be held under the 1946 Constitution, the direct presidential election of 1960 took place on October 3. Such an event would not be repeated for another 29 years. A total of 12.58 million votes were counted, more than twice as many as in Dutra's election in 1945. The UDN, which in the three previous contests had run military candidates, surrendered to the pragmatic backing of a civilian candidate, who was notoriously unaffiliated with any party and ironically opposed the military candidacy of the minister of war, the conservative and anti-communist Marshal Teixeira Lott. Completing the triad of competitive aspirants was the perpetually defeated populist Ademar de Barros.

Jânio Quadros received 48.27% of the votes, winning in 16 states, against Lott's 32.93% (eight states and the Federal District) and almost 20% for Barros. The election for vice president favored João Goulart, a member of Lott's slate, who won 36% against 33.7% for the respected UDN candidate Milton Campos. The difference of 300,000 votes in favor of João Goulart would have dire consequences at the time of Quadros' resignation.

Reality Check

Jânio Quadros' inauguration speech was a denunciation of the conditions under which he took over the government: "We have drawn against the future far more than imagination dares to risk [...] it is now time to bitterly settle" what had allowed for "resounding" publicity results. Inflation in the final two years of the previous period exceeded 30% per year, double the average rate between 1950 and 1958. The projected budget deficit was equivalent to a third of revenue. Foreign debt had jumped to nearly \$2.7 billion, of which \$600 million, almost a quarter, was due in 1961.

The remedy adopted by Finance Minister Clemente Mariani followed the orthodox prescription. Sumoc Instruction 204 promoted exchange

rate devaluations, in some cases by 100%. Other instructions dealt with curbing monetary expansion and reducing public spending. Not lacking in Quadros' personal touch, there were also demagogic measures, such as a 20% cut in diplomats' salaries, with the insignificant savings intended to fund scholarships for Africans.

Initially, the exchange rate adjustment and the reduction in oil and wheat subsidies accelerated inflation, as was to be expected. Criticism of economic policy and the delay in achieving results began to shake the fickle confidence of the head of government. His glittering and fast career had ill-prepared him for the long patience required to implement an orthodox liberal program. Signs of vacillation multiplied when it came to taking complementary economic measures.

On the other hand, Quadros' commitment to a resolute austerity and the forceful tone in which he announced the measures he planned to take had a favorable effect abroad, greatly easing the task of Brazilian debt negotiators. In just a few months, debt repayments were rescheduled with European and American creditors, and new loans were negotiated, partly thanks to the strong support of the Kennedy administration. These relief measures, added to the increase in exports (from \$1.27 billion in 1960 to \$1.4 billion in 1961), transformed a deficit of more than \$400 million into a surplus of \$105 million.

The difficulties of an economic and political nature that accumulated towards the end of the first half of Quadros' government did not seem likely to trigger an imminent crisis; nothing compared, for example, to the atmosphere of military turmoil and the Jacareacanga rebellion that accompanied Kubitschek's inauguration and early days in power. Nor had the growing polarization and radicalization of public opinion, which would intensify after Quadros' resignation and culminate in the 1964 coup, yet manifested themselves. The factor that most contributed to destabilizing the political environment came unexpectedly from foreign policy, perhaps the only instance in Brazilian history in which disagreements over diplomatic orientation served as the spark for an institutional crisis.

The Paradox of Jânio Quadros' Diplomacy

It can come as a surprise, when taking stock of the less than seven months of Jânio Quadros' foreign policy, that the diplomatic orientation

of his government was able to provoke such passionate repulsion among conservative and anti-communist circles. After all, there was hardly enough time to consolidate, or sometimes even to outline, concrete achievements of real importance. At that moment, however, it did not take much to ignite political debate. His caustic style, ambiguous inspiration, and the apparent provocative intent of certain immediate-impact initiatives were all that was needed. Afonso Arinos de Melo Franco, the minister of foreign affairs, defined the situation very well. Quadros, said Melo Franco, was right at the wholesale level but wrong at the retail level. In other words, while his broad intuitions were well placed, his execution left something to be desired.

Perhaps it is due to this contrast and, to an even greater extent, the president's inconsistencies and ambiguities, that a study such as that of sociologist Braz José de Araújo underestimates the deeper and more lasting significance of Quadros' contribution. In my view, this is a mistake. According to Araújo, "Jânio Quadros' foreign policy appropriates the basic elements of Kubitschek's and does not innovate much," mainly changing the style and rhetoric.²⁸ In reality, far beyond these formal "retail" aspects, Quadros' diplomacy marks the real moment of rupture with the past in terms of "wholesale" foreign policy. Today, in fact, it is almost a consensus to date the beginning of Brazil's independent foreign policy to this short presidential period, which would not hold true if it were a mere continuation of the previous administration's diplomacy.

Some of the president's positions seemed like logical developments of earlier actions. This is the case of his decision to maintain superficial support for the Pan-American Operation process, which was quickly overshadowed by the Alliance for Progress. Inspired in part by Kubitschek's proposal and, above all, as a response to the challenge of the Cuban Revolution, Kennedy's new initiative did not arouse much enthusiasm in the Brazilian government. The reservations were due to the Alliance's emphasis on social development issues such as education, health, and sanitation, instead of the old dream of a program of massive public investment in infrastructure and heavy industry.

Also founded in the previous phase, the Inter-American Development Bank (IDB) and the Latin American Free Trade Association (ALALC) began their operations in these months. Both reflect the spirit of the time in

favor of regional banks or integration trials inspired by the European Common Market and promoted by United Nations Economic Commission for Latin America and the Caribbean (ECLAC) as a way of expanding the limited scale of local markets. Brazil took an active part in the creation of both entities, in institutional continuity with efforts already underway across the continent.

Close political coordination with Argentina also originated in the previous stage. The border meeting between Presidents Quadros and Frondizi generated a so-called Uruguiana spirit, an effort to replace the rivalry of the past with joint action, especially on hemispheric issues. The rapprochement was made easier by the inauguration in Buenos Aires of Frondizi's developmentalist government (1958), equivalent to that of Kubitschek. It owed as much or more to the initiative of a remarkable group of Argentine diplomats and policymakers, including two ambassadors and future foreign ministers, Carlos Manuel Muñiz and Oscar Camilión, than it did to Brazil.

The Uniqueness of Quadros' Diplomacy—The true singularity of Quadros' foreign approach, however, is not to be found in these traditional areas. Until this point, foreign policy hardly figured in leaders' calculations for winning political power. What changed radically with Jânio Quadros was that diplomacy began to play an important role in Brazil's internal political struggle. Quadros' originality lay in realizing that the desire for an innovative and advanced diplomacy could enable him to win the support of young people, intellectuals, and progressive elements, including labor unions. These sectors could provide the additional votes that the UDN had always lacked in its efforts to overcome the PSD-PTB coalition, which had been victorious in every election since the 1945 redemocratization.

This particular game required a delicate balance. The main contingent of Quadros' support would need to come from the largest organized opposition to the Vargas legacy: the conservative UDN, which was in principle resistant to a foreign policy far removed from the anti-communist underpinnings of the Cold War. Thus, the narrow parameters of an alliance of convenience between opposing parties were defined, imposing ambiguity and incoherence as intrinsic and permanent features. Indeed, the opportunity for a coalition had only arisen at this time because of General Lott's doctrinal rigidity, which alienated sectors with a progressive worldview.

The problem was that, as it was basically unstable, the alliance constantly produced tension and conflict. During the campaign, Jânio Quadros' visit to Cuba at the invitation of Fidel Castro (Lott, invited earlier, had refused) caused enormous difficulties with the right-wing elements of the Janista coalition. Afonso Arinos, acting as a guarantor to the future president, accompanied Quadros on the trip and would eventually be appointed his foreign minister, possibly with the same intention of appeasing any restless and suspicious supporters.

Once the election was over, the antagonism intensified with each new and often provocative initiative taken by the president in the international arena. He was a master in the art of taking measures calculated to produce a political impact. Such measures that had served him well during the campaign became counterproductive with the challenge of retaining power in the face of PSD-PTB parliamentary opposition and the erosion of his own popularity as a result of economic policy. The task required a talent for conciliation, which ran counter to Quadros' conflictive personality, reflected in one of his favorite sayings: "people love harsh governments."

The president was in a precarious position. He lacked a parliamentary majority. The party that had helped him win the election did not feel included in power and viewed his sensational and eccentric measures aimed at maintaining public support with suspicion and unease. More so than during the second Vargas government, the president's narrow base of support made any political audacity risky. Getúlio Vargas, as we have seen, gambled little—or nothing at all—when it came to foreign policy, reserving any bold measures for social and labor policy. Quadros, a prisoner of a conservative economic and social policy, was daring instead in foreign affairs.

The support Quadros gained through these steps fell far short of what he lost among the anti-communist military, Carlos Lacerda, and the majority of the UDN and many of the country's major newspapers. He never managed to build a supportive alliance that would allow him to move forward. Fundamentally, his power project proved unfeasible from the start. His intuition, perhaps semi-conscious, of the project's infeasibility and its inescapable failure, added to the psychological strain of an acute emotionally unstable personality, can explain his resignation better than, or at least alongside, common conspiracy theories of a dictatorial coup.

The Ambiguities—Braz Araújo saw the ambiguities and contradictions of Quadros' foreign policy and mistakenly deduced that nothing much new had occurred. He cites two episodes as examples, both in the context of UN votes.

The first had to do with the failed invasion of the Bay of Pigs in Cuba by exiles recruited and armed by the CIA (April 1961). Brazilian policy was at first closely aligned with the Mexican position defending Cuban sovereignty and demanding an investigation into the operation, but eventually evolved toward voting for a watered-down resolution to the liking of the United States.

The second concerned Portuguese colonialism. The Brazilian representative abstained from voting on a resolution regarding an insurgency against Portuguese control in Angola, opting instead to suggest inviting Lisbon to provide information about the situation. This showed that, in practice, the new government's declaration, in its first message to Congress, that Brazil was opposed to "all, I repeat, all types of colonialism" was not true.

Inconsistencies such as these did indeed exist, clouding perceptions of the guidelines for diplomatic change. They were ultimately the result of the fragile power equation. So too was the measured gradualism used to prepare what would have been one of the major achievements of the government's foreign policy: the resumption of diplomatic relations with the Soviet Union and the recognition of the People's Republic of China.

This case involved a wise mix of measures of increasing importance: the withdrawal of anachronistic diplomatic status still granted to the former representatives of Lithuania and Latvia, countries that had long since been incorporated into the Soviet Union; trade missions by João Dantas to Eastern Europe and Paulo Leão de Moura to Moscow; the establishment of diplomatic relations with all the communist countries of Eastern Europe; and the reception of a high-level mission from the Soviet Union. And yet, even when the strategy was characterized by prudence, as in this careful preparation, Quadros' conflicting impulses threatened to jeopardize everything.

This was the case for the mission headed by João Dantas, a journalist who owned the newspaper *Diário de Notícias* in Rio de Janeiro and had no diplomatic experience whatsoever. From each of the capitals of the

communist countries he visited, even economically insignificant ones, Dantas sent telegrams back to Brazil with delusional projections of trade potential, clearly a propagandistic maneuver designed to demonstrate what Brazil was missing by not deepening ties with Eastern Europe. Contrary to instructions not to include communist Germany in his itinerary, the makeshift diplomat decided to extend his visit to East Berlin, where he also announced major deals. Reprimanded by Itamaraty's secretary-general, Ambassador Vasco Leitão da Cunha, João Dantas revealed that he had been authorized by the president, prompting Vasco's resignation and departure in an episode that nearly caused a serious diplomatic incident with one of Brazil's largest economic partners, West Germany.

On the eve of his resignation, the president had already effectively ordered preparations for a rapprochement with the Soviet Union, which he would leave to his successor. Something similar and more gradual happened with China: voting to include the issue of recognizing Beijing on the UN agenda, sending a mission headed by Vice President João Goulart to China, and accepting the visit of Chinese trade representatives to Brazil.

Many of these initiatives would be continued and brought to their logical conclusion by San Tiago Dantas and other Goulart ministers, developing the basic elements of the Independent Foreign Policy that were in embryo during Quadros' time in office. In a sense, Quadros' pathfinding was reminiscent of what Joseph Schumpeter called "creative destruction." The vertiginous duration of his government allowed him at most to break paradigms and clear the ground for subsequent construction. In this he was something like another isolated and fleeting president, Fernando Collor, who would later dismantle the entire framework of decades of trade protectionism in one fell swoop, and shut down a secret testing ground for nuclear artifacts thereby making it easier for Fernando Henrique Cardoso to join the Nuclear Non-Proliferation Treaty (NPT).

Contrast Between the Diplomacy of Kubitschek and Quadros—Strictly speaking, the contrast between the diplomacy of Juscelino Kubitschek and Quadros could not be starker. Kubitschek left his mark on foreign policy with the Pan-American Operation and a noisy conflict with the International Monetary Fund. In contrast, Jânio Quadros gained support from the IMF and abandoned the PAO to its fate. Augusto Frederico Schmidt, the architect of the Operation and a bitter critic of the new diplomacy, was not

mistaken when, in May and June 1961, he published two articles whose titles indicated his disenchantment: “Desaparição da OPA” [Disappearance of the PAO] and “Negação da OPA” [Denial of the PAO].²⁹

Kubitschek’s diplomacy simultaneously represented the highest expression and proved the exhaustion of the dream of an inter-American system promoting peace and prosperity under the benevolent leadership of the United States. The lack of receptivity from Eisenhower’s government buried the idea. Kubitschek himself expressed in strong terms the disappointment that Brazilian leaders had accumulated since the end of the war.

Even so, he never gave up hope that the Americans would eventually come around. In his farewell speech, shortly after the election of Senator John Kennedy to the presidency of the United States, Kubitschek emotionally confessed his conviction that “something different would happen soon.” We know that this “something,” the Alliance for Progress, would make little impression on his successor. Therein lies the irreducible difference between the two. Until the end, Kubitschek’s policies always remained within the paradigm of collaboration with the United States, a framework of basically hemispheric action. Jânio Quadros sensed that this approach, often attempted unsuccessfully, had finally reached an impasse and began to look beyond the horizon of inter-American politics.

Former Ambassador Adolf Berle, Kennedy’s emissary who had been sharply ignored in his attempt to gain support on the Cuban question, interpreted Quadros’ independence as synonymous with the ability to act against the US. Exaggeration and resentment aside, the observation holds some truth. Independence always comes in relation to someone or something. At that juncture, diplomatic independence for Brazil took the form of refusing to support Washington against Fidel Castro’s challenge.

This stance was unprecedented: never before had a Brazilian government adopted such an evasive attitude on an issue so heavily charged with anti-communist ideological foundations. Cuba would long remain the most sensitive reference point for defining the diplomacy of any Latin American country in relation to strategic security and the United States. Specifically, Jânio Quadros was careful not to adopt an overtly friendly policy towards the Castro regime, a posture comparable to certain actions by Mexico. His behavior, however, was unmistakably biased towards Havana.

Kubitschek had also had the misfortune of dealing with indifferent Republican governments in the US. His successor, by contrast, was in office amid the orbit of Kennedy's brilliant liberal constellation, the most progressive and well-disposed team towards Latin America since the time of the Good Neighbor policy. The path of dialogue and understanding should logically have been more feasible for the Brazilian government, not least thanks to the demonstrations of American goodwill in the rescheduling of the debt. Nevertheless, this was not the case.

The Style of Jânio Quadros—It must be acknowledged that the initiative for many of the disagreements with the US came from the Brazilian president, who preferred to treat Americans with the rough and brusque manner that pleased him. The examples are numerous and wearisome: a discourteous delay in receiving Ambassador John Moors Cabot, the abrupt rejection of an offer of \$100 million in credit made by the diplomat under the pretext of dispelling any insinuation of buying Brazilian support on the Cuban issue, the severe reprimand the president gave the unfortunate ambassador due to an interview to the *New York Times*, and so on. Adolf Berle fared no better, receiving treatment bordering on discourtesy despite his reputation from the days of the Rooseveltian New Deal and his services as ambassador to Brazil during the Vargas era.

Rather than tangible policy measures, Quadros' diplomatic style was defined by sudden and shocking gestures. Anyone who lived through those days (I was then Arinos' cabinet officer in Brasília and was present at most of the diplomatic episodes of the time) remembers behavior somewhat reminiscent of Charlie Chaplin's "The Great Dictator." I especially recall the scene in the barbershop in which Hitler and Mussolini raise their mechanical chairs in an attempt to speak down to each other. Quadros was like that: when you least expected it, he would go into a fit of real or simulated rage to psychologically intimidate his interlocutor and leave them disconcerted.

Anecdotal details like this may seem insignificant. They were often blamed on Quadros' personal oddity and eccentricity. However, there was a certain degree of method to his madness. Since the president lacked the power base to adopt a clear and uncompromising foreign policy, what was left to him was in the domain of the symbolic, the gestural and less tangible, with less serious consequences in practical terms. At least, that

would have been his calculation, forgetting that symbols sometimes convey a more powerful emotional charge than substantive policies.

Indeed, one of these symbolic gestures provided precisely the spark that set off the final crisis of Quadros' administration: his decision to bestow decoration upon Che Guevara during his stopover in Brasília on his return from the Alliance for Progress meeting in Punta del Este. Jânio Quadros liked to repeat a proverb from the Mato Grosso wetlands: "One should not poke a jaguar with a short stick!" Apparently, he did not heed this wise advice when he shocked public opinion with his impulsive initiative, received by many as an intolerable provocation.

The ceremony took place on August 19; a week later, excitement had turned to paroxysm. On the anniversary of Vargas' suicide, Carlos Lacerda, then governor of the state of Guanabara, was once again on national radio and TV to denounce that Quadros was plotting a coup d'état, to which Lacerda himself claimed to have been invited to join by Minister of Justice Oscar Pedroso Horta. Congress declared itself in permanent session; the following day, August 25, shortly after the Caxias Day ceremony,^{IX} the country was stunned to hear the news of the president's inexplicable and unexplained resignation.

The Crisis and the Resignation

Through the course of the severe crisis that followed, little or nothing remained of the truncated government's economic recovery efforts and domestic policy measures. Paradoxically, foreign policy, the immediate cause of the collapse, not only survived the shock but even flourished, an unusual high point in the two and a half years of agony before the military coup. This simple fact is enough to demonstrate that, stripped of the unnecessary provocations of its founder, Quadros' diplomacy corresponded to a historical need widely felt by the majority of society.

On analysis, then, Quadros' diplomacy did not represent a continuation of Kubitschek's approach; it was almost its opposite. In essence, it consisted of a radical redefinition of Brazil's relationship with the United States. Adolf Berle was therefore right to sense that Brazil's diplomatic independence at that time meant active or passive opposition to Washington's interests, which were basically concentrated on the Cuban question. Reticence or

IX A celebration of Soldier's Day in honor of the Duke of Caxias, patron of the Brazilian Army.

criticism replaced Kubitschek's friendly and conciliatory efforts. The Organization of American States took second place to the Uruguaiana Spirit, in which the efforts of Brazil and Argentina to coordinate positions outside the context of the regional forum and control of the United States could already be discerned.

Quadros' diplomacy in fact became somewhat uninterested in the inter-American system. At least, it no longer saw it as the exclusive and unavoidable horizon of its presence in the world. It was instead attracted to the continents and regions that were beginning to achieve independence. It dispatched missions to Africa, and started setting up embassies and consulates on the continent. It adopted an autonomous stance that diverged from the Western position on the Congo crisis. Quadros was even more interested in Nehru, Nasser, Sukarno, and Tito's efforts to organize a third system, neither Soviet nor Western, that would cover Asia, Africa and communist Yugoslavia.

One can guess that the Brazilian president would have liked to imagine himself as the Latin American apex of this new configuration of progress in the international order, an equal alongside these great leaders in a way that evokes a little of what would in fact materialize, almost 50 years later, in the BRICS group. He had been received by Nasser on one of his trips and invited all the other non-aligned leaders to visit Brazil, although he only had time to receive Sukarno, the Indonesian president. In its early days, this movement defined itself as neutralist and, from the Belgrade Conference in September 1961, a week after Quadros' resignation, it would come to be known as non-aligned. While the Brazilian president was still in power, his Ambassador Araújo Castro, Goulart's future foreign minister, attended the Belgrade preparatory meeting in Cairo as an observer.

It had become clear that two of the movement's conditions—the refusal to belong to permanent defense alliances and the granting of bases to major powers—made full membership problematic for Brazil, a member of the Inter-American Treaty of Reciprocal Assistance (TIAR). Ever since, and despite the subsequent accession of many Latin Americans, the country has resigned itself to permanent observer status. Embarrassed, it claimed repeatedly that it needed more time to study the movement, which prompted the comment I heard from an Indian diplomat that Itamaraty

must be the most studious chancellery in the world, since it had been studying the subject exhaustively for half a century.

According to some observers, Quadros' foreign policy found its inspiration in the nationalism of General Charles de Gaulle more so than from the non-aligned movement. Without ever breaking with the Atlantic Alliance, de Gaulle never missed an opportunity to assert his independence from the hegemonic power, the United States. This is the interpretation that Celso Lafer, endorsed by Pedro Malan, draws from this lack of definition. After citing writings by Afonso Arinos and San Tiago Dantas, Malan concludes that "none of these texts advocates a 'neutralist' position explicitly denied by Quadros."³⁰

Without denying the influence of the Gaullist example and the real impossibility of "neutralism" in Brazil at that time, I have the impression that the complexity of the situation requires some qualification. What attracted Jânio and many Brazilians, including professional diplomats dissatisfied with the conservative inertia of official diplomacy, was not so much its "neutralist" aspect. These men did not simply adopt an attitude of judging the democratic West and the communist coalition as equivalent in terms of values and aspirations. If the issue were reduced to this aspect, I have no doubt that the majority would not hesitate to reject this equivalence, either out of conviction or out of recognition of the strategic limitations arising from Brazil's geographical location and the inter-American system.

The attraction of a third position instead lay in the desire to overcome the bipolar world and a refusal to accept the logic of an ideological criterion that imposed alignment with one of the two opposing camps. The prevalence of this criterion had always relegated Brazil's economic and social development needs to a secondary position in the hierarchy of priorities. The aim was therefore to create a different international order, one in which Brazilian aspirations for finance, trade, and technology, the components of what came to be called the "North-South agenda," would receive at least comparable attention to the East-West military-strategic agenda, which was not always of obvious relevance to countries far removed from the zones of direct confrontation.

The essence of the innovation introduced by the fleeting Quadros administration was this greater or lesser affinity with those few countries

that, like Brazil, were tentatively seeking an international order sensitive to an agenda closer to their economic and social challenges, while at the same time opening up a space for political affirmation. It differs from Kubitschek's vision in that it abandoned the hope of persuading the Americans that a development agenda would replace the fight against communism, including the Cuban version, and make it superfluous. By refusing to judge all international problems, even those of national liberation against colonialism, through the ideological prism of the Cold War, this approach was on collision course with the interests of the United States and the colonial powers.

While the global logic of the Cold War prevailed and the fear of communist subversion persisted in Brazilian domestic politics, that kind of development was met with incomprehension, which was sometimes aggravated by gratuitous provocations, ambiguities and contradictions such as those of Quadros. In the Goulart government that followed, internal radicalization would end up contaminating the reaction to the Independent Foreign Policy, despite the best efforts at restraint and clarification by ministers San Tiago Dantas, Afonso Arinos, and Araújo Castro. After a temporary eclipse in the first half of the military regime, the Independent Foreign Policy would reemerge and progress until it became the new consensual paradigm of Brazilian diplomacy.

Goulart Government: Internal Radicalization and Independent Foreign Policy (September 7, 1961–April 1, 1964)

It is exceptional and unlikely that times of acute domestic crisis can produce diplomacy of the highest order, as was the case with the Independent Foreign Policy. Despite coinciding with the shipwreck of the regime established by the 1946 Constitution, diplomacy was practically the only thing that could be saved from two and a half years of political radicalization and administrative paralysis. In fact, of the few achievements of that phase, it was the only one to reappear, after being temporarily eclipsed, as the new paradigm of foreign policy.

It is only fair to attribute to President Jânio Quadros the main impetus and personal responsibility for the invention of this new paradigm, at least in its raw form. Most of the wholesale successes and retail errors of the diplomacy of the first seven months of 1961 were due to his

intuition or calculation, without minimizing the moderating and rectifying contribution of Chancellor Afonso Arinos and a few sectors of Itamaraty. As for the diplomacy that followed, it would be inaccurate to attribute it to the initiative and interest of João Goulart or the first three ministers of the short-lived parliamentary regime. The credit should undoubtedly go instead to San Tiago Dantas and Araújo Castro, who were helped by a core of outstanding professional diplomats.

The reorientation was somewhat analogous to the process that Pope John XXIII was initiating in the Catholic Church at the time, in the sense that it was also an *aggiornamento*, that is, an updating or revitalization. In both cases, the aim was to rejuvenate a tradition that had grown old and no longer corresponded to the demands of the times. This was its distinguishing virtue, rather than any tangible results in attracting investment or development funding, which it did not achieve. Nor did it help the government to strengthen its power internally; on the contrary, it contributed in no small measure to its downfall. If the spirit of this diplomacy resurfaced all the same, it was because time had shown it to be a historical necessity.

The Internal Background

The domestic context could not have been more adverse. A negotiated solution to the Quadros succession crisis turned out to be nothing more than a pause for convenience to avoid armed struggle. The truce introduced by the half-hearted adoption of a poorly sewn parliamentarianism only postponed once again a confrontation whose roots went back many years earlier. Since at least 1945, Vargas' political heirs had been vying for power. They were socially allied with the rising labor unions and opposed to liberal and conservative forces allied with liberal professionals and the urban middle class. This confrontation had never been resolved, and made the political regime inaugurated in 1945/46 one of the shortest and most unstable that Brazil has ever known.

Over an 18-year period, amid the repression of labor unions, prohibition on the Communist Party and the revocation of parliamentary mandates during the Dutra government, Getúlio Vargas' suicide, Marshal Lott's preventive coup and the Air Force's coup attempts at the beginning of the Kubitschek era, and finally Quadros' resignation and the threat of civil

war, the Brazilian regime enjoyed only three or four years of calm and prosperity (1957 to 1960), which Kubitschek attempted to conflate in his farewell speech with the definitive consolidation of democracy.

On September 7, 1961, under the leadership of Tancredo Neves, the first parliamentary system of cabinet government since the times of the Brazilian Empire took office. Francisco Clementino de San Tiago Dantas, a PTB deputy from Minas Gerais, was appointed to the Ministry of Foreign Affairs. In his first meeting with members of his cabinet in Brasília (late September 1961), the minister prophesied in surprising detail the fate that would await the country in the years ahead. As a youth member of the minister's cabinet, I was present at the meeting, which took place at the home of Maury Gurgel Valente, deputy chief of the cabinet, alongside the participation of three or four of the few diplomats stationed in the capital and a few other people, including journalist Fernando Lara Resende.

After listening to those present discuss Quadros' resignation, San Tiago explored all the developments and possible implications of the dual political and economic crisis that Brazil was experiencing. The temporary relief brought by the adoption of parliamentarianism should not be misconstrued. The constitution had suffered a "soft blow" that opened the way for future violations. In order to allow institutions to recover, it would be necessary to calm the country down and give the parliamentary regime the opportunity to function according to its rules. How could this need for stability be reconciled with the nonconformity of the president and his group, who were determined to regain their lost powers, even at the risk of reopening unhealed wounds? Pressure for new constitutional changes would transform this momentary institutional crisis into a permanent one and make it easier for the repetition of attacks on institutions from both sides.

If this was the danger even in conditions of economic and social normality, the scenario had been further complicated by the annulment of the incipient achievements of Quadros' economic policy, swallowed up by the turmoil of his resignation. Double-digit inflation left by Kubitschek was accelerating and, if left unchecked, it would exacerbate distributive conflicts in a threatening political and social context. Fighting inflation had to be an absolute priority—an objective, however, that clashed with the political goal of bringing forward a plebiscite on the final choice for

Brazil's new system of government, which had been scheduled for 1965 by parliamentary amendment.

Support on the streets and in the public square for the plebiscite's early implementation would likely come through the same method of mobilization Vargas had launched through the "queremismo" movement, and which had always been repeated in times of combat, such as the 1950 elections and in the 1954 crisis: the summoning of the masses to defend nationalist causes and the expansion of social progress. Effective mobilization would have to include the communists, who controlled the most combative and effective labor unions.

As the Cold War intensified, triggered by the construction of the Berlin Wall weeks earlier (August 13, 1961) and with the Cuban crisis in full swing, the ideological contamination of the entire internal process was inevitable. These clashes would divide the population into radicalized poles and conflict would spill over into the streets. It would not be difficult to guess the outcome that would result, once again, from the intervention of the armed forces; only this time, the military would not be content with calling elections or restoring legality as they had done in 1945, 1954, and 1955. Having prepared for a long time at the Escola Superior de Guerra, supported by the National Security Doctrine, they felt called to remain in power for a long enough period to allow the country to be "rebuilt" on "regenerated" new foundations.

San Tiago Dantas saw only two ways to prevent this from happening: on the institutional level, by sincerely trying to make the parliamentary regime work; and on the economic level, by controlling inflation before it contaminated everything else. No other public figure so clearly understood the dilemma of the time, and Dantas personally tried to solve it by following his own recipe. As foreign minister and a candidate to organize the cabinet, he was the only one to take parliamentary practice seriously. In his short time at the Ministry of Finance, he focused on fighting inflation. In both cases, he lacked support and had to deal with plenty of saboteurs.

San Tiago Dantas' Actions on the Domestic Front—Obedience to the canons of parliamentarianism was even reflected in Itamaraty's adoption of the practice of referring matters to higher authorities via two explanatory statements, one detailed and substantive for the prime minister, and another brief and formal to the president of the republic. The

system irritated the chief of staff of the presidency, which tried in every way to discourage it. At the time, I was in charge of personally delivering the most urgent documents to the offices of the prime minister and the president, and I remember often hearing expressions from the chief of staff such as: “Why does Itamaraty insist on being the only ministry to send two explanatory statements? Would it not be easier to reduce them to just one, the same for both recipients?”

Since its inception, the parliamentary regime suffered from almost unanimous disbelief and skepticism. Congress (the Chamber of Deputies and Senate) never believed that the cabinet was a true reflection of the parliamentary majority and continued to oppose government proposals, including budgetary ones, without this leading to the downfall of the ministry. The aspirants to supreme power in the 1965 election—Kubitschek (then a senator and one of only four who voted against the parliamentary amendment in the Senate), governors Carlos Lacerda, Magalhães Pinto, Ademar de Barros, and Leonel Brizola, and even the now repentant Quadros—agreed with President João Goulart on only one point: their common desire to return to the presidential system as soon as possible.

Hastily drafted, the parliamentary amendment neglected to modify the provision that required ministers to leave office several months before the election. This requirement, customary in the presidential system, made no sense in a system in which, in principle, all ministerial posts were to be filled by elected parliamentarians. This formal difficulty overlapped with a substantive disagreement between the Conservative cabinet and Goulart, who was committed to promoting land reform by lifting the constitutional limitation that made expropriations contingent on prior compensation in cash. Thus, at the end of June, the 10-month cabinet of national unity, composed of political and economic figures of the stature of Tancredo Neves, San Tiago Dantas, Walter Moreira Salles, André Franco Montoro, and Ulysses Guimarães, among others, came to an end.

Appointed to organize the new cabinet government, San Tiago Dantas was confronted by opposition parties (the UDN) and conservatives in general, either exasperated by the Independent Foreign Policy or for more pedestrian reasons (The PSD, which held a majority in Congress and was against the choice as minister from someone outside the party, instructed its members to vote against San Tiago Dantas’ confirmation, shutting it

down). Nor did he succeed in convincing the radicalized left. The more moderate and traditional leftists tended to consider him a traitor to his own class or, at best, an opportunist. The populists and revolutionaries were equally suspicious of the professor of law, the intellectual of universal culture, the lawyer for large economic groups, whose personality breathed in everything from his appearance to his elocution, his impeccable pronunciation to his limpid and elegant language, all signs of distinction of spirit, confused with elitism. The palace circles themselves would have conspired against the nominee because they saw him as the only person capable of carrying out the undesirable consolidation of the parliamentary regime, if that were humanly possible.

In a study on the economy of the period, Marcelo de Paiva Abreu points to another reason that the country's political power brokers opposed Dantas as the head of government: fear of the implications of the economic program that the aspiring prime minister outlined in a speech to the Chamber of Deputies on July 27, 1962:

If we want to fight inflation, the first thing we need to do is take stock of the resources we have at our disposal and budget honestly. Anyone who does not have unlimited resources and is faced with problems that exceed them needs to plan so as to set an order of priorities. Only a government that is willing to establish a strict order of priorities among Brazil's problems [...], and provide these priorities with the available resources, will be able to implement a monetary policy that can support a policy of price containment.³¹

The speech left no doubt that fighting inflation would be the main priority of a possible San Tiago Dantas cabinet, in line with what the minister had told his collaborators at the September 1961 meeting. Price increases were about to jump from 30% annually (1961) to more than 50%, with monthly rates of 5% to 7% (end of 1962), pointing to annualized inflation of 80%.

Despite the obvious danger of this acceleration, Marcelo Abreu observes that the discourse was unlikely to please “political circles, characterized, in the best tradition of Brazilian elites, by an aversion to choosing between contradictory objectives and accustomed to the inflationary accommodation of conflicts associated with the distribution of scarce resources.”³² This was true then and remains true today, more than half a century after

experiments that are uselessly repeated in the vain attempt to fit an infinity of desires within a small and modest economy. With so many opposing, suspicious or indifferent forces, it is no wonder that Parliament rejected as its leader the one member who could have rescued it. As one of my duties was to liaise with Congress, I accompanied the minister during the night of the defeat of his nomination as Prime Minister. Late in the night, the minister and a small group of sympathetic companions, myself and my wife among them, left the Chamber of Deputies deeply dejected after the vote. I remembered Drummond's verses: "*Perdi o bonde e a esperança / Volto pálido para casa*" [I've missed the tram and lost hope / I return home pale]. Since then, the trams are gone; as for hope, it remains pale...

The Agony and Death of the Parliamentary Regime—The rejection of San Tiago Dantas represented the definitive defeat of the project to establish a workable parliamentary system. The new nominee to form a government, Senator Auro de Moura Andrade, lasted 48 hours before being brought down by a general strike. Those who came after him had been hand-picked as gravediggers to bury the regime. Brochado da Rocha, an obscure PSD deputy from Rio Grande do Sul and state secretary in the Brizola government, headed the cabinet for less than three months. He failed to get Congress to approve bringing forward the plebiscite on selecting Brazil's system of government to October 1962 or to delegate legislative powers, then plunged back into the obscurity from which he had emerged.

A new strike triggered by the General Confederation of Workers (CGT) pressured parliamentarians to set the referendum for January 1963. The last cabinet of this inglorious experiment, headed by Hermes Lima, lasted four months. Its mission was to complete the work of systematically demoralizing parliamentarianism to ensure that the plebiscite would give it an uneventful burial. Already purged of Finance Minister and well-respected banker Moreira Salles, who until then had played the role of guarantor for the leading sectors of the economy in the Treasury, Hermes Lima's government brought about the victory of presidentialism in the plebiscite and proved unable to avoid the beginning of the radicalization of the political situation. Restored to his full presidential prerogatives, João Goulart would survive just over a year, marked by a "march of folly" towards final disaster.

The Short Lifespan of the Independent Foreign Policy

Brazil's Independent Foreign Policy was entirely contained in these 27 months, if we leave out its tumultuous implementation during Jânio Quadros' seven-month term. The fluidity of the institutional backdrop was reflected in the turnover of foreign ministers. Of the five men who occupied the office in this short time San Tiago Dantas lasted the longest (10 months), followed by Hermes Lima (nine, the first four of which he also served as prime minister) and Araújo Castro (eight). The terms of Afonso Arinos, in his second stint as chancellor, and Evandro Lins e Silva can just as easily be counted in weeks as in months (only eight weeks each). None of the ministers completed a year in office.

For reasons more relevant than mere longevity, the San Tiago Dantas phase stands out as Independent Foreign Policy's finest hour. Hermes Lima and Evandro Lins e Silva did not have electoral mandates, nor did Araújo Castro, the first career diplomat to head Itamaraty in a long time. As well as spending little time as minister, the UDN member Afonso Arinos was a sort of cuckoo bird in the PTB-PSD nest. San Tiago Dantas may not have had a significant political or electoral base, but he belonged to the ranks of the labor movement and enjoyed intellectual prestige with Goulart, who would later call on him to serve as finance minister and continue to consult with him in moments of external and internal crisis.

What, after all, happened that was so important in those 10 months as to justify describing them as the pinnacle of Independent Foreign Policy? A dry chronological assessment might seem to yield insignificant results. In early November 1961, Brazilian diplomatic legations were opened in Bulgaria and Albania, and at the end of the same month diplomatic relations with the Soviet Union, which had been broken off 14 years earlier, were reestablished. At the beginning of the following year, at the Eighth Meeting of Consultation of Ministers of Foreign Affairs of the American States, Brazil, along with five other countries, abstained from voting in favor of Cuba's suspension from the Organization of American States (OAS). In April, President João Goulart made an official visit to the United States, without significant results.

Apart from that, there was little else: visits by San Tiago Dantas to Poland and to see Pope John XXIII, and another to Lisbon to discuss the problem of the independence of Portuguese colonies in Africa, one or

two episodes in the multilateral sphere of the United Nations, sending an observer to the First Summit of Non-Aligned Countries in Belgrade, and being chosen to take part in the expanded Conference on Disarmament in Geneva.

It is important to distinguish these initiatives by the Ministry of Foreign Affairs, in the field of diplomacy proper, from actions taken by outsiders to Itamaraty—carried out without coordination with the foreign minister but with serious repercussions for Brazilian foreign relations. Among them, the measure with the strongest and most prolonged impact on bilateral relations with the United States was Governor Leonel Brizola's decision to decree, in February 1962, a takeover of Companhia Telefônica Riograndense, a subsidiary of International Telephone and Telegraph (IT&T), in Rio Grande do Sul.

What is the “Independence” of the Independent Foreign Policy?—As we can see, it is not in these transitory episodes where the quality of San Tiago Dantas' diplomacy should be sought. Instead, it would be better to start from the very essence of a foreign policy that insisted on calling itself “independent.” How did the formulators and practitioners of diplomacy explain this “independence”?

In his Message to Congress, Jânio Quadros stated that Brazil, “free from anachronistic foreign commitments,” should follow a foreign policy that, “reflecting its personality, conditions and interests, is the most conducive to the general aspirations of humanity, economic development, peace and security...” Towards the end of his brief administration, Quadros reiterated, in a speech at the Museum of Modern Art in Rio de Janeiro (July 10, 1961) before a disapproving Carlos Lacerda, that he had chosen “an affirmative and independent international policy that tolerates no interference, conditioned exclusively by its own character and its legitimate interests.” Further on, he noted that Brazilians “claim and demand the right and freedom to deal with our own interests.”

I have deliberately highlighted certain expressions to indicate that, in addition to their positive content (legitimate interests), Quadros' formulations (as well as some of Arinos') convey the impression of claiming, with a certain degree of belligerence, a right contested by a hidden subject, unnamed yet implied. Freedom and the right to look after one's own interests should be self-evident, natural and straightforward. But not here.

They must be claimed and demanded, without tolerating any interference, freed from anachronistic commitments. In relation to whom?

In the previous chapter, I noted that independence is a relative concept: we are independent or dependent in relation to someone or something. In Brazil's case, given its position in world geostrategy, that someone could only be the United States—not the Soviet Union, China, or any other country. The adjective “independent” thus tacitly referred to the Americans. There was no point in saying that Brazil did not wish to single out the United States and would not tolerate interference from anyone. As Ambassador Adolf Berle wrote: in practice, for Jânio Quadros, independence meant being able to act against Washington's interests.

This was the first characteristic that made the foreign policy of the time necessarily controversial and provocative, right from its outward-looking moniker. There was also a second, internal, and temporal target. If only from that moment onward did foreign policy deserve to be called independent, what had the others been: dependent, automatically aligned, servile, and alienated in relation to the country? It was necessary to clarify this original misunderstanding, born not only from the potentially offensive connotation of the name but also from the policy's very essence.

San Tiago Dantas as the Refounder and Perfecter of Independent Diplomacy—During his lifetime, the philosopher Norberto Bobbio was described as “*il gran chiarificatore della vita politica italiana*.” In the particularly tumultuous period of early 1960s Brazilian history, Dantas played a similar role: the great clarifier of the dilemmas of Brazilian political life. It is a pity that today few people read his pronouncements on the internal clashes of that time. Many of his insights are illuminating and remain fully relevant. For instance, I know of nothing better even today to explain challenges confronting Brazil than his acceptance speech upon being chosen as the “Man of Vision” in 1963, a title awarded by *Visão* magazine.

Fortunately, Dantas' diplomatic texts have become so inseparable from the concept of the Independent Foreign Policy that studying it without frequent reference to the teachings they contain would be impossible. I choose the word “teachings” intentionally, as the role his ideas play is didactic, pedagogical, dissecting the concepts and disarming embedded risks. A prime example can be found in his commencement speech to the 1963 class of the Rio Branco Institute. Addressing the issue of foreign

policy dependence, which had stirred considerable resentment among those accused of “surrenderism” (“*entreguismo*” in Portuguese) or “automatic alignment with the United States,” he removes any moral tinge from the expression with an aseptic scalpel. He explains:

It has not been understood that *dependence* in foreign policy, rather than servility or conscious subjection to impositions made from abroad, is a fact to be explained in the light of sociological criteria and not to be judged by purely moral criteria.

Continuing his reasoning, he defines in Hegelian terms that “independence is only achieved when the country’s political consciousness, driven by the process of its own contradictions, manages to reflect upon and grasp the national reality and begins to identify, within the topographical framework of its relations with other peoples, the position and itinerary that allow it to achieve its goals.” Independence, as he goes on to explain, results from both external and internal emancipation. The former consists of breaking the bonds of dependence on decision-making centers abroad. The latter is achieved through transformations in the social structure. The sum of both types of emancipation constitutes development.

The concept eliminates subjectivism, voluntarism, and ambiguity. However, it raises a question: If emancipation and development condition and determine independence, what happens when these conditions are not fully realized, as in Brazil at that time? Would it be enough for consciousness to grasp reality and identify the path forward? How can we move forward if lingering ties of dependence on the outside world pose obstacles to this path? Or if incomplete social transformation means that powerful sectors identify different or opposing paths on the international stage to achieve their goals?

In the precarious circumstances of Brazil from 1961 to 1964, it would have required an extraordinary leap of faith to claim that dependence on external and internal decision-making centers had ceased. In the absence of the objective conditions for emancipation, what remained as the foundation of independent diplomacy was the subjective assertion of will supported by the light of reason. Would this be enough? This is what would begin to be seen in how the country dealt with the quintessential challenge of hemispheric relations during those years: the Cuba question.

Cuba, the Focal Point of the Independent Foreign Policy—In those years, Cuba was the main point of contention and division in foreign policy. In the past, foreign policy domination by such a specific area of focus had only been the case with England regarding the slave trade question, Argentina under Rosas, and Paraguay under Solano López, countries from which Brazil was separated by concrete problems of life and death. This was not the case with the Caribbean island. Little informed about the outside world and focused on domestic difficulties, Brazilian public opinion has never been very passionate about distant international issues of an ideological nature and lacking a direct link to national daily life. Regarding Cuba itself, diffuse popular sympathy did not prevent the Prudente de Moraes government from selling warships (for purely financial reasons) to the US Navy in the midst of the Spanish-American War (1898). In this long history of indifference, the Cuba question of the 1960s stands out as more of an apparent exception than a real one.

In fact, what was being discussed was not so much the advantages for Cuba of the Marxist-Leninist option proclaimed by Fidel Castro, but the value that the decision held as an example for Brazil, which at that time was going through an existential crisis in choosing its own destiny. While Berlin, Eastern Europe, China and Korea were far away, Cuba brought the Cold War to the American continent and to Brazil for the first time, internalizing within the core of every Latin American society what had until then been played out only in far-off places. This aspect and, later, the transformation of the Cuban regime into an active promoter of the revolution, a refuge for exiled revolutionaries and a training ground for guerrillas, would make Cuba a focal point for internal threats, first for Venezuela and Colombia, and later for a majority of Latin American countries.

This unique characteristic explains why the Cuban problem differed from all others posited by the Cold War. Rapprochement with the Soviet Union, strongly contested at first, soon became a *fait accompli*. Even after the 1964 coup, the military did not reverse course. The need to coexist and maintain commercial and diplomatic relations with nations of different ideological orientations was accepted as a pragmatic imperative. Still under the military regime, in President Ernesto Geisel's time, the People's Republic of China would be recognized as the representative of the Chinese people at the UN and diplomatic relations would be initiated

with Beijing. Cuba, however, would remain an untouchable taboo until the end, as it belonged more to the realm of internal security policy than to foreign policy.

But we are jumping ahead. This perception of Cuba as a threat developed only gradually, as the victorious Fidelista movement, antagonized by the Eisenhower administration, found in Nikita Khrushchev's Soviet Union the political and diplomatic support, military means, and economic backing it needed to survive embargo and isolation. Three years would pass between the victory of the revolution on New Year's Eve 1959 and the clear Marxist definition of its leaders by the end of 1961. With the admission of Castroism as Marxist-Leninist and its alignment with the Soviet Union, including at the military-strategic level, any room for flexibility for Brazilian diplomacy diminished.

At first, more or less ingenious solutions, such as "Finlandization," proposed first by Afonso Arinos and later revisited by San Tiago Dantas, seemed viable. The proposal consisted of a negotiation so that, in exchange for a guarantee of non-invasion by the United States, Cuba could maintain its communist system while agreeing to respect the "externalities" of democracy and refraining from taking sides in Cold War issues. The term "Finlandization" referred to the experience of Finland, a country that, although adjacent to the Soviet Union, avoided Soviet domination by committing to neutrality and not participating in Cold War competition, even foregoing Marshall Plan aid. This and other conciliatory formulas were ultimately overtaken by the speed of radicalization in Cuba, which left no time to pursue accommodation through diplomatic negotiation.

In a meeting of Minister San Tiago Dantas' planning commission with his closest assistants, there was a moment that suggested the evolution of the position of independent diplomacy from Jânio Quadros onwards. The meeting took place on the morning of December 26, 1961, just weeks after Fidel Castro had publicly declared himself a Marxist-Leninist. At one point, Dantas commented on the orientation of the previous government:

In that line there was a slight touch of ideological sympathy and a systematic refusal—sometimes evasive—to pronounce on the democratic character of the Fidel Castro government [...] Our idea was the opposite. We started by recognizing that the Cuban regime was not democratic [...]. This eliminated the problem of ideological

sympathy. The Brazilian government has no ideological sympathy for the Fidel Castro regime, *even though political groups within the government may* [emphasis mine].³³

Diplomatic analyst Gelson Fonseca astutely observes that the “reality” of the Cuban government’s Marxist evolution did not invalidate the fundamental principles that guided the Brazilian position. “On the contrary, the principles of non-intervention and self-determination continue to be the cornerstone of the attitude [...]” They were even reinvigorated and, for San Tiago Dantas, became more absolute “since the question of whether the regime was socialist or democratic no longer had any influence on them.”³⁴ The minister’s ability and firmness in applying these principles in a situation of enormous complexity and risk would be tested, weeks later, at the Eighth Consultation Meeting (January 22–31, 1961).

Punta del Este: San Tiago Dantas’ Toughest Test—Over half a century later, the importance that contemporaries attached to the meeting may seem exaggerated. In the annals of Brazil’s multinational and hemispheric diplomacy, possibly no other decision consumed such careful preparation or was the subject of a comparable explanatory effort. It could even serve as a case study to illustrate the contrast between San Tiago Dantas’ professionalism and Quadros’ improvisation. At the Casa das Pedras talks^x and in the Planning Commission, the Cuba question and the appropriate Brazilian stance were scrutinized in every detail. Once the course had been set, the foreign minister summoned all the heads of mission of the countries across the continent to inform them in advance of Brazil’s unequivocal position, with no room for ambiguity or surprises (January 12, 1962).

The backlash was swift and unprecedented. Less than a week later, dissatisfied with “the resigned instance of folding arms,” four of the five living former foreign ministers decided to take a public stand. In a formally respectful appeal published in *O Globo*, José Carlos de Macedo Soares, João Neves da Fontoura, Vicente Rao and Horácio Lafer (the fifth, Raul Fernandes, abstained from signing because he was a member of the Inter-American Juridical Committee) recommended an approach that, “without violating the principle of non-intervention, isolates Cuba from our political life, through the collective severance of diplomatic relations,

X The Casa das Pedras, property of politician and businessman Drault Ernanny and located in the Rio de Janeiro neighborhood of Gávea Pequena, was the site of meetings organized by San Tiago Dantas to freely discuss the major themes of his administration.

which eliminates it from the OAS, as long as the Fidelista dictatorship lasts...” (January 17, 1962).

In a prompt and skillful response, San Tiago Dantas personally lamented that the conduct of foreign policy was not in the more capable hands of any of the illustrious signatories. He also welcomed their formal support for the principles of non-intervention and self-determination. Without delving into the legal basis of their recommendation, he countered the call for isolation through diplomatic rupture by arguing its political ineffectiveness. “What practical impact,” he asked, “would the withdrawal of American diplomatic missions have on restoring democracy to a socialist state, or, as he professes itself, Marxist-Leninist?” He then replied:

diplomatic isolation would lead to results opposite to those desired by the four former foreign ministers in their well-meaning appeal. Cuba would become even more integrated into the socialist world, to which it would be compelled by virtue of its repudiation from the American republics [...] once diplomatic ties with the hemisphere were severed, the Cuban case would be left solely to the dispute between East and West.

The conclusion was inescapable:

the severance of relations is either a mere step towards “intervention by force,” which the former foreign ministers themselves are the first to condemn, or it proves to be an innocuous and perhaps counterproductive remedy.

He ended by reassuring the signatories, advising:

what might appear as “folded arms” to the ardor of the journalist sometimes reveals itself to the pondering of the statesman as an efficient line of action.³⁵

These and other arguments, detailed and developed, structured the most important pronouncements during the meeting: a lengthy and detailed speech to the General Commission (January 24, 1962) and the justification of the vote. The stakes of the consultation and an explanation for the passions it aroused were ultimately tied to the survival of the Cuban regime. The fiasco of the invasion of Playa Girón (April 1961), orchestrated by Cuban exiles and supported by the US government and suppressed in

less than 65 hours, had shown that Fidel Castro could only be defeated by a military operation led directly by the United States, even under the guise of a collective decision.

As the minister had warned in his statement to the heads of mission in Rio de Janeiro, such operation

would provoke, in Latin American public opinion, a justified reaction that would favor the radicalization of the domestic politics of the countries of the hemisphere and weaken [...] the bonds of mutual trust essential to the very existence of the inter-American system.

Perhaps it was this fear of domestic destabilization, even more than legal reasons, that inspired the stance toward Cuba of countries with precarious internal situations, such as those in Argentina and Brazil.

San Tiago Dantas' fears regarding the potentially destabilizing outcome of the Punta del Este meeting were far from exaggerated. The proof soon became apparent in Argentina's case. A week after the conference ended, military pressure there forced a break with Cuba (February 8, 1962). Publicly humiliated, the Frondizi government resisted for less than two months until it was overthrown (March 29, 1962) for reasons linked to a resurgence of Peronist influence.

This can help us understand the atmosphere of nervousness and tension that gripped the deliberations. Colombia, the country that had called for the consultation, alongside many others from the Caribbean and Central American region, initially wanted to adopt military measures against Cuba and collectively sever diplomatic relations. Faced with signs that it would not garner sufficient support for such a measure, the country shifted its focus to a final resolution on suspending the Fidelista regime from the OAS, excluding it from the Inter-American Defense Board and applying trade sanctions. Until the last minute, the Americans doubled down on high-level efforts and pressure to this end. In the case of Haiti, they even made economic support from the Alliance for Progress conditional on a change of vote.

Amid this heavy atmosphere, a bizarre episode took place which, although for obvious reasons remained undocumented, seems to be undoubtedly true. On the eve of the decisive vote, San Tiago Dantas gathered the senior members of the delegation and, with his usual acuity,

expressed his fear that on the following day, Prime Minister Tancredo Neves or President João Goulart, or both, might call to convey the last-minute efforts of Ambassador Lincoln Gordon and, in one way or another, request that he “soften” Brazil’s position. If such an event occurred, Dantas had decided he would resign as head of the delegation (and the ministry), passing the baton to the next in line. Unless, he hinted, he “could not be reached” by phone, either because he was in the process of casting his vote or for some other similar reason... As if following a well-rehearsed script, everything happened the next morning exactly as anticipated: at the last minute, Goulart and Tancredo tried to contact Dantas, but the phone calls were successfully prevented from reaching their recipient, and the vote was cast as planned.^{XI}

The Brazilian delegation voted in favor of most approved items, with two fundamental exceptions: the expulsion of Cuba from the OAS (it supported the country’s exclusion from the Inter-American Defense Board) and the suspension of trade. San Tiago Dantas’ objective was not to prevent the victory of the majority position, endorsed by the United States and the 13 countries that accompanied them. His main concern was to avoid the possible isolation of Brazil, which he achieved to a greater extent than expected.

Claiming the OAS Charter did not provide for the exclusion of a member, six countries deemed the measure illegal. One of them, Mexico, voted against it on those grounds, while Argentina, Brazil, Bolivia, Chile, and Ecuador abstained. In terms of population, importance of culture and economy, this group represented more than two-thirds of the Latin American world, the foreign minister remarked while addressing the Chamber of Deputies. In this speech, as well as on national radio and television, San Tiago Dantas continued to play his role as pedagogical enlightener of foreign policy. Even so, he did not manage to avoid a motion of censure being tabled against him in the Chamber of Deputies. The motion failed, and gave him the opportunity to present another remarkable defense of his stance (May 29, 1962).

XI The author received this account, in great detail, from Ambassador Mário Gibson Barboza, the minister’s chief of staff and a member of the delegation to the consultation meeting. Hours later, still fresh in his memory, he recorded the incident in a note for history. According to the source, when San Tiago Dantas declared that he would resign and hand over leadership, one by one, everyone said they would do the same. Ironizing the sudden attack of principled coherence, the chancellor exploded: “You have spent your whole lives doing rubbish and now you want to pose as vestals! I am the one who can resign, because I have a mandate. Employees have to do what the government tells them!”

The Missile Crisis: Epilogue of the Cuba Question—San Tiago Dantas left the Ministry of Foreign Affairs at the end of June 1962, a little over three months before the epilogue to this agonizing phase of the Cuba question. This was produced by the direct confrontation between the two superpowers in what came to be known as the Cuban Missile Crisis (October/November 1962), triggered by Khrushchev's reckless decision to install nuclear missiles on the island, aimed at the United States. In the event, Dantas was called upon to actively collaborate in the Brazilian reaction, for example by drafting a response to American communications. His absence was felt in the lax management of the crisis, noticeable in Itamaraty's loss of unified and professional command over its initiatives. Before taking precautions to verify the basis of Kennedy's accusations, ministers from other government ministries and politicians like Leonel Brizola, who was close to the president and perhaps induced by the belief that this was a repeat of the Playa Girón invasion, rushed into statements with a strong anti-American sentiment.

Vacillation and insecurity pervaded the entire episode on the part of the Goulart government, disoriented by information of dubious quality and besieged by "political groups within the government" with the same ideological sympathies for Fidel Castro's regime to which San Tiago Dantas had once alluded. The information and analytical capacity available to Itamaraty and the government regarding the Castro government's likely trajectory had never been able to anticipate his decisions, either due to wishful thinking or a genuine inability to take the revolutionary, not reformist, vocation of the Cuban regime seriously. Gelson Fonseca points out that a recurring idea of both Dantas' speeches and those of his collaborators at the Casa das Pedras discussions was that "the Cuban socialist experience would not last and it was highly unlikely that the Soviet Union would forge solid ties with Fidel's regime." They deduced that the Brazilian attitude, consistent with these errors of assessment, "would clash with how the Cuban regime evolved."³⁶

It is understandable, then, that the reality of Cuba's imminent conversion into a base for launching nuclear missiles against the United States and the American continent left the Brazilian government perplexed and hesitant. It is instructive in this respect to contrast the reaction of the Goulart government with that of General de Gaulle, with which it is sometimes compared. When Kennedy's special envoy, former Secretary of

State Dean Acheson, informed de Gaulle about the revealing photographs of the missiles, the general did not hesitate for a moment and replied that he did not need to look at the photos to believe them (this was long before the intelligence fabrications of the Iraq invasion...). He added: "If there is a war, I will be at your side, but there will be no war!" Earlier, he had told the American emissary that he knew perfectly well that he was being informed, not consulted.

The French leader, with firsthand experience in two world wars, immediately saw what the Brazilian government had trouble seeing: the Cuba question had moved beyond the hemispheric or UN scope to become a direct and potentially deadly confrontation between the two giants. A great power, threatened in its survival, would never agree to entrust its salvation to the Atlantic Alliance, the United Nations and much less to the OAS, which could at best play a subsidiary role once the cause of the threat had been removed.

This was, in essence, the reason why Brazil's various attempts to help mediate the conflict or test proposals for a multilateral solution in the UN forum failed to make any headway with the Americans or Fidel Castro.³⁷ The Goulart government ended up resigning itself to approving the US blockade of Cuba at the OAS, but even this inevitable decision was contested by Brizola and other Situationist allies within Congress and the administration. The ambassador to the inter-American body, Ilmar Penna Marinho, was even accused of treason and violating instructions by the former governor of Rio Grande do Sul and his followers. After these accusations, Itamaraty had to issue a belated note of denial, highlighting how Brazilian actions during the crisis suffered from a lack of effective communication and even some ambiguity and duplicity.

In fact, the positions held by the government and figures such as Brizola, Labor Minister Almino Álvares Afonso, and Darcy Ribeiro varied over the course of the crisis. What began as initial pro-Cuban distrust of the Americans became a hesitant and embarrassed recognition of the reality of the Soviet threat. Even so, the general background of antagonism towards the US among official sectors can explain Brazil's refusal to take part in possible naval quarantine operations, in contrast to the willingness shown by Argentina, Colombia, Peru, Venezuela and others. Compared to what had happened in a similar confrontation at the beginning of World

War II, the respective positions of Brazil and Argentina towards the United States had tellingly become reversed.

This time, fortunately, war was avoided, and the crisis ended thanks to a direct understanding between the two superpowers. Krushev turned back ships with suspicious cargo before they reached the blockade limit and withdrew the missiles already installed, ignoring the protests of Castro and his supporters at the demonstration in Havana in which they chanted: “*Nikita, Nikita, lo que se da, no se quita!*” In exchange, Kennedy promised not to invade Cuba and, in a secret compromise, agreed to remove American missiles from the Turkish-Soviet border.

The guarantee of non-invasion, which had been fruitlessly sought at OAS meetings and in aborted projects such as “Finlandization,” was finally achieved after confrontation and negotiation between the two leaders of the bipolar world order—without consulting any allies, third parties, or multilateral and regional bodies. From then on, Cuba’s status as a client state of the Soviet Union, an occasional, somewhat autonomous collaborator on Soviet policy in Africa, and a more or less independent pole of (limited) subversion of Latin American regimes was reluctantly tolerated. Fidel Castro would no longer embark on utopian schemes to promote revolution in the Third World such as those that would eventually lead Ernesto Che Guevara to dissent and death in Bolivia.

For the Soviet Union, the episode ended as a draw with a taste of defeat and, for the American president, as a draw with a taste of victory. Castro did not fare so badly. He ensured his survival in power, and the regime he set up persists to this day, more than 50 years after the disappearance of Kennedy and Krushev.

In this sense, Fidel’s foreign policy was more effective in securing the survival of his regime than Goulart’s diplomacy was for the Brazilian government. The Americans demanded from the Independent Foreign Policy what it could not give up without losing its essence: to clearly choose one side in the Cold War dispute. Giving in to this demand would mean accepting the reductive paradigm of bipolarity and subordinating Brazilian interests, primarily focused on development, to American and Western strategic and ideological priorities.

Gelson Fonseca stresses that one of the main expressions of the autonomy of the Independent Foreign Policy consisted in the development

of its own understanding, different from the American one, of the threat posed by the communist regime in Cuba.³⁸ Clear-sighted prior to the installation of the missiles and after their removal, the Brazilian point of view became misguided at the moment when the Soviets were on the verge of posing a mortal threat to the United States and the American continent. Krushchev was not seeking the balance of terror, an unwritten rule of the Cold War, but rather strategic superiority, its negation. It was because of this realization that, as we have seen, de Gaulle did not hesitate. Refusing to take sides in such a situation practically meant siding with the Soviet Union and Cuba.

At first, the Brazilian government was slow to grasp what was happening. Goulart's response to a letter from President Kennedy on the discovery of the missiles, drafted by Dantas, placed almost exclusive emphasis on urging the Americans not to launch a military attack on Cuban territory. Shortly afterwards, the government would eventually have to approve the blockade at the OAS, but not potential measures of force. João Goulart himself told Robert Kennedy: "Cuba's action of allowing itself to be turned into a support base for an attack on the United States was obviously not tolerable." Why, then, did it take so long to adopt the right position and, even then, do so hesitantly and almost confidentially?

What truly mattered in the eyes of the Americans was that the island next to Florida forever ceased to represent a possible platform for Soviet nuclear attacks, which were the only ones they feared. It did not cost them much, in exchange for this neutralization, to renounce a costly and bloody invasion for which they no longer had the motivation or appetite. A collateral victim of the Missile Crisis was the suspension—and in practice, cancellation—of President Kennedy's planned visit to Brazil in the first half of November 1962. As will be seen, the Cuban crisis only served as a pretext for a decision that actually reflected a deterioration of the Brazilian-American bilateral relationship.

The Deterioration of the Brazil-US Relationship and its Role in the Fall of Goulart

It is undeniable that the Independent Foreign Policy contributed to a deterioration of Brazil's relationship with the United States, although this was neither desired nor consciously accepted by the policy's formulators.

However, it is important not to exaggerate the role of diplomacy in a process that would have been inevitable in a time of heightened ideological conflict exacerbated by the left-wing orientation of Goulart's government base, which included pro-Soviet and pro-Cuba communists. Goulart's labor, unionist and populist past, his previous ties with Peronism, his status as heir to the nationalist and anti-American Vargas of the farewell letter, his family alliance and closeness to Brizola—everything predestined him to be viewed with suspicion by the same internal and external elements that had opposed him as minister of labor in the second Vargas government.

João Goulart came to power at a time when the chances of survival in Latin America of a government based on the radical left were minimal, if not nonexistent. Invariably, all such attempts, from Jacobo Árbenz's agrarian reformism in Guatemala to Salvador Allende's Popular Unity in Chile 20 years later, would succumb to the same unfavorable correlation of forces. During the Cold War, the alliance of conservative, traditional, and religious sectors, strongly supported by the armed forces, along with external support and encouragement from the US government, closed off leftist access to power through democratic elections or other means. The government in Cuba, as the only exception, came to power in circumstances that would not be repeated, despite illusions fostered by its example in several countries, including Brazil.

In this context, independence in foreign policy acted as an additional aggravating factor, both internally and externally. In a brief and perceptive essay, diplomat Brito Cruz recalls that, in politics, *who* does what is just as important as *what* is done. He applies the concept to the rise of opposition to rapprochement with the Soviet Union and the policy on Cuba during the transition from the Quadros to the Goulart government. He explains: "The fundamental difference between the two governments is that, in the former, the problem of alignment was restricted to foreign policy *stricto sensu*, whereas, in the latter, it began to operate *also domestically*" [emphasis in original].³⁹ In other words, no one would suspect that Jânio Quadros or Arinos could consciously favor the communists, unlike perceptions of João Goulart.

There was a certain amount of self-deception in Dantas' reflection at a planning commission meeting (December 26, 1961) about the absence of indicators that the US government would link bilateral relations (including

financial aid) to Brazilian attitudes on problems such as Cuba. The minister was aware that the US State Department saw his consultations with other Latin American governments prior the Punta del Este meeting as an attempt to “sabotage” the American stance. His concern with eliminating misunderstandings even led him to insert, at the end of his speech to the General Committee of the consultation, a paragraph specifically directed at the US representative (Secretary of State Dean Rusk), reassuring him that the Brazilian position corresponded to the most appropriate way of serving the common cause led by the Americans in defending democracy and freedom.

The problem was that Dantas was far from controlling the initiatives of other important elements in the Brazilian power scheme. In the same month of February 1962 when the consultation ended, Brizola, still governor of Rio Grande do Sul, decreed the nationalization of IT&T’s telephone subsidiary, exacerbating a dispute that had been running since the takeover of an American electricity company (AMFORP) years earlier. The timing of the decision made it inevitable that the issue of paying compensation to investors would weigh heavily on deliberations during Goulart’s visit to the United States in April. The tone of the communiqué and of the president’s speech to the US Congress surrounding the visit was superficially friendly, but did not conceal the lukewarm atmosphere and meager practical results of the trip.

The Internal Debate in the American Government—Proof of this is that, barely three months later, a meeting between Kennedy, Ambassador Lincoln Gordon and Latin American Affairs Advisor Richard Goodwin indicated the alarming level that Washington’s assessment of the Brazilian government’s tendencies had reached.⁴⁰ The meeting took place on July 30, 1962, shortly after San Tiago Dantas had been rejected as head of the new cabinet. By a strange coincidence, this working meeting dedicated to Brazil constituted the first recording of a conversation in the Oval Office of the White House during the Kennedy administration. The discussion starts from the shared conviction among the three participants that Goulart was plotting a “soft coup” and that by doing so, whether voluntarily or not, he would be handing over the country to the control of the communists.

The hypothesis under consideration to avert this outcome was to induce the military, disunited and fearful of lacking American support,

to act “to take over at the end of the year, if they can,” says Goodwin. It would be necessary, continues Lincoln Gordon, “to strengthen the spine of the military [...] to make it clear, discreetly, that we are not necessarily hostile to any kind of military action whatsoever if it’s clear that the reason for the military action is he [Goulart] is giving the damn country away to the... communists,” concludes Kennedy. The practical outcome of the meeting was the decision to send Colonel Vernon Walters, who was fluent in Portuguese and had worked as a liaison officer with the Brazilian Expeditionary Force in Italy, to Brazil as a military attaché.^{XII}

Operation Brother Sam, which Lyndon Johnson’s government had left ready to be activated if the 1964 coup degenerated into open fighting, had been known for some time. What was previously unknown, and was revealed by the recorded tapes from the Kennedy period, is that the first threads of the coup plot were woven at the highest level of the US government and when Goulart had barely completed 10 months in office. There was still a year and a half to go before presidential powers were restored, yet Kennedy and his experts on Brazilian affairs had no doubt about the convenience of a military coup—a coup that, as the Americans would recognize and regret at the same meeting, not even the Brazilian military themselves were prepared to contemplate at the time!

In fact, a few months later (December 11, 1962), the Executive Committee (Excomm) of the US National Security Council examined three alternative policies for Brazil: A) do nothing; B) collaborate with Brazilian elements to promote the overthrow of Goulart; C) attempt to change his political and economic orientation. The latter was chosen as the “only feasible” one, because “Goulart’s opponents lacked the capacity and will to overthrow him” and the United States did not yet have the means to stimulate an effective coup. It was recommended that the most drastic formula for preparing a coup be kept “under active and continuous consideration.”⁴¹

A Critical Moment: Robert Kennedy’s Visit—A few days after the resolution of the Cuban crisis, Kennedy would tell Kubitschek that Brazil concerned him more than Cuba. He then sent his brother, Robert Kennedy, as a personal emissary to pressure Goulart.

XII The content of the meeting, converted into text and partially released, can be found in *The Presidential Recordings: John F. Kennedy*. For the full bibliographical reference, see note 40 at the end of this chapter.

Coming from a visit to the American military installations on the Panama Canal, Robert Kennedy arrived in Brasília in the early hours of December 17, 1962. Late that night, I received a phone call from the chancellor and prime minister, Hermes Lima, instructing me to welcome the visitor on behalf of the Brazilian government. It struck me as unusual that the minister would call a low-ranking diplomatic officer directly, and to this day I do not know if the reason for the late call was a desire not to make public until the last minute the time and circumstances of his arrival. On a Monday of the week before Christmas, I was the only Brazilian diplomatic official in the holiday-empty capital. I received the visitor at Brasília Air Base.

The meeting with the president, which I did not attend, took place at the Palácio da Alvorada and began at 11 am, lasting three hours. Apparently, the only record of the meeting is a 17-page memorandum written by Ambassador Lincoln Gordon, which remained secret for 50 years.⁴² According to the document, only President João Goulart, on the Brazilian side, and Robert Kennedy, Ambassador Gordon and a State Department interpreter, on the American side, were present.

After exchanging pleasantries, Robert Kennedy lays out a harsh list of complaints against the Brazilian government and the president himself. President Kennedy had “the gravest doubts” about the future of relations with Brazil because of the many signs of “communist or extreme left-wing nationalist infiltration into civilian government positions, military appointments, the leadership of trade unions, and student group leadership [...] systematically and resolutely anti-American in their position.” Neither President Goulart nor senior government officials had shown themselves capable of taking a clear public stand against “the violently anti-American positions expressed by influential Brazilians, some inside, and some outside the government, even though the President and other high officials were giving us private assurances of dissent from these expressions.”

Washington’s official reaction to independence in politics, domestic or foreign, is expressed unambiguously by Robert Kennedy:

We had no quarrel with independence in Brazilian policy, but we did object to that independence becoming systematically anti-American, opposing American policies and interests as a regular rule, and not

simply when some specific Brazilian interest appeared to be [in] conflict with an American viewpoint.

And he warns:

There are obviously reactions in American public and Congressional opinion against this kind of policy and action, and its continuation would render cooperation between our two countries impossible.

He states that there are “no excuse for expropriation without adequate compensation, as it happened in the IT&T case” and mentions that Goulart was approaching a critical moment (alluding to the upcoming plebiscite and the new government to be formed), which could become a major turning point in relations between Brazil and the United States.

Goulart would later revisit the idea of future recomposition at the end of the interview. Before that, however, he embarks on a detailed defense of his government (according to Gordon, it was “very lengthy,” lasting over an hour). The tone is generally conciliatory, without concealing in substance practically irreconcilable differences in relation to American opinions and even worldview. For nearly every point raised by the visitor, Goulart offers conflicting versions. Anti-Americanism, for example, was not so much the hallmark of the “relatively small” Communist Party, but of “a much stronger group [...] which objects to many aspects of American policies toward Brazil and Latin America in general.”

In the view that the president attributes to this group (and between the lines it is clear that he shares it), “commercial interests of the United States [...] have had as their chief aim [...] high profits,” investing not in “basic economic sectors,” but in the electric power supply field, where they have made a good deal of money, despite not having increased the power supply (the main argument for the takeovers).

Goulart then turns to “the problem of the Brazilian press, most of which defends special economic interest groups in Brazil rather than the national interests, and which speaks for the very economic groups which are being fought by the popular forces.” The president says he “sometimes feels that the US government gets its information mainly from this part of the Brazilian press and from the groups that they represent.” Gordon sums up the discourse that guided Goulart’s perception of the Brazilian

situation, almost indistinguishable from the reformist national vision of Vargas' farewell letter:

President Kennedy should have a better understanding of the social situation in Brazil [which] includes the struggle of the popular classes against the old dominant elites. [...] in recent years there has been a tendency for these class conflicts to grow. The objective should be to avoid such class conflict through a common effort. *If, however, the Brazilian people feel that the United States, either as a people or as a government, are allied only with the dominant domestic economic groups who do not reflect popular sentiment, then anti-Americanism will become inevitable.* [...] President Kennedy should not confuse the Brazilian people's struggle against domestic economic groups with antagonism to the United States [emphasis mine].

According to Gordon's account, alternating between a socio-ideological explanation of the Brazilian crisis and a personal confession of his dilemmas in power, Goulart indicates that, to defend himself against the attacks of the dominant groups and the press they controlled, he was forced

to organize the popular forces in his support, and to make concessions to them [...] occasionally undesirable, in order to stay in power [...] if he had not gotten this kind of support, especially from the trade unions, the conservative groups would have overthrown him [...] *His downfall would not have been bad for him personally, but would have created unbearable conditions for the country: either a right-wing dictatorship, following the terrible example of Argentina, or a real social revolution of the most extreme kind, with unforeseeable consequences.* [...] That was the picture in brief: he had organized support among the popular forces because he had received no support from the conservatives [emphasis mine].

Goulart then alludes to the plebiscite to be held the following month (January 1963) and affirms that, if it was successful, "he would have a freer hand to organize a really competent government and also to carry through a real program of government which would overcome the economic and financial problems and would improve foreign relations." When discussing the general relationship, he makes a revealing comment: "Unfortunately, some of the main defenders of American policy in Brazil are the same people and groups who fight me and fight the popular forces in Brazil."

He thinks that if the United States is concerned about the situation of the Brazilian economy, it should translate that into concrete aid, which would provide a new basis for relaunching the bilateral relationship.

The document notes that, at this point in the conversation, Robert Kennedy passes a note to Gordon in which he wrote “We seem to be getting no place.” Shortly afterwards, he counters Goulart’s arguments with “special emphasis,” saying that he feared “that President Goulart had not fully understood the nature of President Kennedy’s concerns about the present situation and prospects.” Several times he reiterates that the Americans would be willing to collaborate with Brazil economically and in other ways, but not with people who are systematically hostile to the United States.

Goulart then reacts “somewhat sharply,” asserting that they “should discuss objectively just who are the elements within the governmental structure who are systematically hostile to the United States,” and that the Attorney General’s views on the matter were “greatly exaggerated.” Kennedy replies that he does not want to get into a debate on names and passes the floor to Ambassador Lincoln Gordon, who also prefers, instead of names, to suggest “certain agencies where this was a serious problem, among them certain military appointments, Petrobras, the Ministry of Mines and Energy, SUDENE, and the BNDE.”

After further explanations from the president regarding some of the accusations, the visitor says that the important thing was to move past recriminations and focus on the opportunity for significant internal and external improvements that could arise after the recovery of full presidential powers. Goulart expands on this same argument, insists on the need for American aid, praising President Kennedy’s performance in the missile crisis, and declaring his conviction that, in any confrontation with the Soviet Union, Brazil would side with the United States. He concludes that “the position of the free world had been greatly strengthened by recent events.”

The memorandum records that the general mood of the meeting was initially very cordial, but reached a point of some tension when Goulart asked for the names of the leftists in his government. It again became more relaxed and entirely cordial towards the end. The long and direct conversation, at times almost impertinent, covering all the controversial

topics, did not alter the convictions of the interlocutors or the basic panorama of relations. It did, however, give a glimpse of some expectation of change for the better with the stage that would soon open with the plebiscite to decide Brazil's next form of government.

The Brief Phase of Illusions: January to June 1963—Held on January 6, 1963, the plebiscite attracted 11.53 million voters out of an electorate of 18 million. Some 9.46 million voted against the discredited parliamentary system and 2.07 million in favor of maintaining it. At the time, observers compared the difference of over seven million votes to Jânio Quadros' six million vote margin. Goulart interpreted the disparity, whether sincerely or not, as a personal mandate, which of course it was not. It gave him encouragement to reorganize the cabinet, which would be the first entirely of his choosing, and to attempt to implement the Three-Year Plan, which had been announced in December and drawn up by Celso Furtado.

The year 1963, the first year of the return to presidentialism, proved to be decisive in regard to a worrying deterioration of the Brazilian economy and attempts to justify the hope placed in the change of regime. Marcelo Abreu points out in his essay that 1961, despite Quadros' resignation and the political turmoil that followed, had brought reasonable economic results. Growth had reached an astonishing 8.6% and inflation had stabilized at around 30%. In 1962, growth dropped to 6.6%, inflation exceeded 50% and investment suffered a sharp contraction. It was therefore a good time for a program like the Three-Year Plan, which aimed for 7% growth and gradually declining inflation, starting at 25% in the first year.

The main task of implementing the program fell to San Tiago Dantas, finance minister in the cabinet appointed by Goulart. In a secret memorandum dated early March, just before the finance minister's visit to Washington, Ambassador Lincoln Gordon stated that Dantas was in fact acting as Prime Minister, much more so than the three nominal heads of the cabinet had during the parliamentary regime. The document was part of another memorandum from the State Department, which sent National Security Advisor McGeorge Bundy recommendations on the line to follow in discussions with the visitor.

The American analysis concluded that, in the 12-month period from April 1963 to March 1964, the resources required directly from the United States (in addition to contributions from the IMF, Europe and Japan) would

amount to about \$200 million, not including the release of the \$84 million remaining portion of the stabilization support package for the Quadros government (May 1961). Of this total, the document recommended that some support be granted on a “short-leash” basis, “permitting periodic review and making possible the withdrawal of support on either economic or political grounds.” Over time, aid could be increased.

At the same time,

continuous diplomatic pressure should be maintained for the reduction of communist and other extremist influences within the government and for the pursuit of policies favoring democratic development, strengthening the private sector of the Brazilian economy (both domestic and foreign), and *progressively shifting the “independent foreign policy” toward more systematic collaboration with the US and the free world* [emphasis mine].

Parallel to the relationship with the government, it was advised to maintain efforts to encourage democratic anti-communist forces (Congress, the vast majority of state governors, the military officer corps, the São Paulo industrial community, the mass media, the Church, labor, and student groups).

This was aimed at “reducing the likelihood of a further leftist-nationalist swing by Goulart and, if this proves impossible, to prepare the most promising possible environment for his replacement by a more desirable regime in the event that conditions deteriorate to the point where coups and counter-coups are attempted.” In explaining the recommendation for drip-feed support, the memorandum acknowledged positive developments in the implementation of the economic plan and the government’s actions to alleviate friction with the United States, in particular a satisfactory, though not definitive, adjustment on the expropriation of IT&T and a tentative agreement for the voluntary purchase of AMFORP on reasonable terms.

On the negative side, it was pointed out that communist, left-wing nationalist and anti-American infiltration remained in important civilian and military positions and that communist and far-left influence in labor unions and student organizations was tolerated, even encouraged by the government. Another reason for complaint was that

the foreign policy of the Goulart administration, [...] although showing some sense of greater cooperativeness with the US, is still equivocal, with neutralist overtones, on various issues *including Cuba, arms control, and trade and aid relations with the Soviet bloc* [emphasis mine].

While the Americans adopted an attitude of reticent and limited support, in Brazil, San Tiago Dantas faced a barrage of attacks from Brizola and the radical left, which he dubbed the “negative left” in contrast to the positive leftist stance with which he was aligned. It was during this period that he denounced on television the “fascist dictator” tendencies of the former governor, without explicitly naming him. These initial skirmishes foreshadowed what would happen after the visit to Washington, which began on March 11.

As expected, of the loans promised from American and multilateral sources (\$398.5 million), only the old installment of \$84 million that was still pending from the Quadros government would be disbursed immediately. Even from that amount, \$30 million was earmarked to compensate IT&T. The meager outcome in new money contrasted with the obligations assumed to resolve the Brizolista dispute. In addition to compensating IT&T, the government undertook to pay \$135 million for the previous expropriation of AMFORP. The solution directly contradicted one of Brizola’s fundamental platforms. The vigorous campaign he and the nationalists then unleashed forced the government to abandon the agreement; it would only be revisited under the military government after 1964.

Returning almost empty-handed, Dantas faced a backlash. This marked the beginning of difficulties that would seal the fate of yet another of Brazil’s countless stabilization programs, prematurely frustrated before it could take effect. Within a few months, a liquidity squeeze, rising inflation, the reintroduction of oil and wheat subsidies, a 60% increase in civil servant salaries, and a 56% increase in the minimum wage combined to condemn the Three-Year Plan to an early demise, less than six months into its implementation. The abandonment of the plan resulted in a recession: in 1963, GDP would grow by only 0.6%, in reality a considerable per capita decrease at a time when the population was expanding by 3% annually.

Inflation hovered around 80% (78.4%). These were the worst economic results since the start of World War II.

The Final Chapter: June 1963 to April 1964—In June, the ministry was reshuffled without Furtado and Dantas; the former governor of São Paulo, Carlos Alberto Alves de Carvalho Pinto, took over the Ministry of Finance, lasting just under six months. His successor, the almost unknown banker and politician from Rio Grande do Sul, Nei Galvão, would stay even less: three months. The economic decline was accelerating in parallel with administrative inaction and extreme political polarization and radicalization.

With the aim of uniting and expanding the sectors opposed to Goulart and the revolutionary and radical left, organizations such as IPES (Institute of Research and Social Studies) and IBAD (Brazilian Institute of Democratic Action) played an active role in organizing resistance to the government. Financed by donations from Brazilian and foreign businessmen, as well as clandestine American funds, these organizations opposed trade unions, student associations, and far-left organizations, which were supported directly or indirectly by official resources. All these groups engaged in a struggle to influence Congress and public opinion through propaganda, media manipulation and funding campaigns in the parliamentary elections of October 1962.

As had been the case in every election since 1945, the PTB emerged from the vote having gained seats, coming close to the majority PSD. However, ideological polarization would gradually create an informal coalition in Congress that was increasingly antagonistic to Goulart, and included the majority of the heavyweight state governors (São Paulo, Minas Gerais, Guanabara), despite the election of Miguel Arraes, a Goulart ally in Pernambuco. The constant mobilization of public opinion and frequent episodes of radicalization carried out by groups such as the Peasant Leagues created an atmosphere of pre-revolutionary unrest and expectations for profound social transformation through basic reforms (especially agrarian and urban reforms).

This atmosphere would infect every layer of society, including the sergeants, corporals, and non-commissioned officers of the armed forces. In September 1963, hundreds of non-commissioned officers, mainly from the Air Force and Navy, would rebel in Brasília against the Supreme Court's decision upholding their constitutional ineligibility for office.

Army troops promptly subdued the rebels, transferring over 500 prisoners to a prison ship off the coast of Rio de Janeiro. The incident alarmed most of the officer corps, which until then had remained faithful to the constitutionalist tradition.

The shock and unrest sparked by events like these, coupled with successive bank runs and rumors of supermarket looting across the country, would be amplified by serious developments in early October. In reaction to an allegedly subversive interview given by the governor of Guanabara, Carlos Lacerda, the government issued an (unfulfilled) arrest order and requested Congress to declare a state of siege (October 4, 1963). The immediate negative reaction from many of his allies, including the Communist Party and the National Union of Students (UNE), and the lack of support even from the PTB, prompted the president to withdraw the request a few days later.

The episode never found a satisfactory explanation and its origin and motivation remain obscure to this day. It did, however, contribute to confirming among some sectors of society the suspicion that, following in the footsteps of his mentor Getúlio Vargas, the president was plotting a “soft coup” in the style of the Estado Novo of 1937. It also helped bolster the argument that the opposition needed to prepare a counter-coup before it was too late.

Meanwhile, at Itamaraty...—In this highly charged political and ideological environment, where issues of pure diplomatic content took a back seat, the final phase of the Independent Foreign Policy unfolded under the leadership of Ambassador João Augusto de Araújo Castro. Despite being the most brilliant and original formulator of diplomatic thought of his generation, and perhaps in all contemporary Brazilian history, his appointment reflected the declining relevance of Itamaraty in the government’s political configuration.

Apart from interim appointments, career officials had not headed the Foreign Ministry for quite some time. San Tiago Dantas was openly opposed to the appointment of career officials as ministers, both because they lacked an electoral mandate and political strength to defend important and controversial decisions and because they were inevitably dependent on the administration. Since his departure, there had been many signs of the decline in Itamaraty’s political attractiveness: increased turnover

of ministers, with three succeeding each other in a few months; the fact that Hermes Lima had accumulated the role of foreign minister and the government cabinet direction; and Afonso Arinos' and Evandro Lins' rapid stint in the ministry (two months each).

It is not that the vital importance of the external context for Brazil had diminished at this time of acute international fragility and dependence. Indeed, nothing illustrates better how President Goulart sensed this truth than his decision to receive Robert Kennedy alone, without the presence or assistance of the foreign minister or anyone else. It is no exaggeration to say that, much more than the Punta del Este vote, that fateful interview marked the apotheosis, in practical terms, of Goulart's own diplomacy, without intermediaries, advisors, or ghost writers.

A year and a half earlier, as the planning commission prepared the position that it would present at the Punta del Este consultation, Dantas had noted that

Foreign policy lacks an interpreter who [has] a very assertive reputation in the country. *President João Goulart is not responsible for foreign policy* [...] Tancredo Neves has been very passive in foreign policy. As far as I am concerned, because the position of foreign minister is very limited and also because I am not quite that type of a public figure, I am seen more as a man of position skills than of extreme positions [emphasis mine].⁴³

It is hard to disagree, as long as the meaning given to the word “interpreter” as someone who explains and translates the meaning of foreign policy to the public, in its entirety or in its parts, is admitted—a role Dantas assumed with exceptional didactic competence. This is not to say that João Goulart or Tancredo were indifferent or uninterested in any kind of foreign policy. As was the case for most “practical” politicians, neither of them was particularly interested in the conceptual or multilateral issues that engage diplomatic professionals, the type of civil servants with whom Dantas was closely associated due to his cultural background and familiarity with international meetings. As a result, they probably judged it not worthwhile to antagonize the United States over a vote at the OAS or the UN.

What sets professional politicians apart from diplomatic professionals or intellectual politicians, such as Dantas or even Arinos, is that the

former are first and foremost men of power, capable of recognizing and respecting those who wield power, whether internally or externally. It is no wonder that Goulart and Tancredo were able to immediately grasp Washington's decisive role in alleviating external debt, supplying resources for development financing or encouraging the internal destabilization of the government. It is worth remembering this distinction when considering politicians' sensitivity to different aspects of foreign policy.

The sophisticated exchange of opinions at the Casa das Pedras discussions resembles an academic seminar on conceptual themes when compared to the confrontation that took place between João Goulart and Robert Kennedy, where every sentence was charged with the threats of power. As the political impasse in Brazil deepened, American power became the backdrop against which the multilateral speeches and proposals of the Independent Foreign Policy were projected as shadow theater, interesting but lacking the power to significantly influence the country's destiny or the international issues that would ultimately be resolved directly by the superpowers.

The effective disconnect between traditional diplomatic issues reserved for Itamaraty, particularly those of a multilateral nature, and Goulart's responsibility for the vital foreign policy issues that would influence the survival of the regime was implicit in Araújo Castro's inauguration speech (August 22, 1963). Almost the entire speech focused on the "great international problems," i.e. multilateral ones, to which Brazil could ideally make "a positive and original contribution." Three of these issues were privileged—disarmament, decolonization, development—anticipating the famous Araújo Castro's pronouncement on the three "Ds" at the UN General Assembly shortly afterwards.

Cuba, which had dominated diplomatic debate until the eve of the inauguration speech, suddenly disappeared from the scene, reflecting the diminished urgency of the issue once the missile crisis had been resolved. Only at the end of Foreign Minister Castro's remarks was there a mention of some "outstanding economic issues in our bilateral relations with traditionally friendly countries" which he hoped would be resolved based on frank and unbiased dialogue. The generic and concise treatment of these issues speaks volumes about the typical spirit of United Nations debates that permeates this new diplomatic phase. The same is true of

brief references to coffee and foreign trade. Discussion of these issues was reserved for the conclusion of the speech, in sharp contrast to the disproportionate space devoted right at the beginning to subjects like disarmament.

The emphasis on the UN and multilateralism was partly a byproduct of Araújo Castro's personality, previous experience, and natural inclinations. On the other hand, he was not oblivious to the fact that the realm of multilateral affairs was the only arena in which he could make a constructive contribution in the terminal phase of the regime. After an attempted solution to the AMFORP takeover was frozen, no one believed in the possibility of resolving disputes with "traditionally friendly countries," nor did they take seriously, amidst economic disintegration, the project of expanding exports and markets. Even less conceivable was the notion that the foreign minister would be able to remove the central obstacle in Brazil's relations with Washington: the American perception of Goulart as a kind of Brazilian Kerensky, destined—whether consciously or not—to open a path to power for the communists in the same way the true Kerensky was seen as incautiously facilitating the Bolshevik revolution in 1917 in Russia.

A fundamental difference separated Araújo Castro from the foreign ministers who preceded him, with the exception of Arinos, who barely had time to exercise the role and significantly hesitated to accept it (probably due to the personal difficulty of being a man of the opposition to the Vargas scheme). All the others—Dantas, Hermes Lima and Evandro Lins—were engaged in the political struggle on the government's side. By contrast, the last foreign minister of the period remained faithful to the tradition of neutrality in domestic politics inherited from the Baron of Rio Branco. In a confidential conversation with this author, he recounted how he had extricated himself from the summons to attend a rally on March 13 that marked the beginning of the end of the government. He apologized to the president, explaining that he preferred to remain within his professional field. Goulart replied: "Don't worry, Araújo, I know you don't like political rallies."

There was therefore all the more reason to focus on multilateral issues and the effort begun by Dantas to clarify the concept of the Independent Foreign Policy, avoiding its ideological confusion with some kind of anti-

American neutralism. Castro's administration refined the somewhat confusing concepts inherited from Quadros to their highest point, as will be seen in the final analysis. It became clearer that the "independence" of diplomacy meant, in essence, refusing to reduce the complexity of the world to the distorting prism of the Cold War.

As for the other themes of the speech, disarmament, a complex issue even for diplomats, never attracted public attention. As Brazilian negotiators would learn the hard way in the case of the recent Iran nuclear deal, disarmament is perhaps the field with the least chance of success for mediation by third parties with no direct involvement in the problem.

With regard to decolonization, subject of the most unimpressive paragraph in the inauguration speech, Brazil has always failed in the only area in which it might have had some influence: the conflict between Portugal and its colonies. As long as Portuguese dictator António Salazar lived, no government, left or right, ever dared to take an effective stance in favor of the liberation movements. Goulart did not deviate from this pattern, despite Arinos' efforts as head to the mission at the UN.

The Final Act—Araújo Castro's tenure coincided with the terminal deterioration of the regime and the end of American hesitations about the best way to get rid of Goulart. In a recorded meeting in early October 1963, President Kennedy asked whether direct military intervention in Brazil would be necessary to ensure an opposition victory in the event of civil war. At the time, Lincoln Gordon estimated the chance of a successful coup at 50%. In response to a request from Defense Secretary Robert MacNamara, the president authorized contingency planning to potentially support rebels with fuel, weapons and other means, the embryo of the future Operation Brother Sam. In principle, the worst-case scenario of direct intervention was already accepted, though there remained hope that such an extreme measure would not be necessary.

Six months later, those doubts had disappeared. As McGeorge Bundy said at the time, the Americans had to worry not about a military reaction, but about the possibility "that the military [would] not react" (meeting of senior officials from the National Security Council, the CIA and the State Department, March 28, 1964).⁴⁴ Events between October 1963 and March of the following year explained this evolution in the American attitude. The so-called sergeants' rebellion, an unsuccessful request for a state of

siege, the departure of Carvalho Pinto and the resignation of Roberto Campos from the embassy in Washington were all signs that the crisis was approaching a conclusion. From the beginning of 1964, the government's actions convinced Gordon that Goulart was:

definitely engaged on a campaign to seize dictatorial power, accepting the active collaboration of the Brazilian Communist Party, and of other radical left revolutionaries to this end. If he were to succeed it is more than likely that Brazil will come under full communist control, even though Goulart might hope to turn against his communist supporters on the Peronist model which [...] he personally prefers.⁴⁵

This was not just the opinion of the Americans at the embassy. Gordon explained that he came to this conclusion after a thorough examination of the situation, with the help of important civilian and military figures and well-informed Brazilians in Rio de Janeiro, São Paulo, and Brasília. In fact, at that time (late March), the ambassador's perception was widespread among Goulart's opponents, who were alarmed by the measures taken during the first quarter of 1964. A quick look at the newspapers of the time, including editorials, reveals an alarming degree of polarization in Brazilian society.

On both sides, more conciliatory figures gave way to advocates of confrontation. In Congress, an anti-Goulart and anti-reform majority was consolidating. The governors of the three states that had been key in Brazil since the time of the independence movement (Guanabara, led by Carlos Lacerda; Minas Gerais, led by Magalhães Pinto; and São Paulo, led by Ademar de Barros) reflected the stance of the business community and the political establishment in general, which was increasingly hostile to the government. For some time, they had benefited from the preferential allocation of American aid resources within the so-called "islands of sanity" policy, which favored the opposition. For their part, the radicals who had come to control the government camp adopted the slogan "base reforms by law or by force," which obviously did not help to defuse the situation.

Although the diplomacy conducted by Araújo Castro at Itamaraty did not attract much attention, and gave the impression of irrelevance amid the hectic domestic political scene, the same cannot be said of foreign relations in general, particularly when it came to the United States. In addition to the disputes that were still ongoing (expropriations, the annulment of a

mining concession granted to the American company Hanna), Goulart revived a critical issue from the second Vargas government by deciding to regulate the law on foreign investment, limiting the remittance of profits to 10% and excluding reinvestment earnings from the calculation. Echoing Vargas' farewell letter and pronouncements, the president incorporated the issue into his speeches as one of the explanations for the campaign against him.

The regime's dramatic epilogue unfolded almost entirely in Rio de Janeiro, then still the *de facto* capital of the country. It began on March 13 with a huge political rally in front of the Central do Brasil train station (as well as the Ministry of War building). Before an estimated audience of 150,000 people convened by labor unions, student organizations and non-commissioned officers, Goulart presented decrees he had just signed on agrarian reform and the nationalization of oil refineries. He also announced a decree on rent limits and urban reform that he would sign the following day.

Leonel Brizola set the tone of the rally, urging the president to "abandon the policy of conciliation" and install "a Constituent Assembly aimed at creating a people's congress composed of peasants, workers, sergeants, nationalist officers and authentically popular men." In a slightly more moderate hour-long speech, Goulart attacked the "democracy of the anti-people, the anti-reform, the anti-union, the democracy of national and international monopolies" and preached the need to revise the 1946 Constitution "which legalizes an already outdated socio-economic structure."

The red flags of the Communist Party, exalted speakers and radical slogans, all broadcast live, made a powerful impression on the public. Six days later in São Paulo, on St. Joseph's Day, March 19, the so-called March of the Family with God for Freedom brought together 300,000 Goulart opponents, led by Senate President Auro de Moura Andrade and Governor Lacerda. This first expression of mass mobilization by the middle class highlighted the deep fracture within the population, polarized and radicalized around irreconcilable positions. After the overthrow of the Goulart government, marches of the same name took place all over the country, with one in Rio de Janeiro on April 1 attracting a million people.

The final week of the regime took on an almost exclusively military hue, punctuated by incidents involving soldiers and non-commissioned

officers and reminiscent of film scenes from Eisenstein's "October" and "Battleship Potemkin." The starting point was a meeting of around 2,000 sailors and marines at the Metalworkers' Union in Rio de Janeiro on March 25, under the leadership of "Corporal" Anselmo^{XIII} and with the symbolic presence of João Cândido, head of the Revolt of the Lash (1910)^{XIV}, and Leonel Brizola. Having disobeyed an arrest order given by the minister of the Navy (who would resign shortly afterwards), the sailors finally left the union headquarters to be taken to prison. Hours later, they were granted amnesty by the president.

Before emotions could settle, another incident that defied hierarchical military discipline provided the final straw needed to convert any holdout legalist officers towards the coup. Against the advice of moderate supporters, Goulart attended a meeting at the Automobile Club of the unsanctioned Association of Sergeants and Underofficers of the Military Police. In his speech to the sergeants, his last as president, Goulart explained that big money needed for the campaign against him came from the

professionals in the illicit remittance of profits [...] the money tainted by the huge interests of international oil [...] the money that was raised against [...] the nationalization of all private refining companies [...] in the spirit of Law 2004, created by the great and immortal President Vargas [...] the money from the large foreign pharmaceutical laboratories.

The meeting with the sergeants took place on March 30. On that same date, Colonel Vernon Walters reported to his superiors in Washington in a top-secret message detailed preparations for an imminent coup d'état. The movement was supposed to take place that week and was expected to start in São Paulo, but in reality it detonated just hours later in the city of Juiz de Fora. On March 31, in a five-minute phone call, a recording of which can now be heard on the internet, Undersecretary of State George Ball informed President Lyndon Johnson that the rebellion had begun in the state of Minas Gerais. With due caution, the president gave the green light to unleash Operation Brother Sam, which, in any case, would

XIII José Anselmo dos Santos led the Sailors' Revolt and was expelled from the navy following the military coup. He later became known for acting as a double agent during the military dictatorship, providing information that led to the arrest, torture, and death of several left-wing militants.

XIV See part VI, chapter "The Republic Grows Old."

depend on the arrival of a naval task force off the coast of Rio de Janeiro on April 12.

Long before that date, in the early hours of April 1, Ambassador Gordon reported: "It is '95% over.' Branco has taken over Rio. He has told us that he doesn't need our help."

To the ambassador's relief, the wish he had expressed in his message of March 29 was coming true:

Given Brazilian predilection joining victorious causes, initial success could be key to side on which many indecisive forces would land and therefore key to prompt victory with minimal violence.

Thus ended an experience that, according to Celso Furtado, had never been more than a project, let alone a government. Pedro Malan recalls that, in a statement to the newspaper *O Estado de São Paulo*, the author of the Three-Year Plan stated that:

The Goulart government, strictly speaking, never existed [...] It was too contested by the system of power in Brazil, whether by the private sectors or by the military. [Goulart] never managed to move beyond a situation of transience. Initially, his struggle was fundamentally about restoring presidential power, and then he was absorbed by the problem of succession. I repeat, the Jango^{xv} government never existed. It cannot be compared to a normal government. It never had enough power. In fact, throughout most of his term [Goulart] was a kind of candidate for something and not really a president.⁴⁶

In saying that Jango never had enough power, it is necessary to add: enough for what? He was elected vice president with 36% of the vote, much lower than the more than 48% that Quadros had received in his campaign. The difference between Goulart and his opponent, Milton Campos (34%), came down to just 300,000 votes. This was obviously not a personal mandate to promote a radical and profound transformation of the country's political, economic and social organization. Nor would it be appropriate to stretch the significance of a plebiscite that had been limited to a judgment on parliamentarianism, already discredited by those who wanted to get rid of it. The result was not a personal show of support for Goulart.

^{xv} "Jango" was a nickname for "João" in the state of Rio Grande do Sul, and João Goulart became widely known by it.

Almost until the end, there was no civilian or military support for a coup, as the Americans themselves recognized (and regretted). This support only began to grow after, and not before, the restoration of presidential powers and only from the second half of 1963, when Goulart's option for a radical course became clear. It is not convincing, nor does it do justice to the historical figure of João Goulart, to describe him exclusively as the passive subject of his fate. His use or abuse of the powers he had regained with tactical skill were a relevant factor in the tragic chain of events that ended his government and Brazilian democracy.

Epitaph for the Independent Foreign Policy

What the Independent Foreign Policy lacked most was time. Not only in the chronological sense but also from a historical-cultural point of view. In other words, the policy was wanting for a domestic and international atmosphere more receptive to innovation. For a diplomacy ahead of its historical curve, the circumstances could not have been more unforgiving. Pressured by the anti-communist fervor of the Kennedy–Johnson administration's cold warriors and by Castro–Guevara's intransigent revolutionary zeal, surrounded on one side by Lacerda's followers and on the other by Brizola's supporters, the formulators of the Independent Foreign Policy paid a high price for having gotten ahead of a time incapable of understanding and supporting them.

Unfortunately, contrary to what San Tiago Dantas said in his speech at the Rio Branco Institute, the collective conscience of the nation and even that of politicians and rulers was still incapable of objectively grasping international reality. Nor had the process of emancipation, defined as "the extinction of bonds of dependence on decision-making centers, political or economic, located abroad," advanced far enough. These ties had never been stronger than in the precarious situation of vulnerability in which the country found itself at a time when speeches constantly discussed emancipation and autonomy.

How else can we interpret Goulart's submission to the humiliation of a visit from the Inquisition, in the form of his interview with Robert Kennedy? The impression he left on the visitor was that of a "wily" politician who had tried to fool him:

he figures that he's got us by the [...] and he can play it both ways, that he can make the little changes, he can make the arrangements with IT&T and then we give him some money and he doesn't have to really go too far.

President Kennedy's brother recommended making Goulart realize that

he can't have it both ways, can't have the communists and put them in important positions and make speeches criticizing the United States and at the same time get 225-[2]50 million dollars from the United States. He can't have it both ways.

The following sentence is worth highlighting:

He's got to really make the choice [...].^{XVI}

The attorney general clearly outlined the situation: if Goulart wanted financial support from the United States, he had to choose the American side in the global ideological dispute and on issues such as Cuba. This was the relentless logic of the Cold War, which Fidel Castro understood and followed to the letter. When Castro chose the path of the Marxist-Leninist revolution, he knew he also had to choose alignment with the Soviet Union. Only the Soviets could give him everything that the Americans had taken away: the purchase of sugar at a good price, the supply of oil, military and political protection; in other words, the conditions for survival.

The Independent Foreign Policy's quality is not revealed in an episode like the missile crisis. Rather, it lies above all in the profound revolution with which it renewed Brazil's self-awareness, its real interests, its role in the world; or rather, its authentic identity.

At stake in this process of transformation was not simply the overcoming of Pan-Americanism as a voluntarily accepted limit on foreign affairs and the adoption of universalist openness. It was a true emancipation of thought, the vision of reality in itself, in its objectivity. It was the recognition, for example, of anti-colonial struggles for their substance as nationalist and emancipatory affirmations, not as mere instruments of East-West confrontation. The deconstruction came in Brazil's abandonment of its self-identity as a minor ally of the American and Western cause. The next step was to define a new role for the country in the world.

XVI Meeting at the White House with President Kennedy on March 8, 1963.

Juscelino Kubitschek had tried to find in development a basis for renewing the country's international profile, but had kept to the hemispheric scope and the paternalistic perspective of foreign aid. Jânio Quadros had felt the appeal of universalism without being able to indicate how the expansion of horizons would contribute to the realization of Brazilian goals. The next step was to combine universalism and development, demonstrating, based on the theoretical framework built up by Raul Prebisch at ECLAC, that underdevelopment stemmed at least in part from imbalances in the international commercial and financial system. Overcoming it would depend primarily on national effort, but the international community would have to contribute not so much through aid but by creating favorable commercial and financial conditions for prosperity.

Thanks to the period of accelerated growth after World War II, Brazil and Latin America were more advanced than the newly independent Asian and African countries when it came to thinking about the challenge of development. Convinced that the global nature of the problem required that it be dealt with in the most universal of forums, they endeavored to obtain the convening in 1964 of what would become the first United Nations Conference on Trade and Development (UNCTAD).

Today, with the benefit of half a century of historical hindsight, the attempt to redesign the global economic system around a negotiating table may seem like a well-intentioned utopia. Nevertheless, the proposal allowed the majority of humanity, nations in a secondary position in the East-West conflict, not only to stop subordinating their priorities to the objectives of others, as expressed by a negative attribute in the name of the Non-Aligned Movement. It also gave them a positive reason for being and acting, by identifying in development, not in ideological conflict, a common interest to bring them together.

By juxtaposing North-South dialog with East-West confrontation, diplomacy gave Brazil a renewed international identity. To be sure, it did not solve the practical problem of development, which was beyond the control of international policy and depended above all on domestic actions. It did, however, give Brazil the chance to put its limited power to influence the reform of the global system at the service of its own interests, not those of others. It thus fulfilled the role alluded to in the Introduction

to this book: of helping to create and consolidate the values that define national identity.

Thus was born the embryo of something rare, which only happens once or twice in a century: a new paradigm for foreign policy. It was based on two foundations. On one hand, the consciousness of a nation defined by the condition of underdevelopment, by the South and Latin American identity, of Western culture with strong indigenous and African miscegenation, in communion and in solidarity with Africans and Asians facing similar problems. On the other, constructive international action transcending ideological disputes and power rivalries, aimed at reforming the international system towards development and peace.

The Independent Foreign Policy has been given more space in this book than other policies because it represents the genesis of a transformative paradigm. After the twilight of the early military regime, it would return to stay. Later rectifications, improvements, and innovative themes would enrich the inherited seed without altering its basic essence. Half a century after the invention of the paradigm, the conditions that gave birth to it remain unchanged. Brazil remains an underdeveloped country that has strengthened its South and Latin American identity as well as its solidarity with other developing nations.

Despite its mistakes and shortcomings, the Independent Foreign Policy, or at least the principles that inspired it, survived adversity because they represented a historical necessity in the evolution of the nation's collective conscience. The delay and difficulty in being recognized as such was initially due to the pioneering nature of the concept and the internal and external radicalism of the time. Being ahead of one's time is neither a crime nor an error, just a lack of fortune. To paraphrase Machiavelli could serve as epitaph: the fate of the Independent Foreign Policy was to have much *virtù* and little *fortuna*.

Notes

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- 2 Bethell and Roxborough, *América Latina*, 80.
- 3 Pedro Sampaio Malan, "Relações econômicas internacionais do Brasil (1945–1964)." in *Coleção História Geral da Civilização Brasileira*, eds. Boris Fausto and Sergio Buarque de Holanda, vol. 4, *O Brasil Republicano: economia e cultura (1930–1964)*, (Difel, 1984), 65.
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- 5 Malan, "Relações econômicas," 65.
- 6 Marcelo de Paiva Abreu, "A economia brasileira 1930–1964," *Texto para Discussão*, no. 585 (November 2010): 24.
- 7 Malan, "Relações econômicas," 60 and note 28.
- 8 Bethell and Roxborough, *América Latina*, 48.
- 9 Bethell and Roxborough, *América Latina*, 44–59 and note 15.
- 10 Gerson Moura, *Relações exteriores do Brasil 1939–1950* (FUNAG, 2012), 256.
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- 12 Almeida, "A diplomacia," 196.
- 13 Malan, "Relações econômicas," 72, note 71.
- 14 Monica Hirst, "A política externa do segundo Governo Vargas," in Albuquerque, *Sessenta anos*, 211.
- 15 Abreu, "A economia brasileira," 25.
- 16 Abreu, "A economia brasileira," 70, note 67.
- 17 Abreu, "A economia brasileira," 71, note 69.
- 18 Sérgio Besserman Vianna, "Duas tentativas de estabilização, 1951–1954," in Marcelo de Paiva Abreu, ed., *A ordem do progresso: dois séculos de política econômica no Brasil*, 2nd ed. (Campus–Elsevier, 2014), 122.
- 19 Hirst, "A política externa," 215.
- 20 Malan, "Relações econômicas," 72.
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- 22 Hirst, "A política externa," 224.
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- 25 Malan, "Relações econômicas," 83–84.
- 26 Malan, "Relações econômicas," 92.
- 27 Malan, "Relações econômicas," 106.
- 28 Braz José de Araújo, "A política externa no governo de Jânio Quadros." in Albuquerque, *Sessenta anos*, 254.
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- 30 Malan, "Relações econômicas," 96–97, note 152.

- 31 Marcelo de Paiva Abreu, "Inflação, estagnação e ruptura: 1961–1964," in *A ordem do progresso: cem anos de política econômica republicana: 1889–1989*, ed. Marcelo de Paiva Abreu (Campus, 1990), 203.
- 32 Abreu, "Inflação," 204.
- 33 Gelson Fonseca Jr., "Os colóquios da Casa das Pedras: argumentos da diplomacia de San Tiago Dantas," in San Tiago Dantas, *Política externa independente* (FUNAG, 2011), 314.
- 34 Fonseca Jr., "Os colóquios," 314.
- 35 The full texts of the former ministers' note, Dantas' reply and the other documents relating to the VIII Meeting of Consultation can be found in San Tiago Dantas, *Política externa independente* (FUNAG, 2011).
- 36 Fonseca Jr., "Os colóquios," 315–316.
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- 42 The memorandum is reproduced almost in its entirety in the same Briefing Book No. 465 mentioned above.
- 43 Fonseca Jr., "Mundos diversos," 309.
- 44 The meeting transcription and other documents regarding the matter can be found at *Foreign Relations of the United States, 1964–1968*, vol. 31, *South and Central America; Mexico* (Office of the Historian, Department of State, 2004), "Brazil (documents 181–244)," <https://history.state.gov/historicaldocuments/frus1964-68v31/ch5>.
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- 46 Malan, "Relações econômicas," 101, note 170.

Part IX

The Military Governments and their Foreign Policies (1964–1985)

The use of the plural in the title of this chapter is essential for understanding the period it covers. There was not just *one* foreign policy from a single military government, but rather *multiple* policies from multiple governments. What they had in common was their identical origins from within Brazil's military complex, rather than the mechanisms of representative democracy. Except for their shared background of illegitimacy, the diversity of the different incarnations of the military dictatorship is more striking than its similarities. This can be seen clearly in the monumental work that journalist and historian Elio Gaspari devoted to the two decades of the regime.¹ The regime's diversity came from the conspiracy itself. As Celso Castro explained,

there was a clear lack of organization and coordination among the coup-plotting military. Rather than a single, centralized and articulated conspiracy [there were] “islands of conspiracy,” with groups ideologically united by their rejection of pre-1964 politics, but with a low degree of articulation among them.²

The power struggle between personalities and inclinations was evident from the outset. During the decisive days of the military's rise to power, while Army Chief of Staff Marshal Humberto de Alencar Castelo Branco tried to coordinate the operation, Marshal Artur da Costa e Silva took command of the Army as its most senior general, formed a military junta with his Navy and Air Force colleagues and imposed Institutional Act No. 1 (AI-1).¹ He resigned himself, not hiding his resentment, when his colleague Castelo Branco was chosen to be president. Behind these two individuals, the ideological opposition was evident. On one side were the general staff officers: “intellectuals” from the Superior War College (Escola Superior de Guerra/ESG), in the tradition of Cordeiro de Farias, Castelo

¹ The Institutional Acts (Atos Institucionais—AIs) were extra-legal norms issued by the military to legitimize the regime. Of the 17 Institutional Acts, the first five (AI-1, AI-2, AI-3, AI-4 and AI-5) became most well-known.

Branco, Golbery do Couto e Silva. These were liberals in ideology aligned with the National Democratic Union (UDN) party, some of them close to the Americans since the Italian campaign during World War II. On the other side, the “troop generals”: Costa e Silva, Garrastazu Médici, Sílvio Frota, hard-line heirs to the nationalist tradition of the Army.

“The Revolution,” as it pompously called itself, lacked a prior government platform or a detailed outline of its intended institutional reforms. Much of what it achieved was the result of improvisation, a learning process that took place through the exercise of government itself. The circumstances of the military regime’s inception led to oscillations, course corrections and even dissent during its time in power, which was divided into five presidential administrations, not counting a few months of the tripartite military junta. Some similar attributes marked each of these phases, notably the illegitimacy stemming from the origin of power, as well as a legally and institutionally arbitrary character. Faced with any unexpected difficulty or challenge, the military governments never hesitated to revoke mandates, suspend Congress, dissolve parties, and, above all, violate and modify norms, institutional acts and constitutions that they themselves had issued.

Other characteristics that became evident to varying degrees over these years were its visceral anti-communism, obsessive concern for national security, attachment to a “wage squeeze” policy, repression of unions and strikes, disdain for politicians, the weak influence of the judiciary and the legislature, censorship of information and criticism, social and cultural conservatism, indifference to human rights, and a certain preference for technocrats and career civil servants for government functions. As diplomat and historian Mello Barreto notes in *Os sucessores do Barão*,

in the almost 21 years in which five military officers alternated in the Presidency of the Republic, there were six foreign ministers, only two of whom did not come from the diplomatic career. Of the four career ambassadors who held that position, three had previously occupied the second-highest post in the Itamaraty hierarchy, i.e. secretary-general.³

The only exception, Antonio Francisco Azeredo da Silveira, had left the position as head of the Mission in Geneva in 1968 to assume this post

and, due to objections from the security agencies, had to be reassigned as ambassador in Buenos Aires.

Within these parameters, the successive governments selected priorities and points of emphasis that allow for a certain periodization of the decades in question.

Division by Periods According to Internal and External Perspectives

Despite the peculiarities of each administration, a general trend can be observed in the two halves of the military dictatorship period. The first 10 years marked a period of increasing repression, covering the presidencies of Castelo Branco, Costa e Silva, the Military Junta, and Emilio Garrastazu Médici (1964–1974); the last 10 featured a progressive openness, corresponding to the Ernesto Geisel and João Batista Figueiredo governments (1974–1985). In domestic policy, the first half began with relative moderation and some degree of institutional continuity, evolving towards a crackdown that culminated in the repressive peak of Institutional Act No. 5 (1968), the Junta and the Médici phase. Geisel inaugurated the “slow, gradual and secure distension,”^{II} with Figueiredo completing the negotiated departure of the military from power.

In the economy, the first three years (under Castelo Branco) were dominated by the fight against inflation and the definition of policies and institutional reforms. The fight against inflation was only partially successful, as the recession inherited from the previous era worsened. The following seven years (under Costa e Silva, the Junta and Médici) saw the adoption of an expansionist policy, partly reaping the benefits of previous efforts and resulting in the years of remarkable growth known as the “economic miracle.” Inflation started to grow again. Geisel tried to maintain and accelerate growth by expanding state intervention. In a much less favorable external context, he ended up bequeathing to his successor and the civilian regime a foreign debt crisis and a trend towards uncontrolled inflation.

On the international stage, the first half of the military period coincided with the moment when the strategic dispute between the United States and the Soviet Union shifted from Germany and Europe to the Third World. That phase was characterized by coups and interventions,

II From the Portuguese “distensão” (easing), the term refers to a gradual and controlled political liberalization.—Trans.

terrorism in the Middle East and Western Europe, the May 1968 uprising, and particularly the American quagmire in the Vietnam War. From 1975 onwards, Washington's disengagement from that conflict and Nixon's rapprochement with China paved the way for a flexible strategy that foreshadowed the inevitable decline of Soviet power. In South America, these years witnessed military coups in Argentina (1966), Uruguay (June 1973), Chile (September 1973), and again in Argentina (1976), all of which, except for the first, occurred shortly before the onset of political liberalization in Brazil.

Between 1964 and 1973, the world economy experienced a prolonged period of accelerated post-war growth in advanced countries and in Latin America. The two "oil shocks" (1973 and 1979), inflation stimulated by the Vietnam War and the impact of a brutal rise in US interest rates put an end to the golden era and triggered, among other effects, the foreign debt crisis in Mexico (1982), followed in quick succession by crises in other Latin American countries, including Brazil.

The influence of global trends on Brazil's evolution was close and direct, as will be seen in the examination of the different stages of the military regime.

The Castelo Branco Administration: Economic Reorganization and a Return to Cold War Diplomacy (1964–1967)

The first military government's goals and accomplishments cannot be understood without taking into account that at no point before or since have the ideas of American and Brazilian leaders converged so closely. This was complemented at the time by consistent and decisive support in finance and strategic economic direction by the US. The aspiration of Brazilian and American leaders was to build a country of modern, democratic capitalism in Brazil, where a balanced economy would promote growth and the distribution of its benefits, eliminating once and for all the temptations of populism and Marxism that had haunted the previous period. Success in this endeavor would create a kind of showcase of the superiority of the Western and American development model over the Soviet and Cuban prescriptions.

For this reason, perhaps more important than macroeconomic policy was the task of institutional reconstruction. Economist André Lara Resende

identifies three areas where the main institutional bottlenecks from the past were concentrated: tax disarray, financial market deficiencies, and inefficiency in foreign trade.⁴ Among the most enduring reforms introduced in the early years of the military regime was the adoption of monetary correction, which enabled reform of the tax system and increased revenue, particularly from income tax. Other modernizing reforms included the creation of the Central Bank and the Housing Finance System, new social insurance programs (PIS and PASEP),^{III} the unification of the exchange rate system, an update to foreign trade agencies, and the creation of planning agencies and the Ministry of Planning itself, as well as the embryo of the future Institute for Applied Economic Research (Instituto de Pesquisa Econômica Aplicada/IPEA).

Economic policy achieved reasonable results, despite falling short in some sectoral targets. The most impressive success came in a drastic reduction of the budget deficit, which plummeted from 4.2% of GDP (1963) to 1.1% (1966), a nearly three-quarter decrease. Economic activity took much longer to recover from the recession, and growth was disappointing, declining from 3.4% (0.44% per capita) in 1964 to 2.4% (–0.50% per capita) the following year, before rising to 6.7% (3.71% per capita) in 1966 and falling back to 4.2% (1.31% per capita) in 1967, partly under the Costa e Silva government. Between these two extremes, inflation occupied an intermediate position, falling from almost 90% (1964) to 38% (1966), reaching the target of 20% only in 1969, after a delay of several years.

The most detrimental aspect of the economic strategy lay in the government's wage policy. After practically eliminating workers' bargaining power through the repression of union activity and prohibition of strikes in "essential" sectors (as defined by the government itself), an official adjustment formula was imposed that replaced direct negotiations. The formula stipulated that adjustments would not be based on peak wages but on the arithmetic average of the real salary over the previous 24 months, plus the productivity rate and the "inflationary residue" (the invariably underestimated forecast of inflation over the subsequent 12 months). As a result of this formula, the largest decreases occurred in the first two years: a 14% drop in the average real minimum wage index

III Created in 1970, the PIS and PASEP programs are social contributions of a fiscal nature, made by employers, with the purpose of financing unemployment insurance and other benefits.

and a 10% to 15% decrease in the average real wage in industry in 1965 and 1966.

Lara Resende concludes:

The costs of the wage compression policy were considerable, being an important element in explaining the deterioration in income distribution between 1960 and 1970. The share of the poorest 50% in total income fell from 17.7% to 14.9%, and that of the next 30% decreased from 27.9% to 22.8%.⁵

Castelo Branco's Diplomacy: Radical Denial of the Recent Past

If the curve of domestic policy went from relative moderation to increasing levels of anti-democratic repression, before reversing course in 1974, in diplomacy the opposite was true. The first three years of the military regime marked the most radical negation of the Jânio Quadros and San Tiago Dantas foreign policy approach. This was followed by a gradual softening after 1967 and a complete overhaul under Geisel. The very essence of the so-called Independent Foreign Policy was its rejection of the Cold War as the concept that ordered and determined international relations. Yet, this notion was precisely what Castelo's diplomacy embraced, in a kind of reverse Copernican revolution: the Cold War once again took center stage in explaining the world and subordinating the foreign policy decisions in Brazil, a country that had no rational motive to see itself at the forefront of what was basically a strategic-political dispute between the United States and the Soviet Union.

As a justification for the country's subordination to this bipolar scheme, the argument was made that Goulart's overthrow had been merely a Brazilian episode of this universal battle. The thinking was that by thwarting his plan to align Brazil with the communist bloc and thus preventing an imbalance in the Cold War that the United States would have found unacceptable, the military had spared the world from an American intervention with unpredictable consequences. Interpretative exaggerations aside, there is no doubt, as extensively evidenced in the previous chapter, that the US government was deeply involved in preparations for the 1964 movement and was ready to intervene if necessary.

André Fontaine, a historian of the Cold War, indeed considers that the Brazilian coup marked the first in a series of anti-communist military coups supported by the Johnson administration, in a logical development of the messianic and reckless trend that originated from John Kennedy's inauguration speech:

Let every nation know [...] that we will pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.

Goulart's overthrow was followed by intervention in the Dominican Republic (1965), the fall of Ben Bella in Algeria (1965), the bloody massacre that marked the rise of General Suharto in Indonesia (1965/1966) and the so-called colonels' coup in Greece (1967). The same attitude inspired the incident in the Gulf of Tonkin, still in 1964, a few months after the Brazilian coup, marking the beginning of the tragic American escalation in the Vietnam War, which would drag on until the mid-1970s.

Without minimizing the specific Brazilian causes of the 1964 crisis, it was therefore part of a broader movement in world history, similar to past events such as the opening of the ports and independence. The global nature of this movement meant that the effort to eradicate internal communist subversion would become an integral part of a campaign led internationally by the United States. This perspective would make it advisable to relativize, in the name of the life-and-death struggle against the international communist conspiracy, principles such as non-intervention and absolute concepts like national sovereignty, diluted in the overall *mélange* of "ideological frontiers."

Two ministers were tasked with translating these beliefs into practice: Ambassador Vasco Leitão da Cunha (April 1964 to January 1966) and the former general and UDN politician Juracy Magalhães (January 1966 to March 1967).

Leitão da Cunha was one of the last old-school diplomats, a man of dignity and a perfect gentleman in the natural exercise of his immense personal charm. In his youth, he had been part of the first professional theater troupe in Rio de Janeiro and he liked to repeat that "diplomacy is acting." However, he knew when performance had to give way to integrity. At least twice, he sacrificed himself for fidelity to his principles. The first occasion was when, as acting minister of justice during the Estado Novo

(the incumbent was Francisco Campos), he ordered the arrest of the feared police chief, Colonel Filinto Müller. Characteristically, Vargas exonerated both of them. On the second occasion, as secretary-general of Itamaraty under Afonso Arinos, in the Jânio Quadros administration, he resigned after being deauthorized by the president, who had allowed journalist João Dantas to travel to East Berlin on an official mission without the ministry's knowledge.

Were it not for Leitão da Cunha's resolve, the purge that the military wanted to carry out within the diplomatic service would have been much more extensive (I speak from personal experience). Even so, he was unable to prevent the sacrifice of meritorious officials such as Antônio Houaiss, who was ousted for his work against Portuguese colonialism at the UN Mission, and Jaime de Azevedo Rodrigues, the intrepid head of Brazil's delegation to the first UNCTAD in Geneva who protested the military coup during the conference. Among the other dismissed officials (who were fewer than those later purged under AI-5), the most well-known was Ambassador Hugo Gouthier.

During his first month in office, it fell to Vasco Leitão—a former ambassador to Havana at the time of Castro's revolution—to propose at a meeting of the National Security Council that relations with Cuba be severed. It is peculiar that President Castelo Branco did not favor the proposal but preferred to wait for the position of the Organization of American States. In this the president was supported by Minister of Planning Roberto Campos and Minister of Finance Otávio Bulhões, both of whom considered the measure inconsistent with maintaining relations with the Soviet Union. The decision, made by a majority vote, leaned towards the severance of relations, and this took place in May 1964. The following year, Brazil would lead an initiative to create the Inter-American Peace Force in the OAS, in an attempt to lend a collective character to the US Marines' intervention in Santo Domingo. Brazil would provide the largest contingent, around 1,300 men, and the force commander. The force also brought together smaller contributions, some of which counted fewer than 10 soldiers, from Honduras, Paraguay, Nicaragua, Costa Rica, and El Salvador.

Encouraged by Brazil's willingness, the Johnson administration later sent veteran Averell Harriman to seek the participation of Brazilian troops,

even if symbolic, in the Vietnam conflict. Ambassador Lincoln Gordon recounted that on the occasion Castelo Branco received the emissary in the presence of the foreign minister, who suggested an obviously impossible condition: approval by a two-thirds majority in the OAS. The president used this suggestion to evade the uncomfortable request, which was also opposed by Costa e Silva and the president of the Chamber of Deputies, Bilac Pinto. Brazil was thus spared from something far worse than the inauspicious Dominican operation.

In the multilateral sphere, the dismantling of the Independent Foreign Policy was completed with Brazilian votes against resolutions condemning Portugal's colonialism and South Africa's apartheid. Brazil initially refused to sign the Tlatelolco Treaty for the Prohibition of Nuclear Weapons in Latin America, which it had helped inspire—and which later earned Mexican diplomat Alfonso García Robles the Nobel Peace Prize. Consistent with its own denial of human rights at home, the government initially refrained from signing two major UN pacts on the subject, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights (1966). Brazil's isolation in the world was increasing and became evident in Latin America when Venezuela severed relations following its Betancourt Doctrine, which opposed recognizing governments of non-democratic origin, and as Mexico virtually broke ties. García Robles, who was Mexico's ambassador at the time, was withdrawn, but the Mexican embassy remained open under the leadership of a *chargé d'affaires* that refused to formally recognize the new Brazilian government. The Mexican embassy received the largest contingent of Brazilian asylum seekers in this period.

In this inhospitable terrain, Leitão's successor, Juracy Magalhães, would attempt with more doctrinal ardor than diplomatic subtlety to plant the seeds of ideas such as limited sovereignty, "ideological frontiers" and the creation of a permanent intervention force. As ambassador in Washington, he had once let slip the phrase "what is good for the United States is good for Brazil," a statement he would spend the rest of his life trying to explain. Sociologist Estevam Martins notes that Magalhães had some justification in clarifying that the phrase should not be interpreted as "signifying an unconditional adherence of Brazil to that country, [since] the reciprocal was equally true."⁶

It is undeniable that the Americans reciprocated Brazil's friendship, primarily through significant aid for financial stabilization but also via technical and intellectual assistance in economic modernization. Between 1964 and 1967, USAID granted loans that made Brazil the fourth largest net recipient of American aid, behind only India, Pakistan and South Vietnam,⁷ a list of countries that in itself suggests the political nature of the funding. In 1965, loans increased by 60% compared to 1964, nearly tripling foreign investment.

To overcome the traditional balance of payments restrictions, the Castelo Branco government made a clear break with the previous administration and opted for a strategy of internationalizing the economy, removing barriers to profit remittances, attracting foreign capital, closely collaborating with the Alliance for Progress and encouraging foreign trade. The internal recession reduced imports (in 1965, imports fell back to 1950 levels, the lowest in the 1950s and 1960s), while exports recovered and reached a record high in 1965. The result was a surplus of \$331 million (1965), doubling reserves to \$484 million. These were the first signs of a genuine quantitative leap that would transform Brazil's position in the global economy in the following two administrations.

Meanwhile, in the south of the American continent and in the non-ideological realm of neighborly relations, a conflict began to take shape that would occupy much of Brazil's diplomatic capacity until at least 1979: a disagreement over the hydroelectric utilization of international river courses in the River Plate Basin. First raised by Paraguay, the disagreement soon spread to Argentina once the difficulty with Asunción was removed. The issue stemmed from the advance of Brazilian hydroelectric plants along the Rio Grande valley, between Minas Gerais and São Paulo, towards the Paraná river. It was here where Brazil's Urubupungá hydroelectric complex was to be built, consisting of the Jupia, Ilha Solteira and Três Irmãos plants. Studies carried out by Professor Marcondes Ferraz of the Polytechnic School of São Paulo anticipated several unilateral Brazilian developments downstream, near the stretch where the river forms the border with Paraguay.

Based on the Treaty of 1872, Paraguay claimed rights to a territory of just over 20 square kilometers in the region of the Serra or Cordilheira de Maracaju and the Sete Quedas area, where the river splits into several

deep, flowing branches. Brazil's decision to send a small Army detachment made up of a sergeant and 20 soldiers to the area (mid-1965) sparked a violent campaign in Asunción that culminated, a year later, in the signing of the Ata das Cataratas [Iguazu Falls Act]. This agreement called for joint studies on the use of water resources and preferences for each to buy any surplus energy that might be produced. From this seed sprang the negotiations that would lead to the signing of the Itaipu Treaty (1973) for the construction of the binational Itaipu Power Plant.

The dispute with Paraguay was resolved, but a new front of disagreement soon opened with Argentina. A curious aspect of the dispute was the direct involvement and decisive participation in the affair of writer-diplomat João Guimarães Rosa, who had chosen to head the section in charge of border demarcation at Itamaraty. Rosa considered the post a quiet bureaucratic niche that would allow him to write his novels and short stories undisturbed during his 11-year tenure. Suddenly, however, he found himself caught up in the whirlwind of a semi-forgotten boundary issue that disrupted his well-planned creative peace of mind. After the crisis, he complained in a letter to his Italian translator Edoardo Bizzarri:

Well, you know that I am the head of the Border Demarcation Service here, and you must have followed in the newspapers the heated case of disagreement with Paraguay, the Sete Quedas issue. So imagine what happened to me from June last year until this July. It was an absurd and terrible time of nonstop work, discussions, meetings and responsibilities. Several times, I had to work here at Itamaraty until five o'clock in the morning... and show up the next day at nine o'clock for meetings that lasted all day. All this, under the circumstance of being, out of the 80 million Brazilians, the one paid to handle the issue, under the weight of it. And with my health—as you know. And with the visceral fear of making mistakes, the compulsive need to attend to every detail, the meticulous slowness of a son of Minas Gerais, the land where the roosters crow during the day. So I stayed away and oblivious to everything else, I didn't even remember that I was Guimarães Rosa, I didn't answer the letters from foreign publishers, I lost money, I sacrificed interesting opportunities, I got sicker, I buried myself.⁸

All this hustle and bustle resulted in the only major diplomatic text by Rosa: Note No. 92, dated March 25, 1966, from the Brazilian Embassy in Asunción to the Paraguayan government. In 155 forceful paragraphs, Rosa scrutinizes and refutes the Paraguayan claims with the same skills he had demonstrated a decade earlier in *Grande sertão: veredas*.^{IV}

One of the sources of inspiration for Castelo Branco's diplomacy was General Golbery's doctrine of the "three concentric circles," which indicated Brazil's priorities from the inside out: the River Plate Basin and Latin America formed the first circle, the Western Hemisphere, including the United States, the second, and the rest of the world made up the third. Ironically (and negatively), the conflict validated the obvious idea that the River Plate Basin was the number one priority of Brazil's foreign policy...

Costa e Silva Government: Hard Line and Distancing from the United States (1967–1969)

Whether moderate or hardline, the supporters of the 1964 rupture were united by their rejection of a return to previous conditions. Their intention to inaugurate a new and enduring era in Brazilian history was reflected in their labeling of their movement as a "revolution." But how could they reconcile the continuation of military power, necessary to bring about change, with the desire to preserve the 1946 Constitution and keep Congress and the parties open, the judiciary guaranteeing rights and popular elections for majoritarian positions? The facts demonstrated the incompatibility of arbitrary power with the functioning of institutions, even those created by the regime. Every time rules of the game threatened to bring back ousted politicians, the game itself was always suspended and a new set of rules produced. This was the case under both the hard-liners and moderates like Geisel and Castelo.

The constant alternation between defiance and reaction began early, in June 1964, when Juscelino Kubitschek was stripped of his political rights and a constitutional amendment extended Castelo Branco's term for just over a year, until March 15, 1967. The following year, in early October 1965, the old PSD-PTB alliance^V won the (still) direct elections

IV The 1956 masterpiece by Guimarães Rosa, translated into English as *The Devil to Pay in the Backlands* and, later, as *The Great Backlands and Their Paths* and *Vastlands: The Crossing*.—Trans.

V A coalition between the Social Democratic Party (PSD) and the Brazilian Labor Party (PTB) that came from Getúlio Vargas' time.

for governorships of Minas Gerais, with Israel Pinheiro, and Guanabara, with Negrão de Lima, despite a prior purge of candidates. It was not long before the Institutional Act No. 2, at the end of the same month, established indirect elections for president and governors, dissolving the old political parties and replacing them with the pro-government *Aliança Renovadora Nacional* (ARENA) and the opposition *Movimento Democrático Brasileiro* (MDB). The purges resumed, and alleged crimes against national security were placed under the jurisdiction of the military justice system.

In January 1966, Minister of War Costa e Silva imposed himself as a candidate for president, bypassing Castelo Branco's preferred successor. The president described the minister's maneuver as "untimely." On his departure for a short trip to Europe, Costa e Silva received an expression of support from around 3,000 military active officers and declared: "I leave and return as Minister!" Unsurprisingly, he was elected by Congress in October, with lawyer Pedro Aleixo as his vice president (the ticket always paired a military officer and a civilian politician; Castelo's running mate had been a deputy from Minas Gerais, José Maria Alkmin). In the same month, Carlos Lacerda officially broke with the regime by releasing the manifesto of the *Frente Ampla* [Broad Front], which would be joined by Juscelino Kubitschek, Jânio Quadros, and, after a while, Goulart. All the significant political leaders of the country aligned themselves against the military regime.

In January 1967, Congress promulgated a new Constitution, burying the old and battered 1946 Constitution once and for all. By March, the new government was sworn in, comprising 10 military officers (eight on active duty), some technical experts and a few civilian politicians, including the minister of foreign affairs, the banker and politician from Minas Gerais José de Magalhães Pinto. The reaction to the government's repression was beginning to spill out onto the streets. In March 1968, the student movement resurfaced and launched demonstrations against price increases at the Central Student Restaurant in Rio de Janeiro, known as Calabouço. The demonstrations were repressed harshly by the Military Police, resulting in the death of a student named Edson Luís. In April of that year, the government banned the *Frente Ampla*; in June, the *Passeata dos Cem Mil* [March of the One Hundred Thousand] took place in Rio de Janeiro, with intellectuals and religious leaders at the forefront. Shortly afterwards, protests were also banned.

September witnessed the opening of the final crisis of the hybrid conciliation-hardening phase. A defiant speech by Congressman Márcio Moreira Alves led military ministers to demand that his mandate be revoked by the Chamber of Deputies. After a few weeks of tension, the Chamber finally rejected the military's request on December 13, 1968, the fateful date on which the government issued Institutional Act No. 5. In one of its preambles, the president stated that: "clearly subversive acts [...] prove that the legal instruments that the victorious Revolution granted to the Nation [...] are serving as means to combat and destroy it" and forcing the adoption of measures to prevent its destruction.

This statement was followed by a long list of measures that practically eliminated the rule of law: the military regime's power to decree Congress in recess, intervene in states and municipalities, dismiss civil servants, impose revocations, suspend habeas corpus and judicial guarantees (three Supreme Court justices were to be forcibly retired), and resume political purges. The National Congress immediately went into recess, Carlos Lacerda's political rights were suspended, and a wave of arrests and purges was unleashed that would last several months.

The End of the Honeymoon with the United States

Long before that extreme point was reached, the Americans had already become irreversibly disenchanted with the monster whose birth they had encouraged in their laboratories of conspiracy. Right from the start, Ambassador Gordon had to explain AI-1 simply as a product of the unfortunate circumstances of the moment. Then, with each new attack on the legal order or violation of rights, the embassy in Rio de Janeiro was forced into dialectical contortions to calm the State Department's unease. Those who find this attitude hypocritical should remember that the Kennedy–Johnson administrations still embodied the contradictory democratic messianism of their party. The same men who helped implement civil rights legislation for the Black minority and advanced the Great Society programs in the United States were also those who, in the name of anti-communism, coldly approved coups d'état and worse. For the Brazilians, beyond the immediate danger the only requirement was to maintain a nominal commitment to the restoration of democracy, which had become increasingly difficult to simulate in Brazil since AI-2.

The idea of turning the Brazilian regime into a showcase of the success of the democratic formula embedded in the Alliance for Progress proved yet another illusion in the endless list of failed US nation-building attempts, carried out in the vain hope of exporting institutions, traditions and behaviors to different peoples.

As long as they could deal with like-minded people in power, those with similar values and perspectives—people like Castelo Branco, Roberto Campos, and Juracy Magalhães—the Americans held their noses and pretended to believe that they were on the right track. Anyone who reads the secret communications exchanged early on between Gordon's embassy and the government in Washington will be struck by the degree of intimacy in the American involvement in the reconstruction of Brazilian institutions. Some programmatic telegrams, almost a hundred pages long, even go down to details such as the salary that should be paid to elementary school teachers!^{VI}

Eventually, American doubts turned into disappointment, which led to a gradual disengagement from the regime they had helped to create. The last illusions disappeared with the strengthening of the hard line and the choice of Costa e Silva. The AI-5 only publicly confirmed the rupture, marked by State Department condemnation and the suspension of American aid. While it is rightly said that Costa e Silva prompted Washington's withdrawal, it should be remembered that the divorce was by mutual agreement (and initiative); the United States was no longer willing to associate with a regime dominated by hard-liners.

Costa e Silva would rule until the end of August, when illness forced his departure. Revealing their true faces, the military ministers excluded Vice President Pedro Aleixo from succession plans and formed a governing junta. In September, US Ambassador Charles B. Elbrick was kidnapped by an armed action group and released in exchange for the freeing and expulsion of political prisoners. The regime reintroduced the death penalty (which would never be applied, at least not after due process). At the end of October, the director of the National Intelligence Service (SNI), General Emílio Garrastazu Médici, was appointed the new president. Putting aside

VI In 1975, after journalist Marcos Sá Corrêa revealed the secret papers on Operation Brother Sam, the author, then a counselor at the embassy in Washington, received instructions from Itamaraty to make a confidential visit to the Lyndon Johnson Presidential Library in Austin, Texas, to collect copies of documents of particular interest. Among the abundant material gathered during those days, the detailed plans to "rebuild Brazil into a democratic and efficient model" stand out.

the pretense of civilian participation, Admiral Augusto Rademaker, former minister of the Navy, was named vice president. By the end of the year, the ousted president, who had only ruled for two and a half years, died.

The Economic Turnaround

In February 1966, shortly after Costa e Silva announced his run for president, Ambassador Lincoln Gordon concluded his mission in the country. Gordon had embodied US policy in the decisive phase of the anti-Goulart conspiracy and the Americans' strong support for the Castelo Branco government. His immediate successor, John W. Tuthill, would carry out the task of drastically reducing the huge US diplomatic and aid establishment in Brazil and ending bilateral aid programs. The dismantling of American aid came at a time when it was no longer crucial for the regime's survival. Thanks to debt rescheduling, an increase in reserves and the accumulation of trade balances, Brazil's priorities shifted towards accelerating growth in order to garner legitimacy for a regime that was increasingly contested within the country and viewed with suspicion from abroad.

This mission fell to the new finance minister, a young professor at the University of São Paulo named Antônio Delfim Netto. From his days as a commander in São Paulo, Costa e Silva had maintained a wide circle of friends that included major bankers and industrialists. The influence of these businessmen would be felt in a governing team that closely reflected the priorities of national industry. First as the government's head of finance, then later agriculture and planning, Delfim maintained a strong presence until the end of the military regime. His peak, however, came in his first seven years in the finance ministry, covering the Costa e Silva and Médici governments (1967–1973). Economic historian Luiz Aranha Corrêa do Lago points out that, as far as economic policy, the two governments constituted a unique period “in which a new diagnosis of Brazil's economic problems prevailed and in which the country achieved unprecedented average growth rates.”⁹

Without abandoning the fight against inflation, which had been the central focus of Campos-Bulhões, the new team shifted the priority to growth. The government stimulated demand, expanded consumer and agricultural credit, and directed substantial resources to housing construction and acquisition. It made the most of previous achievements in containing

inflation and reducing the budget deficit. Despite the official discourse in favor of the free market and the private sector, the regime's economists pragmatically multiplied incentives, subsidies and exemptions for specific sectors. All of this made "the role of the government extremely important in enabling certain private sector operations."¹⁰ The results exceeded expectations in terms of GDP and industrial growth rates, increased investment, and a rise in exports in general and of manufactured goods in particular. On the other hand, the resilience of inflation and the expansion of external debt with floating interest rates prepared the country poorly for the coming international crisis.

Diplomatic Shift in Half-Measures

The true novelty of the Costa e Silva government lay in the economics of a return to growth. In domestic policy, the hardening of the regime stemmed from the previous government, and the very choice of the second president represented the victory of the hardline sector. Foreign policy stood halfway between promise and fulfillment, sketching a significant change rhetorically but, apart from a few decisions, finding it difficult to give concrete expression to a platform of change. Not all analysts agree with Carlos Estevam Martins' exaggerated claim that Costa e Silva's foreign policy was "a sensational shift in the history of Brazilian foreign policy."¹¹ If this judgment is accepted, what would be left to say about the real "sensational shift" that occurred under Geisel eight years later?

Reality compels us to say that the diplomacy of the time was more akin to a frustrated transition than a notable shift. Of everything that was done, the decision that best expressed autonomy from the bipolar order was Brazil's refusal in 1968 to join the Nuclear Non-Proliferation Treaty (NPT). The importance of this refusal came down to what Ambassador Araújo Castro would later assert: the NPT marked the second moment of the "freezing of world power" by the two superpowers, extending the hierarchical status quo established in San Francisco (1945) in the closed composition of the club of permanent members of the UN Security Council to the technological and strategic domain. That said, it was not hard to win internal approval from security agencies for a stance that the military would interpret not from this global angle, but from the perspective of preserving Brazil's future possibility of developing nuclear weapons.

The ambivalent measure of the rejection of the NPT was easier to accept than less globally important actions that could, however, lead to ideological confusion, such as San Tiago Dantas' non-intervention stance against the communist regime in Cuba.

The decision not to sign the NPT in no way meant overcoming the most ideologically charged aspects of the Cold War, as demonstrated by Brazil's UN votes at the same time. The country insisted, as in the past, on viewing issues such as anti-colonialist struggles in Portugal's overseas possessions, the fight against apartheid in South Africa and resistance to Israel's expansion into Palestinian lands through the prism of the East-West conflict. In all similar cases, the country found itself in a tiny minority alongside those three international pariahs and their protector, the United States. There was even an extreme case in which, due to its inattention, Brazil's was the only vote against a draft resolution condemning colonial regimes in general (May 1968). Realizing its isolation too late, Brazil changed its vote to abstention in the General Assembly. This misstep did not prevent the country from continuing to practice what Ambassador Araújo Castro, emerging from his exile in Greece, called the "Greta Garbo complex of Brazilian diplomacy: *I want to be alone!*"^{VII}

One step forward, one step back: the Treaty of Tlatelolco was finally adhered to (1967) and the universalization of human rights was accepted (1968) at nearly the same time that a weekly Johannesburg–Rio de Janeiro flight was inaugurated and the Inter-American Convention on Human Rights was rejected (1969). Authors who overvalue Costa e Silva's foreign policy tend to focus on the conceptual evolution expressed in statements by future Ambassador Paulo Nogueira Batista, who was in charge of the planning sector at the time, or in the actions of the head of the Brazilian delegation to the 2nd UNCTAD in New Delhi, Ambassador and future Chancellor Azeredo da Silveira.

Elected president of the Group of 77 (the coalition of developing countries in UN economic agencies), Silveira was to become known for his "table-turning" in negotiations. Faithful to the "strategy of confrontation," the G-77 believed in imposing maximalist positions through the steamroller

VII Thanks in part to the moderating influence of Minister Vasco Leitão da Cunha, the military spared the last foreign minister of Goulart from the purge. Sent to the semi-exile of Athens, Castro, who came from a family in the state of Maranhão, wrote to a colleague: "I feel at home here because everyone is named Empedocles, Themistocles, Pythagoras. It's all Maranhão names..."

effect of the majority formed by the group, with support of the socialists in Group B, in the hope that a compromise with the developed nations would be negotiated at a later stage. Unfortunately, this final stage never materialized, and a long series of merely declaratory documents began to be approved by majority votes that year and in those that followed.

The satisfaction of parliamentary victories did not quite compensate for the inconvenience that the resolutions rarely, if ever, materialized. Raul Prebisch, the creator of UNCTAD and its first secretary-general, had conceived of the organization as a forum for negotiating by consensus a new order conducive to development. From New Delhi, he warned the G-77 about the risk of confrontation and, when his warning was not heeded, eventually resigned and returned to Latin America. Crushed in the voting rounds, the developed countries, which held the real economic power, came to regard UNCTAD resolutions as documents of mere declaratory value, without the legal force of GATT commitments. The dream of negotiating a fairer economic order was over, as were many of the dreams of that 1960s generation, embodied in the sexual revolution, rock music and the Promethean slogan of May '68: "Be realistic: demand the impossible!"

In a much more prosaic manner, Magalhães Pinto, the minister of foreign affairs, almost always neglected in studies of that period, enunciated his policy: he wanted simply the "diplomacy of prosperity," carefully avoiding, with his proverbial caution, involvement in ideological or utopian confusions. One of his few initiatives had to do with Asia, which he visited, and its potential for Brazilian trade. Unfortunately, his tenure coincided with AI-5 and increased repression from the regime. At Itamaraty, this repression took the form of a commission that recommended the expulsion of 44 officials from various levels and sectors, including 13 diplomats. The accusations this time focused on issues of sexual orientation or personal behavior. The most well-known of those excluded was Vinicius de Moraes, condemned for being a poet with unconventional bohemian behavior, contrary to bureaucratic discipline.

Closer to earth and more influential on reality than multilateral contortions was Brazil's bilateral or regional policy in the Americas. With the United States, coffee gradually gave way as the bone of contention to manufactured goods. Textiles and instant coffee and, later, footwear and steel began an endless trade dispute over US tariffs and protectionist

measures against Brazilian exports. In hemispheric policy, in a turn that truly deserves the adjective “sensational” used by Estevam Martins, Brazil actively contributed to the burial of the Inter-American Peace Force previously advocated by Juracy Magalhães.

In the River Plate Basin, a nationalist clash would revive the old, sterile rivalry of the 19th century under a new guise. It was no longer about the fear of Brazilian territorial expansionism or the suspicion that Argentina would annex its neighbors to reconstitute the Viceroyalty of the Río de la Plata; attention had shifted instead to the hydroelectric potential of the region. A generous and unerring idea—that the river basin formed a geo-economic unit and, as such, should be planned jointly—would be distorted and rendered ineffective, perhaps permanently, due to mutual mistrust. Brazil, as seen earlier, had made progress in the exploitation of the upper reaches of the rivers and, in the *Ata das Cataratas*, agreed with Paraguay on a project of bilateral interest. In practice, even if it not intentionally, this project excluded Argentina, located just downstream from the planned Itaipu Dam, from energy exploitation in the triple border area (paragraph IV of the Act). Setting aside alarmist attitudes such as that of Argentine Admiral Isaac Rojas, supported by arguments from engineer Justiniano Allende Posse, it was understandable that the Argentines were concerned about developments upstream.

Brazil, which in the 19th century had suffered from obstacles to free navigation of the Platine rivers created by the Argentines, lacked perhaps greater sensitivity to put itself in the position of the downstream inhabitants (this was and remains the Brazilian situation in the Amazon Basin). From the outset, there was a suspicion that Argentine President Arturo Illia’s invitation to discuss the basin issues concealed his intention to hinder the energy program, essential to Brazilian development. Nor did Illia’s deposition and replacement by the government of General Juan Carlos Onganía, a strong right-wing nationalist, with the participation and support of both the relatively respectable *Ateneo de la Republica*^{VIII} and much more extreme movements, help to clear the air.

At the Meeting of Foreign Ministers of the River Plate Basin Countries (Argentina, Bolivia, Brazil, Paraguay, and Uruguay), which was to be held in Buenos Aires in early 1967, the Brazilian delegation decided to accept a proposal to negotiate a treaty for the basin, but modified it in

VIII A conservative nationalist intellectual forum.

such a way as to remove all potential for damage and, at the same time, effectiveness. It used reasonable arguments, such as the inconvenience of creating a new international bureaucracy, the financial costs involved, the risk of interference in countries' actions, etc.^{IX} At a time when European integration had shown that effectiveness depended on the existence of a centralized and permanent executive body, Brazil made it clear that it would only accept a flexible (i.e. loose) mechanism, whereby the secretariat of the treaty would be exercised temporarily and on a rotating basis by the participants.

This format would prevail, a few years later, when the treaty was signed, with the predictable consequences of inoperability that emptied the agreement of meaning. One of the almost immediate effects of the frustration of this plurilateral collaboration was that the Brazilian-Argentine conflict soured even more, shifting from the sub-regional sphere to all of South America, Latin America, and multilateral organizations such as the UN. Brazil, which was not particularly popular to begin with, became slightly more isolated.

Carlos Estevam Martins' conclusions sound convincing (and somewhat contradictory to the article's initial enthusiasm):

Examined from the perspective of History, the fruits reaped by the Costa e Silva government were undoubtedly quite modest [...] What was typical [...] was aggressiveness divorced from consequence [...] foreign policy was not an isolated case. Everything that, during the Costa e Silva period, represented attempts at a certain kind of renewal, ultimately tasted the bitterness of failure: political opening [...] free press, workers' strikes, parliamentary opposition, student mobilization, all the movements that thought they had found a new beginning soon found themselves at the end of the road.¹²

After this lapidary epitaph, we can only move on to the next chapter.

The Médici Administration: Repression, the “Economic Miracle” and Damage Control Diplomacy (1969–1974)

A trusted friend and advisor to Costa e Silva, his successor Médici brought to a logical conclusion the political closure, systematic repression

IX As a second secretary at the embassy in Buenos Aires, the author attended the conference, but disagreed with the excessively defensive position adopted by Itamaraty.

and accelerated growth initiated in the last two years of the 1960s. In foreign policy, he abandoned any aspirations for change and resumed the safe path of diplomacy aimed at mitigating the regime's isolation through the propaganda of the "economic miracle." Like his predecessor, the new president was neither doctrinaire nor ideological. He distrusted the political and economic liberalism of intellectualized general staff officers like Golbery. His main trait was not radicalism, but the pragmatic caution of a military man who preferred to use only the amount of force necessary and avoid exacerbating useless resistance.

It is said that, when Médici heard the justice minister of the previous government, Gama e Silva, read the first article of the harshest version of the AI-5 draft, he interrupted him to say that it was unnecessary to go so far as to intervene in all states and decree the recess of Congress and legislative assemblies. Consequently, a less extreme version was adopted. On the other hand, he never considered it an opportune time to ease AI-5, dismantle the regime's repressive apparatus or decree amnesty. His policy was, essentially, one of immobilism. As a soccer fan and an expert at using Brazil's 1970 World Cup victory and the Jules Rimet Trophy to glorify the regime, he must have agreed with the football wisdom that teaches: "One does not change a winning team."

Before handing over power to Médici, the military junta (September–October 1969) subjected the 1967 Constitution to a revision, incorporating into the constitutional text most of the exceptional measures introduced on an emergency basis by the various institutional acts. Constitutional Amendment No. 1 also transcribed the full text of the previous Charter and came to be considered a new Constitution. It was this proliferation of constitutions, institutional acts, complementary acts and amendments that led jurist Afonso Arinos to comment, as we have recalled elsewhere, that in Brazil the Constitution was becoming a periodical publication to which it was possible to subscribe. In the government sworn in on October 30, 1969, some figures stood out: Leitoão de Abreu, the chief of staff and an influential political advisor; General Orlando Geisel in the Army Ministry; Delfim Netto, who would continue to dominate the economic area; and Colonels Jarbas Passarinho in Education and Mário Andreazza in Transport.

Exacerbation of Repression and Armed Struggle

The disappearance of any hope of a democratic institutional evolution led part of the left to take up armed struggle, the majority of which opted for urban guerrilla warfare of the kind that had spread widely in Europe (Germany and Italy) and the Middle East in those “years of lead.” The traditional Communist Party (PCB)—the Soviet-oriented “Partidão”—condemned the armed path. This position did not prevent and perhaps even encouraged the dissidents who in 1958 had formed the Communist Party of Brazil (PCdoB), which by this time converted to Maoism, to take on the challenge of rural guerrilla warfare in the remote Araguaia region. The various armed action movements raised funds through bank robberies, with episodes of airplane hijackings.

Among all the daring actions they undertook, those that caused the greatest damage to the government, both internally and externally, were the kidnappings of ambassadors and consuls, followed by demands for the release of political prisoners and other conditions. In addition to the aforementioned kidnapping of US Ambassador Elbrick, the guerrillas became notorious for the abductions of the Japanese consul general in São Paulo and the German and Swiss ambassadors in Rio de Janeiro. Around the same time, the Brazilian consul in Montevideo, Aloísio Gomide, was kidnapped by the Uruguayan urban guerrillas Tupamaros. Despite censorship that forced newspapers and magazines to leave pages blank—or suggestively covered with cooking recipes or cantos from *The Lusiads*—the kidnappings and internal tensions among the military caused by the acceptance of the demands received widespread coverage in Brazil and abroad. This event, along with the dissemination of terrible stories of torture and murders, contributed to further tarnish the regime’s reputation.

In response to this challenge, which was itself a consequence of the suffocating closure of political and trade union life, the government expanded and systematized the most ruthless mechanisms of repression. In São Paulo, the sinister and initially semi-clandestine Operação Bandeirantes, or OBAN, was made official, financed largely by business sectors. The three branches of the armed forces created a vast network of departments and

centers of internal defense operations, the DOI-CODIs,^x of no less dismal reputation.

It did not take long for the disparity of resources and the cruelty of the regime's tactics to crush and dismantle the direct-action movements. By the end of 1969, the most famous of the urban guerrilleros, Carlos Marighella, had been killed in an ambush in São Paulo. Waves of arrests neutralized resistance groups one by one; one of the most secretive and major operations was the crackdown on the Araguaia guerrillas, which would last until 1975. The repression did not spare religious members of the Catholic Church and other Christian churches, who were tortured and murdered, nor former parliamentarians such as Deputy Rubens Paiva. Most of the torture, murders and disappearances committed by government agents in the almost 21 years of military power would be concentrated in this period (1969–1973).

With up-to-date language and modern advertising techniques, the government created a formidable propaganda and counter-propaganda machine: the Special Public Relations Office of the Presidency of the Republic (AERP), with branches in all state administrations. Impressive campaigns for youth mobilization and inspiration were launched: the Rondon Project, which annually sent thousands of college students to provide civil services in the Amazon region and other faraway places; the Brazilian Literacy Movement, or MOBRAL; and other less well-known initiatives. Success in sports, especially in soccer, was exploited, the composition of triumphalist songs was encouraged, patriotic slogans were spread, civic education was introduced into school curricula—in short, the regime employed the classic means of self-propaganda common to dictatorial regimes that Brazil had not seen since the Estado Novo. Of all the trappings used to glorify the government, by far the most heavily relied upon was the “Brazilian economic miracle.”

The Legitimization of Power through Economic Performance

The reason for this was obvious: never in history had Brazil grown so fast and so consistently. From 1968 to 1973, while the population jumped from 87.8 million to 100.29 million, real GDP grew at a “Chinese” average

X Created in 1970, the DOI-CODIs were subordinated to the Army. With functions of investigation, information and analysis, search and seizure, and operating in virtually all states, they became known as interrogation and torture centers.

rate of 11.2% per year, reaching nearly 14% (13.97%) in 1973! It thus generously surpassed the post-war historical average of 7%, which was already quite satisfactory,¹³ and helped alleviate demographic pressure, which was slowly decreasing from an annual rate of 2.8% (1968/1969) to 2.6% (1973). Other indicators, such as the investment rate and gross fixed capital formation, also performed favorably. Thanks to increased revenues and a reduction in budget spending, the public sector, at various levels of government and including state-owned enterprises, managed to produce significant net savings, allowing for investment of between 5% and 6% of GDP in infrastructure. In that golden age, Interior Minister Mario Andreazza would oversee the building of the Trans-Amazonian highway and the Rio–Niterói bridge, among other achievements.

With regard to international relations, the major transformation of the period took place in the sectors of foreign trade and foreign investment and financing in general. Favored by tax exemptions and credits, currency “mini devaluations,” and various governmental support measures, exports grew from \$1.65 billion (1967) to \$6.12 billion (1973). In terms of value, the average rate increased by 24.6%, almost double the volume growth of 13.1%. The difference between the increase in value and the increase in volume of exports reveals the significant gains in the terms of trade, i.e. the improvement in the prices of products exported by Brazil compared to those of imported goods.

Some qualitative changes were also part of this transformation.

The first was the share of manufactured goods in total exports, which grew from 20.7% (1967) to 31.3% (1973). The second historical change was the definitive decline of coffee among primary products. Twenty years earlier, it still accounted for over 70% of foreign sales (at the end of the Korean War in 1953) but fell from 42% (1967/1968) to 27.8% (1972/1973). On the other hand, soybeans, the candidate to replace coffee in the statistics, made a first and still modest appearance, rising from 1.9% (1967/1968) to 14.8% (1973).

Another change that foreshadowed a future trend occurred in the geographical diversification of markets and the increase in European participation as an export destination. Since at least 1870, the United States had always provided the main market for Brazilian exports, accounting for a third or more of the total. America’s individual primacy as a destination

would continue for some time, albeit on a gradual downward trajectory. In 1969, the six original members of the European Economic Community (Germany, France, Italy, the Netherlands, Belgium, and Luxembourg), a unified trade entity, were the destination for nearly 30% (29.5%) of national exports, surpassing the United States (26.4%). This trend continued and, in 1973, exports to the Economic Community reached 30.6% while sales to the United States fell to 18.1%. Japan also increased its share significantly, from 3.4% (1967) to 6.9% (1973). During this period, the presence of the Latin American markets of ALALC (Latin American Free Trade Association) as a destination for Brazilian exports hardly changed, standing between 10.3% (1967/1969) and 10.6% (1970/1973).

The remarkable expansion of Brazilian foreign trade had an impact on world trade as a whole. Brazil's share of international exports rose from 0.88% (1967/1968) to 1.2% (1972/1973). Along with additional changes that we will address later, such as an increase in foreign debt, the change in trade and in the profile of Brazil's participation in the world economy would affect the country's fate, for better or worse, in an incomparably more decisive way than the modest diplomatic activity that was possible at that time.

The Possible Diplomacy: Cooperating with Neighbors and Mitigating Isolation

The choice of a civilian politician as vice president or foreign minister was intended to maintain the fiction that power did not stem solely from military will. When the hardening of AI-5 and the marginalization of Pedro Aleixo eliminated these illusions, there was no point in continuing the pretense. From then on, until the opening of the regime much later, presidential tickets became purely military, and all the occupants of the Ministry of Foreign Affairs were selected based on almost hierarchical professional criteria, remaining in post for the entire term of the presidents who appointed them. The successor to the politician Magalhães Pinto would thus be the secretary-general of Itamaraty (the highest position reserved for a career official, commonly referred to as the "head of the House"), who had previously held the (short-lived) position of undersecretary-general.

Ambassador Mário Gibson Alves Barboza (he insisted on the "z"), born in Olinda, Pernambuco, had entered the diplomatic career through

a competitive exam and was noticed by Raul Fernandes, who employed him in his office both times he occupied the position of foreign minister. Chief of staff to Afonso Arinos (during the Jânio Quadros administration) and San Tiago Dantas (Goulart administration), Gibson, as he was known, was one of the most distinguished diplomats of a generation that was exceptional for the high quality of its members. Still, he was no match for Araújo Castro in his ability to formulate innovative foreign policy, nor did he have the audacity of Azeredo da Silveira. Indeed, he might not have been the best in any of the aspects in which diplomatic activity unfolds. In all of them, however, he scored extremely high. Probably no one could match or surpass him in what we would call the qualities of performance. These range from the most noble, such as writing well and conducting a difficult *démarche* with skill and grace, to the more frivolous, such as improvising a witty toast at the end of a banquet—or opening a dance with the wife of the president of the Ivory Coast with the elegance of the Prince of Salina, played by Burt Lancaster in Luchino Visconti's *Il Gattopardo*, as this author witnessed at the presidential palace in Yamoussoukro. No wonder Araújo Castro ironically nicknamed him the Marquis of Olinda...

Our marquis brilliantly handled the challenge of representing Brazil as ambassador to Paraguay in the immediate aftermath of the border crisis (December 1966) and the signing of the *Ata das Cataratas*. As Gibson was presenting his credentials as ambassador, Paraguay's President Alfredo Stroessner tried to reopen some issues of that treaty in order to extract greater concessions. Behaving like a disciple of Leitão da Cunha in the art of diplomatic representation, Gibson was quick to threaten interrupting the ceremony and returning to Brazil. With this and other gestures, he proved capable of keeping up with the evolution of the problem. It later fell to him, as minister, to sign the Itaipu Treaty (1973), the foundation of the Itaipu Binacional company and the construction of the plant, then the largest hydroelectric power plant in the world. In terms of concrete achievements, the Itaipu diplomatic solution was the most important diplomatic contribution of the Médici era and one of the most significant in the entire history of Brazilian diplomacy.

It had not been planned that way and was not the result of disinterested altruism. It did, however, culminate in a successful effort to “turn lemons into lemonade,” transforming a potentially serious problem into an opportunity for collaboration with the defeated and resentful neighbor

from the War of the Triple Alliance, and by happenstance coinciding with the centenary of the end of that tragic conflict (1870–1970). It also helped to solve Brazil's energy deficit at a time of strong electricity demand due to accelerated growth, when other hydroelectric projects on exclusively national territory would have been less efficient (the thermal alternative would have further aggravated Brazil's dependence on oil). Perhaps one might see the Madeira–Mamoré railroad as a precedent with some analogy to Itaipu: a border dispute that motivated, as part of the solution, a Brazil-funded development project beneficial to a neighboring country, which in that case was Bolivia.

It is not easy to find similar examples between a powerful country and a much weaker neighbor. Just imagine what would have happened if a similar dispute had threatened the interests of the United States on the border with Mexico, or of Russia with Georgia. The solution envisioned with Paraguay later inspired the construction of the Bolivia–Brazil gas pipeline and some projects that never materialized, such as the exploitation and import of Colombian coal. For lovers of geopolitics, such initiatives would be seen as nothing more than a clever means to assert hegemony over surrounding countries, creating permanent dependence on the Brazilian market and scoring a victory in the dispute with Argentina. Even if some of the players had been thinking along those lines, however, it does not really matter—the balance of tangible benefits far outweighed any lack of purity of intention.

When talking about Paraguay or Bolivia becoming dependent on Brazil, let us not forget that the same dependence has been a feature of the Brazilian economy in terms of the supply of electricity and gas by its neighbors, an eventuality that has nothing imaginary about it, as seen in various impasses in energy price negotiations. Since this is essentially a diplomatic solution, bilateralism imperatively requires that differences always be resolved by diplomatic means—negotiation and, if necessary, arbitration, but never force or the threat of supply suspension. It is worth noting once again, as has been emphasized since the introduction of this book, that diplomacy, in facing dangerous challenges such as Itaipu, has managed to articulate solutions that create values incorporated into the collective ideology of the Brazilian people.

The only aspect to regret about this episode is that Argentina could not or would not be associated with a project that, if trilateral, would have been even more perfect. Mutual mistrust, inherited from the past and kept alive by emulation, makes it risky to attribute to each of the three countries the share of responsibility they individually bear. In the absence of understanding, the conflict dragged on until it was finally resolved in October 1979. In the meantime, at the UN, the OAS, and all the international fora and conferences, Argentina worked hard to present draft resolutions in support of the thesis that, on international rivers with successive courses, upstream countries should be obliged to consult downstream neighbors before undertaking works that could cause downstream damage. Argentina achieved significant victories in this regard, such as the approval in two successive United Nations General Assemblies of the principle of prior consultation with suspensive effect.

Brazil countered this thesis with the argument that every country had the right to use its natural resources without being subject to excessive delays by its neighbors, as long as it did not cause them significant harm. Reaffirming that its projects on the Paraná River, far from causing damage, would regularize the river's flow, benefitting downstream areas, Brazil was willing to provide information and offer compensation in the event of damage. Before the Itaipu Treaty, Gibson reached an agreement on the exchange of information with his Argentine colleague Eduardo McLoughlin during the UN General Assembly (September 1972). Unfortunately, the agreement was short-lived, due to subsequent misunderstandings with President Hector Campora's government.

Strengthened in part by its economic success, the regime tried to mitigate its international isolation by holding as many presidential meetings as possible, some held on the border, with Portugal and countries in the Americas. The most notable of these was a visit by Médici to the United States (December 1971). Under Nixon's presidency and Kissinger's realist foreign policy orientation, which were averse to democratic idealism, there was no public talk of democracy and human rights. In his official banquet toast, the American president remarked that "as Brazil goes, so will go the rest of that Latin American continent." In the laudatory context of the toast, the phrase evoked the image of Brazil from its national anthem, the "giant lying eternally in a splendid cradle" finally awakening from its sleep.

However, on a suspicious continent by nature, Nixon's words fueled a plethora of conspiracy theories about "Brazilian sub-imperialism," "imperialism by proxy" and other creations of the fertile Latin American imagination. These forced a rectification from Médici in which he rejected any attempt at hegemony. If such a project had existed, it would have been implausible at a time when there was widespread and intense loathing of the Brazilian regime, which was made even more acute for its economic success. Although ambivalent as a public relations success, the visit failed to conceal persistent problems in the bilateral relationship with Washington: trade disputes over imports of Brazilian manufactured goods, disagreements over territorial waters and American shrimp fishing in the South Atlantic, and the United States' withdrawal from the international coffee agreement. All this was disguised under the then-invented formula of "general convergence, without coincidence in everything."

To break the ice in foreign relations, Gibson took advantage of favorable economic conditions to step up his visits to less wary countries, including some traditionally neglected nations such as those in Central American and the Caribbean. Under a different rationale, he also launched a campaign of rapprochement and dialogue with the Pacific countries, under the leadership of Colombia and Allende's Chile. These countries were committed to building the Andean Group after the signing of the Cartagena Agreement, which aimed to create a sub-regional trade area within ALALC, and took advantage of this convergence in their common demand for a 200 nautical mile limit for exclusive economic activities. Their thesis, which was the subject of the Declaration of Santiago by Chile, Peru and Ecuador (1952), had long been contested by Brazil. When it was adopted by Argentina a few years earlier, it led to incidents involving the seizure of Brazilian fishing boats. Endorsed belatedly by Brasília, it would go on to cause clashes with American shrimpers, as mentioned above.

Advised by the diplomat Alberto da Costa e Silva—a poet, future president of the Brazilian Academy of Letters and surely the greatest Brazilian specialist in African history—Gibson devised a three-part strategy to explore the Brazil-Portugal-Africa relationship to its fullest extent. More of a dream than an explicitly formulated plan, given its very remote chance of success, the ultimate goal was to establish Brazil as a mediator between the Africans and the Portuguese to negotiate the independence of Portugal's colonies.

The obstacles seemed insurmountable: African ignorance of the Brazilian position, Portuguese intransigence, distrust of military hard-liners and the vigilant and powerful Portuguese lobby in Brazil. With regard to Lisbon, it was thought that confrontation through votes at the UN should be replaced by a more conciliatory approach: celebrations of the Sesquicentennial of Independence, with the return of the remains of Emperor Dom Pedro I and Empress Dona Leopoldina, a visit from the president of Portugal followed by Médici's trip to Lisbon and an agreement to reciprocate certain rights for citizens of both countries.

In the early stages, the possibility of an official visit by a Brazilian political figure to Guinea, Angola and Mozambique, all in the midst of independence wars, was inconceivable. The independence leaders would have to be approached through other Africans. As far as these were concerned, one of the difficulties was the neglect of relationships after Quadros' resignation. Alberto da Costa e Silva knew the issue better than anyone, as a former member of the mission led by Congressman Coelho de Sousa sent by Quadros to several African countries when the first Brazilian missions were being established in Senegal, Ghana, Ivory Coast, Nigeria, and Ethiopia. Since then, these missions had languished in complete oblivion, almost always entrusted to diplomats on temporary duty without the means to carry out any effective action. It was therefore a question of truly reestablishing Brazil's diplomatic presence through a visit by the foreign minister. This would start with West Africa, so geographically close to Brazil, as evidenced by the strategic role of the Northeast during the war (a reality even noted in ironic comments such as that of Minister Delfim Netto, who said Brazil was on its way to becoming the westernmost country in Africa...).

Separated from these peoples by French, English, and Belgian imperialism, Brazil shared with them the culture brought by enslaved people, the arts, the presence of significant contingents of descendants of freed Brazilians who had returned to their areas of origin—the "Agudás," as they were known in Nigeria, and who were particularly concentrated in that country, as well as in what was then Dahomey (now Benin), in Togo and scattered across the region. The list of nations to be visited ultimately included nine countries: Senegal, which would be the last stop due to scheduling issues, plus the Ivory Coast, Ghana, Togo, Dahomey, Nigeria,

Cameroon, Gabon, and Zaire (now the Democratic Republic of Congo, sometimes called “Congo-Kinshasa”).

The author, who served as the head of the Cultural Promotion Division at the time, took part in the two preparatory missions and in Minister Gibson’s visit itself, which lasted from October to November 1972, nearly a whole month—something difficult to imagine being repeated today. I thus had the opportunity to witness, on one hand, the sometimes rapturous reception of the Brazilians in some capital cities, as well as the human and cultural proximity of the populations, as attested to by the numerous journalists who were invited to join the delegation. On the other hand, I closely felt the difficulty of establishing an effective Brazilian presence in a region still dominated by European neocolonialism, where diplomats had to start virtually from scratch to establish the first tenuous links.

The rest of the story is well known. President Léopold Senghor of Senegal, an intellectual familiar with Brazilian history and culture, asked Gibson to present Brazil as a mediator between Portugal and its colonies. The project never prospered, despite Brazilian efforts in Lisbon and at a meeting with the Portuguese foreign minister in New York. The Portuguese were obstinate in refusing mediation, and clung to the illusion of achieving military victory over the rebels.

The Brazilian minister would also make shorter visits to East Africa and, near the end of his term, to Israel and Egypt. These memorable African visits left behind a legacy of initiatives that would flourish in the subsequent years, without the setbacks of the past. As a result, although it was not possible to mediate a negotiated solution to the wars of liberation that would ultimately overthrow the suicidal Portuguese regime, Brazil’s second objective was achieved: to ensure a progressive and growing return to a continent from which it had been unjustly alienated. In diplomacy, the frustration of an initiative to build peace can and should be valued more than certain victories that contribute to the worsening of oppression and injustice.

Regrettably, such was the case with Brazil’s sad clandestine participation in the conspiracy and bloody coup that overthrew President Salvador Allende in Chile (September 1973), which inaugurated one of the most brutal and ruthless dictatorships in South America. Reports from truth commissions in Brazil, Chile and Argentina and the release of archival

documents are only beginning to remove the veil that long obscured the continent-wide coordination of repressive activity, such as Operation Condor, and reveal the role that the Brazilian secret services played in this sinister history.

The Tide Begins to Turn

Amidst the triumphalism of the “economic miracle,” few people paid attention to the numbers that signaled difficult days ahead. Soon, however, the tide and winds began to turn unfavorably. Gross external debt jumped from \$3.666 billion (1966) to \$12.572 billion (1973), increasing at an annual rate of 19.3%. Also significant was the accumulation of gross reserves, which rose from \$421 million (1966) to \$6.416 billion in 1973. At the same time, the composition of the foreign debt changed, with the share of loans from private sources (mostly raised by public companies) increasing from 26.9% (1967) to 64.1% (1973). Based on the data and analysis of economist Paulo Nogueira Batista Jr., historian Corrêa do Lago observed that:

The growing involvement of private sources implied higher interest rates on loans than those from official sources. This change in debt structure resulted in an increase in the “average cost of external debt” [...]. The process of increasing the share of loans at floating interest rates in total foreign loans and reducing the concessional, fixed rates of international organizations was launched, *which would have dramatic effects at the end of the 1970s* [emphasis mine].¹⁴

The Brazilian administration at the time, an expert in self-promotion, took all the credit for positive economic results, as all governments tend to do. It failed to acknowledge that from 1966 to 1973 it had benefited from an exceptionally favorable external economic context: strong demand for Brazilian products, significant improvement in the terms of trade and liquidity in the global financial system, which had allowed access to private financing sources. It did not take long for all these conditions to change for the worse and for a long time. Two of these changes occurred during the phase under study in this section.

The first was Nixon’s unilateral decision (August 1971) to suspend one of the pillars of the Bretton Woods monetary system: the regime of fixed exchange rates in relation to the dollar and its value in gold. The

measure would trigger a one-third devaluation of the American currency over the course of the 1970s, set in motion the stagflation of the end of the decade amid the expenses of putting an end to the Vietnam War, and, for all practical purposes, abandon the Bretton Woods system, replacing it shortly thereafter with floating exchange rates.

This devaluation of the dollar, the currency in which oil is quoted, in turn caused the real value of oil exports to erode. Under financial pressure, the major Arab producers, who were part of the Organization of Petroleum Exporting Countries (OPEC), first decided to raise the price of crude oil. Then, during the Yom Kippur War (October 1973), they imposed an oil embargo on numerous countries in response to the United States' decisive arms support for Israel. By the end of this process, which came to be known as the first oil shock, the price of a barrel of crude oil had exploded from \$3 to \$12, quadrupling the cost for importers. As the increase took place at the end of 1973, the trade balance still showed equilibrium for that year. In 1974, however, the first year of Ernesto Geisel's administration, the trade deficit would reach \$4.7 billion.

The priority given to growth had its counterpart in the risky coexistence with high inflation, which hovered between 20% and 30% despite the use of less orthodox measures such as price controls by Delfim Netto's team. By the end of 1973, coinciding with the quadrupling of fuel prices, the upsurge in inflation had become undeniable, reaching 29.58% and signaling worse rises still to come. In contrast to the official rhetoric in favor of a market economy, in some of those years the state and state-owned companies accounted for more than half of all investments. According to Trebat, "By the end of 1973 (and perhaps earlier) the state-owned sector [...] had become a key element in the Brazilian development model..."¹⁵

To the question of who the ultimate beneficiaries of this development model were, one must conclude with Corrêa do Lago that

Workers, in general, did not benefit from the growth in the country's real income proportionately to its evolution. Wages, in cases where they did not decline, grew in most categories at rates much lower than productivity or per capita output, and labor income did not show gains as a percentage of total income.

In another passage, dedicated to income distribution, the same author states that "the concentration of income in the hands of the richest 5% and

1% was particularly impressive.” The share of the first category rose from 28.3% (1960) to 34.1% (1970) and 39.8% (1972). The top 1% increased their share from 11.9% (1960) to 14.7% (1970) and 19.1% (1972). Meanwhile, the share of the poorest 50% shrank from 17.4% (1960) to 14.9% (1970) and 11.3% (1972).¹⁶

Despite the acrobatics of official propaganda and undeniable economic advances, these contrasts justify choosing as the fairest epitaph for those years the phrase uttered by President Médici himself in a moment of lucidity and sincerity: “The economy is doing well, but people are doing badly.”

The Geisel Administration: Internal Distension and the Return of the Independent Foreign Policy (1974–1979)

From the outset, everything in the Geisel administration revolved around “distension,” the central idea of the president and his political advisor, and later chief of staff, General Golbery do Couto e Silva. Survivors of the Castelo Branco administration, the two men resumed the general orientation of their early days in domestic politics. It was the old project of conservative modernization and moderate authoritarianism: “the maximum possible development with the minimum necessary security.” Everything else would be subordinated to this goal: combating inflation, prioritizing economic growth, insisting on the “island of prosperity” in Brazil amid the increasingly turbulent and threatening world economy. A “sensational shift”^{XI} in foreign policy was an indispensable part of this scheme: more than its potential external utility, diplomacy was called upon to internally reinforce the support base for distension.

The official name “distension,” rather than opening or redemocratization, gave away the true meaning of the idea: there was no intention of handing power back to civilian authorities as if the goals of 1964 had been achieved. On the contrary, Geisel and Golbery thought that the rise of the hard-liners under Costa e Silva had derailed Castelo Branco’s original project. It was now necessary to get the program of “purifying” and rebuilding the institutions back on track, and in so doing make the “tension” of the constant use of force unnecessary. It was the reformed institutions that, in

XI As discussed in the chapter on the Costa e Silva administration, the “sensational shift” attributed to that government by Carlos Estevam Martins only truly took place under Geisel’s presidency.

their normal functioning, would ensure that national populism, the prelude to left-wing radicalization, would not come back to haunt the country.

At the first meeting of his cabinet (March 19, 1974), the president said of the Institutional Acts that:

I wished to see them not so much in lasting or frequent exercise, but as a potential for more vigorous repressive or containment action, until they are overcome by the creative political imagination, capable of instituting, *when appropriate*, effective safeguards and ready and truly efficient remedies of the constitutional context [emphasis mine].

One could not be clearer: the statement indicated that the safeguards did not yet exist. Therefore, the time had not come to relinquish heroic remedies, which would be seen throughout the government.

The Risky and Contested Strategy of Distension

The first serious test for the government would come in that year's elections: not the indirect elections for governors in October, which confirmed ARENA candidates, but the parliamentary elections in November.

The MDB had changed tactics the previous year, and although there was no doubt that they would be defeated in the indirect presidential election, the party's two "anti-candidates," Deputy Ulysses Guimarães and his vice president, journalist Barbosa Lima Sobrinho, toured the country on a mobilization campaign. As expected, the electoral college sanctioned the official slate, with Geisel as president and General Adalberto Pereira dos Santos as his vice president, by 400 votes to 76 (plus 21 abstentions). A year later, Ulysses' defiant attitude, combined with freedoms guaranteed to the opposition, including access to TV air time, would bear fruit in an unexpectedly large victory. MDB won in all the important states: São Paulo, Guanabara, Rio de Janeiro, Minas Gerais, Rio Grande do Sul and Pernambuco, electing 16 senators against six for ARENA. Even some previously unknown candidates benefited from the MDB's favorable winds. As a result, the balance of power in the Senate became less skewed—46 (ARENA) to 20 (MDB)—and in the Chamber of Deputies, 199 to 165. Despite the shock, Geisel respected the ballot results.

Increasingly restless with political developments, the “sincere but radical pockets,” as Geisel referred to the hard-liners, waited a few months and then challenged the president in the realm of repression. From January 1975 onwards, the military’s offensive against the communists of the PCB intensified, with almost all the party’s leaders being exterminated by the repressive security agencies. During this period (October 1975), the murder of journalist Vladimir Herzog in the DOI-CODI facilities in São Paulo sparked widespread popular commotion. An ecumenical service held in his memory at the São Paulo Cathedral brought together Cardinal Paulo Evaristo Arns, Rabbi Henry Sobel, representatives of numerous Christian and Evangelical churches and thousands of onlookers, who overflowed into Praça da Sé. It began to be understood that behind the officers of repression based in São Paulo lurked the minister of the Army, Sílvio Frota, who had presidential ambitions and support of the hard-liners.

The open challenge to presidential authority became clear when, three months later, the members of the DOI-CODI replicated, down to the last detail, Herzog’s murder, again simulating the suicide by hanging of a worker named José Manuel Fiel Filho (January 1976). This time there was no hesitation. The president traveled to São Paulo, removed the commander of the Second Army and reassigned all subordinate commands. This show of decisiveness and resolve resulted in a significant reduction in abuses and violations, although sporadic attacks did reoccur, such as the kidnapping of the bishop of Nova Iguaçu and the murder of Father João Bosco Penido Burnier in the Amazon region. However, the decisive confrontation with Minister of the Army Frota, the real hidden source of the conspiracy, had only been delayed.

Even before the São Paulo incidents, the president had shown his willingness to use the powers of AI-5 to revoke the mandates of parliamentarians and politicians, punish officials, intervene in municipal administration, punish parliamentarians accused of corruption, and confiscate the assets of the allegedly corrupt. Such actions, though less frequent than in previous governments, marked the duration of his government, almost until the end. In a more conciliatory gesture, Geisel authorized the burial in São Borja of former President João Goulart, who had died in exile in Argentina (December 1976). A few months earlier, when former President Juscelino Kubitschek died in a car accident (August

22, 1976), his funeral in Brasília was attended by around 100,000 people and the government decreed three days of official mourning.

The most serious episode of authoritarianism and caprice occurred in late March and early April 1977. Unhappy with Congress' refusal to grant the two-thirds majority needed to approve a judiciary reform amendment, Geisel decreed a legislative recess, which lasted 14 days. During this period, the government approved the judicial reform and issued its so-called April Package, a set of ad hoc measures without which it would not have been able to secure its artificial majority, even within the existing simulacrum of democracy. The package stipulated that constitutional amendments would only require a simple majority to be approved, extended the term of office of the next president to six years, created the so-called bionic senators, i.e. indirectly elected (who would make up one third of the Senate), and increased the number of seats in the states where the government achieved its best results, thus distorting the mechanism of popular representation for a long time to come.

In the same year, the internal dispute within the armed forces over the choice of the future president would intensify. Opposing General João Batista Figueiredo, head of the National Information Service (SNI), who was preferred by the government, a dangerous plot to support Frota was hatched by the hard-liners. Their maneuvers and schemes multiplied throughout the year, with the aim of putting pressure on the president and present him with a *fait accompli*. With precise information about the conspiracy, Geisel unleashed a fulminating counterattack. On October 12, he confronted and dismissed Sílvio Frota, appointing to his post the commander of the Third Army, General Fernando Bethlem. On that date, all the main military leaders had been summoned to Brasília and received by officials trusted by the government, neutralizing any attempt by Frota to rally the High Command to resist his removal.

The government eventually prevailed, but the episode once again showed how the prolonged duration of the military regime, far from ensuring greater stability, fueled ambitions and power struggles. Its very nature threatened to destroy the unity of the armed forces, which was always divided during presidential successions. In the event, challenges to Figueiredo's candidacy were renewed the following year. In mid-1978, in reaction to maneuvers aimed at thwarting the goals of the proponents

of political opening, Geisel demanded that Congress approve, without amendments, a package that would soften some of the powers of the Institutional Acts and incorporate them into the Constitution and Brazilian law. This legislative change gave a constitutional character to the safeguards and remedies to which he had referred in the first ministerial meeting in the early days of his administration.

In October, the official policy of distension prevailed again with the indirect election of General Figueiredo and his vice president, the former governor of Minas Gerais, Aureliano Chaves (a civilian politician was back on the ticket). The pair won by 355 votes to 226 for the opposition ticket, formed by General Euler Bentes and Senator Paulo Brossard. All that was missing was the final act, the elimination of AI-5, decreed on December 31, 1978, just under three months before the end of the government and the inauguration of the new president.

Economy at the Service of the Political Project

Although incomplete, this brief summary of the turbulent evolution of political life during the Geisel era gives an idea of the difficulties that the distension project faced within hardline military circles, as well as the resulting constraints on economic management. The Médici administration had left the country with an overheated economy, growing at 11% per year (with industry expanding at the dizzying rate of over 16%) and rising inflation of around 30%, despite suppressed prices. In a rapidly deteriorating external context, the deficits in balance of payments, foreign trade and external debt threatened to spiral in an unsustainable way. Despite alarm bells being sounded by a few, the prevailing impression was one of a “miracle” and the “spectacle of growth,” attributed by the hard-liners precisely to the closed nature of the regime.

How could the contested idea of political distension be advanced in that illusory atmosphere, while simultaneously undertaking the urgent corrective economic adjustment? In an essay remarkable for its power of synthesis and ability to integrate economics and politics, economist Dionísio Dias Carneiro outlined the limits that the exhaustion of the cycle would impose on the government at that moment and in the future. It is worth reproducing the excerpt:

The end of the economic miracle also marked the end of a festive cycle of power exercised without limits, accountability, opposition, the nuisance of a free press, and political commitments that would hinder the voluntarism of economic policy. On the other hand, it was the beginning of a long period during which it would become increasingly difficult to get reasonable economic measures to be considered politically acceptable.¹⁷

The replacement of Delfim Netto by Mário Simonsen in the Ministry of Finance gave the impression of signaling a priority on economic adjustment. A contrary signal came from the continued tenure of Minister João Paulo dos Reis Velloso in the Ministry of Planning, now transformed into a Special Secretariat of the Presidency. Reis Velloso advocated, at least at the beginning of the government, for maintaining an annual growth rate of 10%! The uncertainty in direction would be resolved in favor of growth after the shock of the electoral defeat in November 1974. Internal constraints, largely of a political nature, took precedence over external concerns. Among other reasons, this was because the Brazilian leaders of the time, including those in various ministries and economic agencies, did not seem to realize that the adverse winds of the international economy would continue to blow for a long time.

Indeed, the external situation lent itself to contradictory interpretations. On one hand, there were plenty of reasons to fear the effects of the quadrupling of oil prices and the brewing stagflation. On the other,

the abundance of international liquidity allowed the large current account deficits that resulted [from growth policies] to be financed without a more dramatic perception of the new framework of external restrictions [...] With abundant external financing, the path of least resistance thus led to the route of external indebtedness...¹⁸

As a result, Brazil continued to press the accelerator while most countries applied the brakes.

In the government's first year, GDP grew by more than 8%, with inflation approaching 35%. The following year (1975), GDP slowed to 5.2% and prices remained stubbornly close to the previous level. GDP then recovered vigorously, with an increase of 9.8% and inflation surpassing 40% (1976). To regain balance, the government adopted more austere policies, leading to a reduction in GDP growth to 4.6% (1977) and 4.8% (1978),

but inflation declined only by a few points, remaining between 38% and over 40%. In the last year of the administration, growth would rise again to 7.2%, with inflation exceeding 50% per year. In one of his end-of-year speeches, Geisel confessed his disappointment with the persistence of inflation. Nonetheless, he did not give up his gradualist approach.

One of the constant pressures on prices and debt came from industrial policy. The architects of the Second National Development Plan (II PND) set expansion targets of 12% per year for industry and 10% for the economy as a whole over the period from 1975 to 1979. To account for the scarcity of oil, the Plan stated that the adjustment in the economic structure would involve emphasizing “basic industries, notably capital goods and heavy electronics, as well as basic inputs, in order to replace imports and, if possible, open up new export fronts.” To this end, incentives such as federal tax credits, import tax exemptions, subsidized credit and market reserves were widely used.

The government achieved significant results in relieving imports on inputs and expanding the capital goods industry. Growth in total imports, which accounted for 12% of output in 1974 and had tripled since the mid-1960s, stalled due to the import substitution policy. By 1978, on the eve of the second oil shock, imports had fallen to 7.25% of GDP. Dias Carneiro draws attention to the fact that, despite the success in controlling external purchases, world demand for imports from 1974–78 halved compared to the Médici years. During the Geisel administration, the negative impact of the global trade slowdown was greater than that of the gradual rise in interest rates, which was felt more intensely from 1979 onwards.

The frustration with foreign trade and the accumulated current account deficit of more than \$13 billion were accompanied by a loss of reserves, which dropped from \$6.417 billion (1973) to \$4.157 billion (1975). Parallel to these trends was an explosion in Brazil’s external debt, which increased by \$10 billion (1974 to 1977) and a further \$10 billion in the following two years. Interest on debt servicing rose from \$500 million (1974) to \$2.7 billion (1978); the interest shock unleashed by the US Federal Reserve would increase the bill to \$4.2 billion in the first year of the Figueiredo administration.

Dias Carneiro's conclusion thus fits:

With greater emphasis on price policy, greater rigor in conducting demand policies and in managing the conflicts that result in higher inflation, *and less emphasis on disastrously ambitious programs such as the nuclear program*, the Geisel government would certainly have left a less bitter legacy for its successor. Compared to what was to come, however, such mistakes completely lose all significance in determining the disasters of the 1980s [emphasis mine].¹⁹

“Responsible Pragmatism” Becomes the Guiding Principle of Diplomacy

The new name for Geisel's foreign policy was first used in his programmatic speech at the first meeting of the new cabinet—the same one, mentioned above, regarding the Institutional Acts (March 19, 1974). On the occasion, the president stated that the diplomacy of “responsible pragmatism” would be at the

service, in particular, of the interests of our foreign trade, the guarantee of an adequate supply of raw materials and essential products and access to the most up-to-date technology [... promoting, for this purpose...] *the necessary options and realignments* with prudence and tact, but with firmness [emphasis mine].

The remarks give the impression that foreign policy would prioritize economic issues, the only ones explicitly mentioned: trade, guaranteed supplies (obviously oil) and technology. Despite this supposedly practical emphasis, the memory most people would retain of the Geisel–Silveira diplomacy would be much more linked to political issues arising from “necessary options and realignments”: recognition of the Popular Movement for the Liberation of Angola (MPLA) in Luanda (indirectly and only much later related to oil), the denunciation of military agreements with the United States, disagreement with the Carter administration over human rights and the nuclear agreement with Germany, and a vote at the UN in favor of an anti-Zionist resolution.

Why did such a politically charged diplomacy adopt as its baptismal name a “somewhat clumsy label,”²⁰ adding the reassuring adjective “responsible” to the word “pragmatism”? Diplomat Souto Maior's explanation sounds convincing: “The answer seems to lie in the domestic sphere, not the

external one. The diplomatic pragmatism of the Geisel government had to be ‘responsible’ in the same way that its democratic opening had to be ‘slow, gradual and secure.’”²¹

It is worth going back a bit to what Brito Cruz warned about in the chapter on the Independent Foreign Policy of Jânio Quadros and Goulart: in politics, who does something is sometimes as important, if not more so, than what is done. The axiom applies in this case, though not absolutely. On one hand, it is true that, because of who he was, Geisel could denounce agreements with the United States or recognize a Marxist government in Angola without being suspected of communism or leftism. On the other hand, even Geisel or Golbery felt compelled to explain that they acted for practical reasons, not ideological ones. That this was not excessive caution would later become evident, when the minister of the Army would point to the administration’s foreign policy as an example of subversive infiltration in the government.

The Selection of the New Foreign Minister—To carry out his diplomacy of pragmatism, the president chose the ambassador in Buenos Aires, Antônio Francisco Azeredo da Silveira. Known as Silveira or, more familiarly, Silveirinha, his appointment surprised many in Itamaraty, where he was seen above all as a man of administrative skills who knew the cogs and secrets of management like no one else. Before becoming an ambassador, almost his entire career had been spent first as an advisor then as head of the Administration Department or head of personnel, dealing exclusively with budgets, relocations, financial problems and the daily issues of employees (he used to say that Itamaraty was an orphanage, given the individual misfortunes he had to attend to). It is as if a giant multinational had suddenly appointed its HR director to be the company’s president and CEO.

Despite the poetry he had written in his youth, Silveira had a reputation for not being very cultivated. He was considered a shrewd operator in matters of career strategy; no one had read or heard from him any analysis of the world and its problems. The positions he adopted at UNCTAD in Geneva/New Delhi or in the quarrel over the rivers in Buenos Aires were attributed to advisors or to the situations in which he had casually found himself. It was forgotten that politics ran in his veins, inherited from the DNA of his maternal grandfather, Antônio Francisco de Azeredo,

a senator for Mato Grosso and a legendary figure who, together with Pinheiro Machado, dominated the Federal Senate as vice president from the beginning of the 20th century until the 1930 revolution put an end to his influence and career. Underestimated by his peers, Silveira was not expected to introduce innovative concepts and directions to foreign policy.

However, Silveira's real personality was much more complex than the stereotype. A man of action, with little interest in abstract topics and speculations, restless in temperament, he did not spend much time reading. His intelligence was particularly impressive for its intuitive speed, his penetrating understanding of people, his ability to grasp and learn from reality or from his interlocutors (when he decided to listen). A biting spirit with a surprising wit, he would become famous for expressions such as the one comparing the ambivalent Mexico of the PRI era, internally conservative and seemingly radical abroad, to "Canada with a car horn"—the country made a lot of noise but, deep down, obeyed American wishes. Another notable expression was his description of individuals who irritated him by "going out of their way to cross the street just to step on a banana peel on the opposite sidewalk..."

The minister surrounded himself with two distinct groups of assistants: the day-to-day operators in personnel and career matters who had always accompanied him, and another group selected for their competence in political and economic matters. The core of intellectual planning and cabinet advisors had been strengthening for some time, and we have already mentioned, for example, the role of Paulo Nogueira Batista under Magalhães Pinto or that of Alberto da Costa e Silva under Gibson. From Silveira onwards (and Gibson to a certain extent), the advisory role of the cabinet of the minister of state became more institutionalized. The head of political advisory was Geraldo Holanda Cavalcanti, a poet, essayist and future president of the Brazilian Academy of Letters, while economic management was entrusted to Luiz Augusto Souto Maior. Also prominent in the cabinet, press and other functions were lower ranking but promising officials like Ronaldo Sardemberg, Luiz Felipe Lampreia, Roberto Abdenur, Gelson Fonseca, and José Viegas, some of whom were nicknamed "*barbudinhos*" [little bearded ones], as if their facial hair hinted at some secret revolutionary affinity with Cuban bearded men...

The Sense of Timing in Foreign Policy—The greatest virtue of the foreign minister and his aides lay primarily in the clarity with which they grasped the changes that were taking place both domestically and in the international arena. Second was their ability to seize, with boldness sometimes bordering on recklessness (the anti-Zionist vote), the opportunities that arose for Brazil to exercise diplomatic initiative because of the policy of internal distension and developments in the wider world. These qualities, supported by the economic-commercial attraction generated by the fame of the “miracle,” allowed diplomacy to restore Brazil to the status of a relatively “normal” country, freed from the stigma of being a pariah, a label that shifted to Pinochet’s Chile and Videla’s Argentina.

The sense of timing, of course, depends on the actual existence of such opportunities and the good fortune to seize them, which happened less in the South American environment and more intensely in major world politics: the US-China rapprochement, pragmatism from Nixon and Kissinger, the Carnation Revolution^{XII} and the abandonment of Portuguese colonialism. It is no coincidence that Brazil’s main foreign policy successes in this period took advantage of these transformations. Where they did not occur or were reversed (the rise of Jimmy Carter and the emphasis on human rights and opposition to the Brazil-Germany nuclear agreement), the results were mitigated by circumstances or by the lack of flexibility in the Brazilian response. With regard to purely economic pragmatism, the change for the worse in the Brazilian situation and in the world economy, as well as some grave misjudgments, resulted in a mixed outcome.

The Realignments of the External Context in the 1970s: China—Half a century later, it is now evident that the transformation in the macrostructure of global power that most contributed to shaping the world in the subsequent decades was the rapprochement between the United States and China, a precursor of the rise of Beijing and the inevitable decline of the Soviet Union. The other great change, that of the oil shocks and the rise in power of Saudi Arabia and its OPEC allies, proved, as we know, to be more temporary and illusory. The starting point for the surprising turnaround in American-Chinese relations—the secret visit to Beijing by Henry Kissinger, the White House’s National Security Advisor—dates to July 1971. A few months later, the People’s Republic of China joined the

XII Uprising that overthrew the Estado Novo dictatorship in Portugal on April 25, 1974.

UN as a permanent member of the Security Council (October 1971). With the path cleared, President Nixon would visit China for a week (February 1972) as part of his effort to disengage the United States from the Vietnam conflict and outline a potential axis to counterbalance the Soviet Union.

It is useful to keep the chronology in mind to understand Brazil's decision to establish diplomatic relations with Communist China (August 15, 1974) in its real context, that is, three years after Kissinger's visit and the beginning of the normalization of the Chinese presence in the international community. This observation is not meant to diminish the merit of a move that was part of a process of *aggiornamento*—of updating a foreign policy that had been ideologically shortsighted and as a result alienated from contemporary history. It does, however, help to value the scope of the initiative in the right way, avoiding exaggeration. The initiative is worth more as a belated correction of Brazil's anachronistic internal orientation than as a supposed gesture of independence from the Americans, who were at that point firmly engaged in dialogue with Beijing. The diplomatic recognition was also not unprecedented. Aside from Western nations such as the United Kingdom, Switzerland, Sweden, Denmark, Norway, and Finland, which had maintained relations with the People's Republic of China since the 1950s, practically all Latin American countries of some importance preceded Brazil, in some cases by many years: obviously Cuba, but also Chile, Peru, Argentina, Mexico, and Venezuela.

Decolonization in Portuguese Africa: Recognition of the MPLA—The development of Brazilian diplomacy in Africa requires the same careful contextualization. For reasons that are now well known (Cold War ideology, the inhibiting action of the powerful Portuguese lobby, Portuguese intransigence), no Brazilian government, either at the time of Quadros and Goulart or thereafter, played a significant role between Portugal and its uprising colonies. Nor did they have any influence in hastening the end of Portuguese colonialism. It might be true, as some suggest, that the phrase in Geisel's speech about "the necessary options and realignments" was a nod to this problem, among others. If that was the case, there was no time to test the intention.

As fortune would have it, a month and a half after the Brazilian government took office, the Carnation Revolution (April 25, 1974) overthrew in Portugal the government of Marcelo Caetano, which had

succeeded António de Oliveira Salazar, incapacitated in 1968 and dead two years later. This removed the main obstacle to an autonomous attitude on Brazil's part. The revolution triggered a chaotic and traumatic process of decolonization that led to the independence of the Portuguese African colonies, in some cases giving rise to civil war between rival factions, notably in Angola and Mozambique.

It was at this point that the administration used their new diplomatic approach to rectify a mistake that had left strong resentment in African independentist circles. Rebels in Mozambique initially rejected Silveira's attempts at rapprochement and did not invite Brazil to the country's independence celebrations. It took time and effort to build a trusting relationship. Even after the collapse of the Salazar regime, the Carnation Revolution and the victory of the African insurgents, the decision to recognize one or another of the movements vying for power remained complicated by Cold War contamination. Indeed, in Angola (and similarly in Mozambique), the guerrilla movements depended on the Soviet Union or China, and to a lesser extent on other communist countries, to obtain weapons and necessary political, financial and diplomatic support. In the atmosphere of fierce East-West competition, which had shifted from Europe to the Third World, the triumph of one of these movements was interpreted as a victory for the Soviet or Chinese side in the Cold War.

Despite the uncertainty, this time Brazil hastened to appoint a representative, Ovídio de Melo, to the transitional government in Luanda (February 1975). There was an urgent need to choose between the three movements then ready to restart the struggle, or rather between the two main ones, the Popular Movement for the Liberation of Angola (MPLA) and the National Union for the Independence of Angola (Unita). The former dominated Luanda and declared itself Marxist-Leninist aligned with Moscow; Unita, of an ethnic-tribal nature, predominated in the Ovambo region, in the southwest of the country, bordering Namibia and South Africa, with the support of China and, ironically, the United States and South African governments.

Diplomatic historian Letícia Pinheiro has carefully and reliably reconstructed the decision-making process in Brasília and in the capitals involved, in particular Luanda, Lisbon, and Maputo; I therefore refer interested readers to her work for a better understanding of the episode.²²

After hesitations, twists and turns, understandable in the confusion of the moment, the government heeded the advice of its local representative and became the first country to recognize the MPLA as the legitimate government at the time of Angola's proclamation of independence (November 1975). Alongside Ovídio de Melo on the front line, another Brazilian diplomat, Ítalo Zappa, then head of the Africa Department at Itamaraty, played a key role behind the scenes, from where the instructions originated.

Letícia Pinheiro's description highlights how difficult it was to reach this decision, which might not have succeeded in view of the position of the United States. Under Kissinger's influence, the US did not hesitate to support South African intervention in the civil war on the side of Unita and its leader, Jonas Savimbi. Complicating matters further, the MPLA's success was largely due to strong military aid from Cuba that had been arriving since the eve of independence. The Cubans remained in the country after the withdrawal of troops from Zaire and South Africa. Later, when the conflict escalated (1988), Cuba's troops once again proved decisive in neutralizing the South Africans allied with Unita, ensuring the independence of Southwest Africa under the name Namibia, and the preservation of the MPLA.

Cuban activism in Africa, partly autonomous and partly on behalf of the Soviet Union, also manifested itself in Zaire, Ethiopia, and the Horn of Africa, ceasing only with the withdrawal of Castro's troops in 1991. None of this made it easy for the MPLA to be accepted among hard-liners in the Brazilian military or with the Americans, as I can personally attest. In 1991 and during part of the following year, one of the main political agendas of my work as Brazil's ambassador in Washington was the effort to convince the United States to recognize the MPLA government after multiparty elections in 1992.

Recognition was only officially granted in 1993, 17 years after the Brazilian decision! Shortly before, the Angolan government had renounced Marxism-Leninism in the wake of the collapse of the Berlin Wall and the Soviet Union. Angola was to become one of the most reliable oil suppliers for the Americans; only the sickle symbol on the country's flag remained as an echo of its revolutionary phase. Time and historical evolution proved that the risky gamble made by Brazilian diplomats back in 1975 was

farsighted, opening the door to a growing and fruitful Brazilian presence in all sectors of Angolan development.

The recognition of the MPLA illustrates how a diplomatic decision made for predominantly political reasons can have significant long-term economic consequences. Or does anyone imagine that if Brazil had not acted boldly at that critical moment, it would still have been Odebrecht, and not some giant American contractor like Bechtel, that served as the main builder of Angola's infrastructure?

The Global Context of Relations with the United States—The intricate process of recognizing the government in Angola and the ways in which this decision was intertwined with the strategic rivalry between the United States and the Soviet Union also help to better explain the real margin of flexibility created by periods of relative détente during the Cold War. Some authors have exaggerated this margin, going so far as to compare the negotiated outcome of the October 1962 Missile Crisis to the Entente Cordiale between France and England (1904), which preceded the alliance in World War I by a decade. This comparison does not do justice to the historical reality of either term. The Entente was formed between the two major Western powers representing the parliamentary democracy and economic liberalism of the early 20th century, countries with clear ideological affinities, in contrast to autocratic empires; having settled the colonial dispute that separated them, they drew closer due to the common threat they perceived in the rise to power of imperial Germany.

The détente of 1963, following the resolution over Cuba, was incomparably more modest. On that occasion, Kennedy and Khrushchev set up a “red telephone” to facilitate direct communication between them in the event of a crisis. They then reached an agreement to end atmospheric nuclear tests. Otherwise, the absolute opposition between the respective systems persisted and was increasingly concentrated in the Third World, often through “proxy” conflicts in which one or both antagonists remained hidden. The confrontations in Vietnam, in the rest of the former Indochina, in Africa, the Middle East, and the serial coups starting with the 1964 one in Brazil—all belong to this phase of history.

Indeed, the Soviet leader never hid the fact that the so-called “peaceful coexistence” was in reality a “peaceful competition,” which was supposed to end with the burial of the capitalists by triumphant communism.

What had changed was not the mortal struggle itself; rather, the Stalinist dogma of the inevitability of war was no longer taken seriously. Based on the unfeasibility of atomic conflict due to the assurance of mutual destruction, it was understood that the struggle would continue through other means, one of which was expansion outside the “hot” areas of Berlin, Germany, Europe, and the traditional “zones of influence” of each superpower.

None of this was new, as the Cold War had previously seen phases of relative détente, such as the “thaw” that followed Stalin’s death (1953). This did not prevent the extremely dangerous crises in Berlin and Cuba in the early 1960s. As long as bipolar antagonism lasted, phases with contradictory signals would continue to ebb and flow; as Gelson Fonseca observed, responsible pragmatism coincided with some of these varied signals:

SALT I was in force, but in 1973 we witnessed the Yom Kippur War, which led the United States to order a maximum alert for the armed forces; in 1975, the United States and the Soviet Union signed the Helsinki Accords, a sort of code of conduct between the superpowers, but in 1975 the confrontation in Angola began.²³

The truth is that there was never an “entente” between the blocs, except in the case of the Soviet Union’s suicide and the dismantling of its empire by the ill-fated Mikhail Gorbachev. For this reason, the decision of the “great powers” to avoid engaging in a conflict of mutual destruction should not be confused with any tolerance by either side for heterodox defections or deviations by their allies or clients.

The Relationship of Geisel’s Brazil with the United States—Geisel’s five-year term corresponded to the administrations of three US presidents: Richard Nixon, Gerald Ford, and Jimmy Carter. This rotation alone shows the exceptional period Washington was experiencing. When responsible pragmatism began in Brasília, Nixon was already on his way out, undermined by the Watergate scandal. He resigned in early August 1974 in favor of his vice president, Gerald Ford. The latter would move Henry Kissinger from his role as national security advisor to the State Department, where he would dominate US international relations until Ford’s electoral defeat in 1976 and Jimmy Carter’s rise to power (January 20, 1977).

Thus, in terms of relations with the Americans, Geisel’s mandate can be divided into two almost identical halves: the first two years and 10

months, dominated on the US side by Kissinger's influential personality, and the last two years, during which Geisel had to contend with the return of the Democratic Party's "principled idealism" when it came to human rights and democratic freedoms.

In the first half, bilateral political relations flowed with a certain ease thanks to the pragmatism that reigned on both sides. In a speech to the Inter-American Press Association, Kissinger admitted that, although Americans preferred to deal with democracies, they were willing to engage with countries "as they are," rather than as the United States would like them to be. This was not surprising behavior from a government that had ordered the massive bombings of Vietnam and Cambodia and had plotted the overthrow of Allende.

The secretary of state knew a little about Brazil, which he had visited at the invitation of San Tiago Dantas, after the minister had already left office (I helped arrange Kissinger's meetings in Congress during his visit to Brasília). I do not believe he was insincere when he declared, as he told me personally, that he appreciated the quality of Brazilian diplomacy. This personal attribute and the situation in the United States in the mid-1970s, after the humiliation of Watergate, the defeat in Vietnam and the oil shock, called for a conciliatory and open attitude. In relation to Latin America, this disposition stimulated the creation of the "new dialogue" and the "good partner policy"; in the case of a country with a reasonable capacity for international initiative like Brazil, a mechanism of periodic consultations was established, enshrined in a memorandum of understanding" (February 1976).

Setting aside some propagandistic exaggeration aimed at the Brazilian public, the mechanism was clearly useful. It kept open a channel for the frequent exchange of analysis and discussion on potential differences in the international agenda, helping to reduce friction and misunderstandings. For those interested in delving deeper into the complexities of the Kissinger–Silveira relationship, I recommend Matias Spektor's excellent book, *Kissinger e o Brasil*.²⁴

One of the disagreements that benefited from open dialogue was the Nuclear Energy Cooperation Agreement signed with West Germany (June 1975). In response to concerns that German cooperation might enable a non-signatory of the Nuclear Non-Proliferation Treaty to acquire

atomic weapons, Brazil and Germany concluded an agreement with the International Atomic Energy Agency to strengthen safeguards, a measure that assuaged, in this initial phase, the worst American fears.

A significant multilateral disagreement occurred when the UN voted on a draft resolution designating Zionism “as a form of racism and racial discrimination.” During the discussion, the proposal was subject to strong American pressure. According to the version provided by Silveira in a later testimony, the Brazilian government was inclined to abstain (as many Latin American countries did). President Geisel may have been exasperated by what he considered to be insolent American lobbying, and decided that Brazil would instead vote in favor of the resolution, which was approved by 72 in favor (among the Latinos, only Cuba, a co-sponsor of the project, and Mexico also voted for approval), 35 against and 32 abstentions (November 10, 1975). Brazil’s vote was certainly a mistake, criticized at the time as an opportunistic gesture to appease the Arabs during the oil shock crisis. It conflated the reprehensible policies and practices of the Israeli government with a complex historical and ideological movement that should not be treated simplistically.

In any case, the issue was resolved with the General Assembly’s decision to repeal the resolution by 111 votes to 25, with 30 abstentions or deliberate absences (Resolution 46/86 of December 16, 1991). Besides the Soviet Union, days before its dissolution, Brazil, Mexico, India, Nigeria and Yugoslavia changed their positions and voted in favor of the rejection. The fate of the anti-Zionist resolution highlights the turnaround that had taken place in international relations in the 16 years between the proposal’s approval and its repudiation. In 1975, the United States was undergoing an acute crisis of discredit following the Vietnam fiasco, stagflation and Nixon’s resignation, in contrast to the apparent strength of the oil-exporting Arabs, supported by the Soviet bloc. By 1991, everything had changed: the Berlin Wall had fallen, the countries of “real socialism” were joining the West one after another, the Soviet Union was in agony and disintegrating, the Arabs were resigned to financing the American expedition that liberated Kuwait after Saddam Hussein’s invasion, the United States was shining in its “unipolar moment” of unrivaled power, and President George Bush personally introduced to the General Assembly the resolution marking the American-Israeli triumph. Brazil, meanwhile,

was experiencing the beginning of Fernando Collor's decline on the way to impeachment.

The temporary American twilight in the 1970s led to even more numerous errors in the multilateral economic sphere. Lulled by the illusion that the first oil shock and the rise of OPEC had changed the correlation of forces in favor of commodity exporters, developing countries multiplied resolutions with declaratory effect in UNCTAD and other UN bodies. Industrialized nations, initially alarmed by the effects of the brutal transfer of 2% of the world's income from oil importers to exporters, also adopted conciliatory attitudes. At the initiative of French President Giscard d'Estaing, a North-South dialogue on energy was launched. Kissinger himself took an interest in such proposals. Brazil stood out among the most active in the struggle to change the economic order, without causing harm to its relationship with the United States. As Souto Maior wrote, the results were minimal and the "occasional forcefulness of the debates was diluted in the parliamentary framework of international organizations." More damaging to Brazilian commercial interests were the measures against footwear and textiles exports to the American market.

Relations with Washington deteriorated significantly with the election of Jimmy Carter (November 1976). During his presidential campaign, the former governor of Georgia had critically raised issues with Brazil, such as the Nuclear Agreement with Germany and human rights. Itamaraty and the Brazilian government clung to the hope of President Ford's victory, despite warnings from the political sector of the embassy in the American capital (Ambassador João Batista Pinheiro resigned himself to sending technical analysis by official telegram, but personally assured Silveira that he did not believe the Democrats would win). Deluded by this hope, the government was ill-prepared for the shock of the change in the US government, which, no longer satisfied with the additional safeguards, soon demanded the denunciation of the Nuclear Agreement.

The Carter administration made human rights one of the organizing principles of its foreign policy. To that effect, his government turned to Congress, which had just passed the requirement that the State Department submit a report on human rights in each beneficiary country (the Harkin Amendment to the Foreign Assistance Act). Geisel, in response, waived American aid to Brazil and denounced its military cooperation agreement,

which dated back to the second Vargas administration. This decision led to an ironic paradox: the military government that had done the most to eliminate repression was forced to vigorously repel American interference in that domain. Given that Geisel still had to face a conspiracy led by Frota against the political opening, it is understandable that the president saw no better alternative. Following the harshness of these clashes, the Americans made gestures to ease the initial friction, but the relationship never fully recovered.

Glory and Failure of the Brazil-Germany Nuclear Agreement—Although the political opening remained Geisel's most valuable and enduring legacy, the nuclear agreement with Germany seemed, at first, to better embody the spirit of his administration: authoritarian, haughty, defiant towards the United States, committed to building the material and military basis of "Brazil, Great Power." In foreign affairs, nothing compared in ambition to the Brazilian desire to explore the alternative offered by the German Social Democratic government to assert the country's political and strategic independence while simultaneously addressing its energy and technological problems.

There was a sense of a masterful diplomatic coup, reminiscent of Getúlio Vargas' "pendulum diplomacy" between the United States and Germany and capable of providing Brazil in the 1970s with an equivalent structural economic solution to what the Volta Redonda steel plant had been in the 1940s. The episode demonstrated how misguided the predictions were that the Geisel government would return to the liberal and pro-American orthodoxy of the Castelo Branco–Roberto Campos era. The real affinities of the general and former president of Petrobras were much more in line with the Vargas ideology of nationalist development through state action and large public enterprises than with the privatist approach of Campos and Golbery.

The main architect of the agreement was Paulo Nogueira Batista, then minister-counselor at the embassy in Bonn. A prominent figure in the nationalist current in Itamaraty, he played a leading role in the refusal to join the NPT (Treaty on the Non-Proliferation of Nuclear Weapons) and was enthusiastic about the atom's potential for peaceful applications. The KWU Company, a subsidiary of Siemens, was set to be the partner on the German side. The agreement provided for funding as well as the transfer

of technology, partly already available and partly still under development in Germany, for uranium enrichment. After the agreement was signed, Nogueira Batista became president of the state-controlled Nuclebrás (Brazilian Nuclear Companies), created to implement the program negotiated with the Germans: the construction of eight nuclear power plants and a binational industry of components and fuel.

Cooperation with the United States had resulted in the installation of a Westinghouse reactor at Angra-1, but this had proved unreliable both in terms of the guaranteed supply of fuel and because of the Americans' refusal to transfer technology, and was therefore abandoned. The energy insecurity generated by the oil shock and the fear, some believe exaggerated, of near exhaustion of hydroelectric potential in the Central-South region provided a favorable context for the nuclear option. Criticized within the country by the strong pro-hydroelectricity current and by skeptics of what was then a still unproven technology, the agreement faced determined US opposition despite the temporary appeasement brought about by the negotiation of special safeguards with the Atomic Agency in Vienna. Under the Carter administration, pressure on Germany increased, and Vice President Walter Mondale was even sent to Bonn to lobby against the transfer of sensitive technology.

The American maneuvers did not make agreement easier, and negotiations dragged on amid turmoil, complaints of insufficient dialogue with the Brazilian scientific community, technological grievances and all kinds of difficulties, ultimately due to the worsening domestic economic situation. When Nogueira Batista left the presidency of Nuclebrás in the next government (1983), the obstacles became insurmountable. From the initial program of eight nuclear power plants and a fuel factory—which, in moments of delirium, some even dreamed to expand to several dozen nuclear stations—only the second plant in the coastal town of Angra dos Reis was completed. Confirming a kind of curse on the program, the third plant sank into a swamp of corruption and indecision.

Brazil was not alone in overestimating the potential of nuclear power for energy, health applications, agriculture and even, in a new delusion, in the field of supposedly “peaceful” explosions for major engineering projects. Even in more consolidated energy markets, apart from France, Japan before the 2011 tsunami and a few other countries, nuclear power

generation would eventually succumb to the never-resolved problem of radioactive waste and the deadly blow of catastrophic accidents such as those at Chernobyl, Fukushima, and Three Mile Island. In Brazil, a purely national program based on sugarcane ethanol would prove to be much more in tune with the trend towards clean and renewable energy sources. The nuclear program has remained a symbol of the ruinous white elephants that set back the country's development by years; today, the nuclear dream seems to embody the never-fulfilled promises of the Geisel government.

Brazil Rolls out its Carpet towards Mecca—Another significant but ultimately underwhelming external endeavor was the emphasis placed on relations with Arab countries and the Middle East in general. To correct the distortions in Brazil's policy regarding the Palestinian-Israeli conflict, a telegraphic circular was sent to diplomatic missions on the very first day of Silveira's administration condemning the Israeli military occupation of Arab territories. Brazil's diplomatic presence in the region was increased, more dialogue with Arab capitals was sought, and trade was boosted. While these constructive if unspectacular initiatives would bear modest fruit over time, a less fortunate move was that, to balance the past bias towards Israel, Brazil created a new imbalance in the opposite direction by approving the ill-fated resolution condemning Zionism.

This diplomatic offensive was further marred by exaggerated expectations surrounding the very modest rapprochement with Saudi Arabia and some Gulf countries. These errors of assessment can perhaps be attributed more to government and private sectors, which raised excessive hopes of arms exports and participation in oil exploration, than to official diplomacy. Worse was the unrealistic dream that Saudi Arabia and other Arab countries would become strategic partners to finance Brazilian growth. Disappointment soon followed, both in finance and oil. In fact, at the time, external financing resources came from oil-exporting countries and were therefore termed "petrodollars." However, the petrodollars that fueled the growth of the foreign debt did not come directly from the Arabs but were intermediated by commercial banks. The most traumatic blow came at the end of the decade during the second oil shock. When Brazil found itself threatened with an oil shortage, it found no solidarity from OPEC controllers. Of all the countries approached, the only one willing to help was the Venezuela of Carlos Andrés Pérez.

Europe and Japan: More Consistent Success Stories—Thanks to the process of political opening and the still-positive external perception of Brazil's economic success, which was starting to wane internally, Geisel was able to break the diplomatic isolation that the Brazilian regime had been suffering. His visits to the capitals of the major European countries, followed by reciprocal visits to Brazil by leaders of the same nations, were predominantly focused on economic and commercial matters. Even more valuable, in practical terms, was the relationship with the Japanese.

In contrast to the failed “grand designs,” such as the Nuclear Agreement or rapprochement with Saudi Arabia, cooperation with Japan was realistic. Though lacking the grandiose political rhetoric of those other projects, Japan was in position to bring Brazil much more tangible and lasting benefits, even in terms of participation in world trade. The assistance materialized through the support program of the Japanese International Cooperation Agency (JICA) for the Cerrado Agricultural Research Center (CPAC), where both countries would invest 68.4 billion yen over 20 years in research focused on adapting soybean crops to the corrected soil of the Cerrado.^{XIII} Together with the Brazilian Agricultural Research Corporation (Embrapa), also an initiative of the then minister of Agriculture, agronomist Alysso Paulinelli, this international cooperation program helped pave the way for one of the most indisputable examples of a Brazilian success story: the agricultural and technological transformation that created a thriving export agriculture.

The Contrasts and Clashes of the South American Environment—The lack of synchronicity between Brazil's and its neighbors' evolutions in the second half of the 1970s has already been mentioned elsewhere. Apart from Paraguay, mired in the endless tyranny of Stroessner, all the other nations of the Southern Cone (Chile, Argentina, and Uruguay) were transitioning from democracy to military dictatorship just as the Brazil of distension was preparing to move in the opposite direction.

As the opposition, a critical press and social movements became more prominent under the Geisel and then the Figueiredo governments, it became increasingly embarrassing for the regime to be seen in the compromising company of southern dictatorships. The southern neighbors also reacted with apprehension to the path chosen by the country that

XIII The Cerrado is a tropical savanna biome that covers around 20% of the Brazilian territory.

had started the military wave in 1964 and was now turning its back on its followers. The common ground for political initiatives and dialogue in the Southern Cone, which until then had been the almost unique area propitious to Brazil's direct action and influence, was narrowing every day. What remained was some room for concrete integration projects (roads and bridges) or energy projects, such as the construction of Itaipu and a gas pipeline project with Bolivia.

Most Andean countries, by contrast, had not followed the trend of military coups at all. The main exception was Peru, which was beginning its own opening by transitioning from the national-reformist military regime of Juan Velasco Alvarado to the more moderate tenor of Francisco Morales Bermúdez. With these northern countries, mutual unfamiliarity had fueled an attitude towards Brazil that, if not marked by avoidance and distrust, was at least one of detachment and indifference.

In none of them were these attitudes so intense as in the opulent "Saudi" Venezuela of the oil shock years. The country was then proud of its modern party democracy, which contrasted with the oligarchic alternation in power of conservatives and liberals in Colombian politics. It was therefore not surprising that Venezuelan President Carlos Andrés Pérez in 1977 publicly criticized the human rights situation in Brazil and its nuclear cooperation agreement with Germany. Pérez had visited the United States at the invitation of President Jimmy Carter earlier that year, creating the impression in Brasília that the Venezuelan attitude was nothing more than a servile echo of American policy. Likewise, in February 1977, Brazil had floated the idea of negotiating a cooperation pact between the Amazon nations. The idea was generally well received, but Caracas had yet to respond. Brazil's lively reaction to Pérez's criticisms raised fears that the initiative would fail.

Mentioning this background helps to understand Venezuela's fundamental role in the most notable success of Geisel's diplomacy in South America. Historical works on the period tend to present the success of the Amazon Pact as the sole merit of Brazil, an attitude that does not do justice to the contribution of others, especially Venezuela and Peru. In this and some other chapters, I have lived the story as a protagonist, in the modest but active role of executor, which compels me to adopt the first-person narrative in certain passages. In mid-1977, with the situation as

described in the previous paragraph, I returned to Brasília, summoned by Minister Silveira, to head the South America Division-II (DAM-II), which covered relations with Bolivia, Peru, Ecuador, Colombia, Venezuela, and the three Guianas. At the time, the Division's main task was to facilitate the negotiation and signing of the Pact.

In the tense climate between Brazil and Venezuela, President Pérez took the initiative to repair the relationship. Aware that Minister Silveira was scheduled to visit Trinidad and Tobago on his return from the opening of the UN General Assembly (September 1977), he called the foreign minister directly, inviting him to extend his trip to Caracas. Approved by President Geisel, the impromptu stopover resulted in explanations that dispelled the misunderstanding and paved the way for the Venezuelan president's visit to Brazil two months later. After the initial misjudgment, Pérez realized that the transformation of Chile and Argentina into the two darkest military dictatorships in South America left him no other partner in the region than Brazil in his ambition to play a leading role in Latin American politics in general and in the Caribbean and Andean regions in particular.

Venezuela had broken with Santiago after Pinochet's coup, and Chile's leadership in the Andean zone had disappeared. Colombia, which, on an axis with Chile, had initiated the Andean Pact (significantly signed in Cartagena), had always been a rival of Caracas in the Andean zone and the Caribbean. The only viable alternative for partnership was a Brazil headed for democratization. Brazil's interest in the success of the Amazon initiative offered Carlos Andrés the chance to act as a mediator between Brasília and the Andeans. For the latter, an essential precondition was to prevent the Amazon Treaty from serving as a means for Brazil's economic penetration into the Andean Pact, undermining sub-regional integration. In addition, an explosive and chronical dispute between Peru and Ecuador over their Amazon territories equally complicated the negotiation of a cooperation framework in the area.

The visit by Carlos Andrés Pérez helped unblock many obstacles. With a jovial, dynamic personality and extraordinary self-confidence, reminiscent of Kubitschek in some respects, "CAP," as he was called, was a master of public relations. He set aside protocol sensitivities and personally visited newspaper editorial offices. He received glowing coverage from the press

in Rio de Janeiro and São Paulo. He acted to secure important results on almost every issue on the agenda. On a bilateral front, he exerted decisive influence in ensuring that a Brazilian construction company, Camargo Corrêa, participated in the second stage of the Guri hydroelectric plant, the second largest dam under construction in the world at that time after Itaipu, in an area close to the Brazilian border.

Pérez supported the negotiation of the Amazon Treaty and appointed people he trusted from outside the foreign ministry to negotiate the text. After the first two negotiating sessions in Brasília, he offered Caracas as the venue for the last one. As problems persisted with Peru and Ecuador, he personally telephoned the presidents of these countries, convincing them to lift their objections. This made it possible to approve the modified text in a few months, incorporating provisions to safeguard pending border claims and dispel suspicions about disguised commercial objectives, which in fact did not exist. In less than a year and a half, the treaty was ready to be signed in Brasília by the foreign ministers of the eight Amazonian countries (July 3, 1978).

Brazil, previously viewed with fear and suspicion in the region, demonstrated its ability to convene and mobilize the consensus of two-thirds of the South American nations. This indirectly dampened any attempt to isolate it because of the open issue with Argentina or for any other reason. It is a pity that the enormous potential for cooperation under the Amazon Pact, especially in scientific research and environmental preservation, has never been fully exploited. This modesty in terms of concrete results is partly due to the delay in creating a permanent organization and secretariat. When this organization finally came into being, its size and limited resources, combined with the limited capacity for action of Brazil and the other countries, condemned it to near-irrelevance, as had already happened with the Treaty of the River Plate Basin.

Negotiations with Argentina over Itaipu-Corpus—Geisel–Silveira diplomacy in Latin America was missing the keystone that ultimately halted its progress: a resolution of the dispute over the hydroelectric projects on the Platine rivers. On the initiative of General Videla's military government, negotiations over the issue began at the end of 1977 and extended over the next two years. At that point, the biggest obstacle was not so much the principle of prior consultation, despite the Argentine

foreign ministry's insistence on this point while it remained under the control of the Navy, linked to the ultranationalist influence of Admiral Isaac Rojas. The thesis of consultation had proved to be innocuous in the face of Brazil's decision to create a *fait accompli* through the accelerated progress of the Itaipu construction works, which threatened to jeopardize the Argentine-Paraguayan Corpus Christi hydroelectric plant downstream.

What was now at stake instead was finding a balance between Argentina's desire to maximize the advantages of Corpus (the "optimization" thesis) and the hydroelectric generation expectations of Itaipu. Ideally, Argentina wanted to ensure high water levels for Corpus, at 120 or 115 meters, and restrict Itaipu to 18 turbines, which would obviously be to the detriment or at least a limitation of the latter. In order not to lose potential energy, Brazil preferred to set Corpus at 105 meters (there was still no talk of increasing the number of Itaipu turbines). Although theoretically a partner in both projects, pragmatic Paraguay tended to support the bird in hand—the Itaipu plant already under construction—rather than an idea that might never move beyond the project stage. The negotiations also included numerous highly complex technical and legal details, such as the minimum river flow in Posadas in Argentina; information exchange, if not consultation, at the time of the Itaipu reservoir filling; and others. The parameters summarized above help reduce the variables to what is strictly necessary to understand the problem in a concise account such as this.²⁵

Formally, the negotiations followed the pattern of tripartite meetings between the foreign ministers of Argentina, Brazil, and Paraguay. In practice, the essential negotiations took place in Brasília between Minister Azeredo da Silveira, assisted by the head of the Department for the Americas of Itamaraty, Ambassador João Hermes Pereira de Araújo, on the one hand, and the Argentine ambassador Oscar Camilión on the other. All three were seasoned veterans of Argentine-Brazilian relations, about which Camilión had written, from a strictly Argentine perspective, the most analytically penetrating essay of which I know.²⁶ From youth, he had been active in the Frondizi government as one of the most prominent members of the *desarrollista* (developmentalist) current led by economist Rogelio Frigerio, who was inspired by Kubitschek's policies and sought to replicate them in Argentina. He had worked with Ambassador Carlos Manuel Muñiz at the Argentine embassy in Rio de Janeiro during the period of closer relations

with the Kubitschek government and had been one of the architects of the “Uruguaiana Spirit,” the border meeting between Quadros and Frondizi.

As an occasional substitute for the head of the Department of the Americas, I closely followed the negotiations, masterfully conducted by my superior. Ambassador João Hermes embodied the best of the professional tradition stemming from the time of the monarchy and may have been its last representative. Before him, Ambassador Expedito de Freitas Rezende had outlined the general lines of Brazilian diplomatic action in the River Plate region in the 1960s. Although contrasting in personality and style—Expedito, a rugged “sertanejo colonel” from the Northeast; João Hermes, with an ecclesiastical air, familiar with the Roman Curia, an exquisite art collector and specialist in antique Brazilian furniture, sculptures and silverware—they coincided in their cautious approach in relation to the Platine nations, always wary, at least in Expedito’s case, with roots in the Conservative Party politics of the monarchy. Steeped to the bone in history and expert practitioners of legal formulas, they were credited with providing fundamental advice to national leaders between 1960 and the early 1980s.

Camilión faced a formidable challenge when confronted with these experienced negotiators. Sometimes, frustrated yet amused, he would seek me out to complain: “I have received a proposal from Buenos Aires to present to Brazil. The problem is that I have two interlocutors at Itamaraty. One, Minister Silveira, only talks and does not listen; the other, João Hermes, only listens and does not talk. ¿*Qué debo hacer?*!”

Despite these colorful mishaps and some more serious jolts, negotiations progressed. There were critical moments, with warnings from both sides, including Argentina’s threat to denounce a treaty signed by the Argentine Confederation in the distant year of 1857, which guaranteed free navigation of the River Plate! Gradually, conditions improved. Within the Argentine Foreign Ministry, the replacement of the old-fashioned influence of the Navy with the more modern Air Force helped the adoption of a pragmatic approach, also facilitated by the choice of the new minister, Brigadier Carlos Washington Pastor, President Videla’s brother-in-law. This attitude was also driven by Economy Minister José Alfredo Martínez de Hoz’s desire to expand economic and commercial collaboration with Brazil, whose hydroelectric construction capacity and supposed “*milagro*

económico” he intended to emulate. The Brazilian government, for its part, was affected by the crisis triggered by the oil shock and adopted a more conciliatory stance.

It seemed that the matter was heading for final settlement at a secret meeting at the old Itamaraty headquarters in Rio de Janeiro (September 1978). An agreement was reached in principle regarding the elevation of Corpus, to be set at 105 meters, and consensus was reached on the minimum flow of the Paraná River. Unexpectedly, Brazilian and Paraguayan technicians raised an issue that had not existed until then: the possibility of installing two additional turbines at Itaipu, bringing the number to 20. There are conflicting accounts of Argentina’s reaction to this last-minute surprise. What cannot be denied is that the late initiative further complicated an already difficult problem. Silveira and the diplomats advising him were opposed to the proposal, but were overruled by Geisel, influenced by energy sector officials and technicians: two Brazilians, Costa Cavalcanti, president of the Itaipu Binacional company, and Shigeaki Ueki, minister of mines and energy, and the Paraguayan Enzo Debernardi, director of the company.

Things came to a head when, at the end of October, Brazil and Paraguay informed Argentina of their bilateral decision to increase the number of turbines. In Buenos Aires, the *fait accompli* led to backtracking on previously agreed-upon concessions regarding elevation and other matters. In February 1979, on the eve of the end of the Geisel administration, Silveira, in a gesture of desperation or calculation (or both), decided to publish the preliminary document from the Rio de Janeiro meeting which contained the Argentine reaction. The arduous negotiations ended in a climate of discord and mutual accusation. A professional journalist, Camilión managed to inspire critical perspectives on the Brazilian stance in the press. In a telling article published months later, for example, in the *Jornal do Brasil*, it was stated that Silveira’s “passionate approach” had been the “decisive factor for the failure,” when almost everything was ready for an understanding.²⁷

The judgment is too harsh on the scope of the minister’s occasional slips and outbursts of temper. While their impact was indeed damaging, to claim that the publication of the documents was the “decisive factor in the failure” is an exaggeration. The primary responsibility lay, as we have seen,

with the belated decision on the two additional turbines, with President Geisel playing the role of arbiter who favored the technical position. The failure, if it truly deserves that name, was not definitive and lasted only a few months, so it cannot be said that Brazil was wrong to insist on Itaipu's generating potential. For Silveira, however, the failure took on an almost personal dimension, since the article cited, as well as others, insisted on reminding readers that he had been chosen because it was believed that, coming from the embassy in Buenos Aires, he would be the most suitable person to resolve the dispute once and for all.

For the Sake of Inventory

According to Souto Maior, a policy that claims to be pragmatic should be evaluated based on the practical usefulness that its formulators implicitly set for it.²⁸ From this perspective, the objective conclusion is that Geisel's diplomatic approach did little to overcome or even mitigate the main obstacle faced by his administration: the energy crisis resulting from the oil shock. The two major diplomatic initiatives to tackle the energy challenge—the program derived from the nuclear agreement with Germany and the expectations regarding Saudi Arabia—did not produce their expected results. Some other diplomatic achievements of Silveira's tenure proved useful in expanding trade and attracting investments; nothing, however, on a sufficient scale to prevent the country from heading towards insolvency and a “lost decade” in terms of development.

Measured against the objectives outlined in the programmatic speech of Geisel's first cabinet meeting, the diplomacy of “responsible pragmatism” fell short, just as his overall economic policy did. Perhaps changes in the historical context had already made these goals unattainable by the time they were defined in the speech. Souto Maior projects that only in the future would the changing circumstances alter what he describes as “the possibilities of utilizing the assets of responsible pragmatism, that is, its ‘usefulness’ in the development of Brazilian foreign policy.” This is clear when he states that such evolution went beyond the scope of his essay, which was limited to the achievements of the 1974–1979 period. In other words, there was nothing wrong with responsible pragmatism in the phase in which it was conceived and implemented. Only later would its “usefulness” be compromised by historical changes.

Formulated in this way, however, the judgment requires adjustment. It assumes, contrary to contemporary evidence, that initiatives such as the nuclear program or the rapprochement with the Arabs would only fail later, due to subsequent factors. This is not what happened. In reality, the main change—the first oil shock—had already taken place shortly before the new leaders took office. As Dionísio Dias Carneiro observed, they did not realize that there had been a rupture, a discontinuity in the external economic context. Nor did they understand that this transformation was destined to last for a long time and would lead to other dangerous changes, such as the increase in interest rates and the disappearance of international financial liquidity. Because of this initial miscalculation, economic policy doubled down on accelerated expansion when it should instead have started to slow down.

In the same misguided way, the architects of foreign policy allowed themselves to be seduced by grandiose and ill-conceived schemes to address the energy challenge. The expectations placed on the Arab connection were unrealistic; the overambitious nuclear agreement with Germany opted for an already problematic energy modality that would become even more complicated in the future, even if the difficulties arising from fears of nuclear weapon proliferation had not existed.

By mentioning the constraints imposed on external action by the economy, Souto Maior situates the diplomacy of pragmatism between the phase of “ample foreign exchange reserves, abundant foreign credit and a considerable influx of foreign direct investment” (the Médici government) and “the economic and political mortgage of an unsecured external debt, which restricted the country’s capacity for diplomatic action and undermined its international projection” (the Figueiredo government). In these terms, one can extract from the description the paradoxical impression that one of the most voluntaristic governments in Brazilian history was a passive subject to the forces of destiny.

This impression arises from the understandable reluctance of one of the executors of that policy to admit that the activism of the nuclear program and the option to align with the Arabs did not work, just as the economic orientation of accelerating growth amid the world crisis failed. Between the “miracle” made unsustainable by changing global conditions and the “lost decade,” was it not possible to have a more realistic policy capable of

avoiding the precipice? Why not recognize that the seed of the external collapse with a tendency towards hyperinflation during the Figueiredo administration was planted in the Geisel era? In that case, it could no longer be claimed that responsible pragmatism met the expectations set by the programmatic discourse on the economic front.

This is not intended to disregard the value of Geisel's contributions but rather to shift the focus of appreciation from the misguided realm of economics to the appropriate domain of politics. The indisputable legacy of this period is the irreversible push for democratization and the gradual restoration of rights and guarantees. The best aspect of the stern Lutheran turned general-president was his resolve in removing the torturers from São Paulo, his courage to confront and dismiss the minister of war, and his determination to restore freedoms that would inevitably lead to the annulment of many measures adopted by the military governments.

One might regret that Geisel's changes, although in the right direction, were imposed from the top down, with a considerable dose of authoritarianism and without direct participation from the people. However, it is hard to imagine a better alternative under the conditions created by the regime.

In this sense, the foreign policy of Geisel and Silveira reflected the nature of the government like a mirror: it was valuable not so much for its supposedly pragmatic, i.e. practical and economic side, but for its responsible aspect, if we understand the term as "responsibility before history." Just like the domestic political choices in favor of democratization and the restoration of rights, the administration's diplomatic choices were distinguished by their correctness in terms of the best values and the most indisputable interests for the Brazilian people. Souto Maior himself translates the main achievements of the diplomacy of this period into essentially political terms: by the end of the government, "Brazil had filled almost all the gaps left by the diplomacy of previous governments and adjusted the intensity of its relations with other countries in line with contemporary circumstances," ensuring its presence in former diplomatic gaps: Angola, Mozambique, Africa in general, the Middle East, the People's Republic of China, and the Amazonian countries.

Geisel–Silveira diplomacy revived the conceptual legacy of the Independent Foreign Policy, updated and expanded its heritage thanks

to the longer period and favorable internal conditions available to it and managed to translate many of these conceptual assumptions into actions and achievements. Not all but many of its insights proved to be accurate and in tune with the direction of history. The best proof of the value of this diplomacy is that it survived the profound transformation brought about by the end of the military regime and became, in essence, the foundation that sustains Brazil's foreign policy to this day.

The Figueiredo Administration: End of the Military Regime and Sober, Professional Diplomacy (1979–1985)

The administration of General João Batista Figueiredo suggests the interminable fall of a kingdom that, when it finally ends, does not go out with a bang but with a whimper. Chosen as a bridge between Médici, the hard-liners and the SNI, on one side, and Geisel, Golbery and the Castelo Branco inclination, on the other, Figueiredo embodied this hybrid nature through his disconcerting and contradictory behavior. With an impulsive temperament, no patience for politics and little interest in administrative matters, he needed more than anyone the constant advice of good counselors. As fate or fault would have it, at the very beginning of his long six years in office, he lost the only two experienced political operators he could count on. In January 1980, the man who could have been the first civilian successor, Senator Petrônio Portella, minister of justice and liaison with Congress and the parties, suddenly died. The following year, in August, General Golbery, head of the Civil House, resigned due to disagreements over how to handle the right-wing terrorist threat. It is significant that a remnant of the Médici government, jurist Leitão de Abreu, was chosen to succeed him.

On economic matters, which would become the government's constant burden, a similar team reshuffle took place within a year. Five months after taking office, Mário Henrique Simonsen left the Planning Ministry; Finance Minister Karlos Rischbieter resisted a little longer and left in January 1980. Delfim Netto, impatiently marking time in the Ministry of Agriculture, returned to Planning to lead the economy, assisted by Ernane Galvêas in Finance.

The same almost happened with the president himself, hospitalized with heart problems early in his six-year term, then operated on in Cleveland

and removed from the presidency for a month and a half. To complicate matters, he returned irritated and at odds with Vice President Aureliano Chaves, who had substituted for him in the interim. With the country on the verge of external bankruptcy and skyrocketing inflation, there was no longer a real or even a false appearance of conditions that might sustain excessive diplomatic activism. Luckily, among so many ephemeral appointments, that of Ambassador Ramiro Elísio Saraiva Guerreiro as foreign minister proved to be one of the most fortunate. His balance and wisdom complemented what was lacking in the previous policy, and consolidated and deepened the country's new international orientation in much more adverse circumstances.

The End of the Distension Period—Slow and Gradual, but not Very Secure

It is surprising that, despite so many setbacks and vicissitudes, Figueiredo managed to carry out the Geisel's policy of distension to its completion without suspending Congress or revoking mandates, unlike his predecessor. Progress was rapid in the first year: in August, an amnesty law came into force thanks to a compromise with the hard-liners, who obtained the inclusion in the text of the crimes of torture, disappearances, murders and others committed by state agents. Despite this concession, the law would benefit over 4,600 people and allow the return of exiles such as Leonel Brizola, Luís Carlos Prestes and Miguel Arraes. Less than three months later, in November 1979, the artificial bipartisanship system, which threatened to turn any election into a plebiscite against the regime, was abolished. The officialist ARENA gave way to the equally government controlled Democratic Social Party (PDS); the MDB, resistant to losing its celebrated brand and forced to adopt the word "party" in its name, skillfully transformed into the Brazilian Democratic Movement Party (PMDB).

Lula, leader of the ABC Metalworkers' Union at the time, soon afterwards founded the Workers' Party (PT), with trade unionists, intellectuals and social movements linked to grassroots ecclesial communities and various pastoral ministries of the Catholic Church, while the Getulist legacy crumbled between the Brazilian Labor Party (PTB) of Deputy Ivete Vargas and the Democratic Labor Party (PDT) of Leonel Brizola. Completing the list was the Popular Party (PP), made up of dissidents from both government and opposition parties gathered around the Minas Gerais politicians Magalhães

Pinto and Tancredo Neves. It enjoyed only a fleeting existence, merging with the PMDB two years later when the government imposed the binding of votes and banned “sublegendas.”^{XIV} Before that, direct elections for state governors had been reestablished and the odd figure of the “bionic senators” had been abolished.

In the first direct elections for governor, held on November 15, 1982, the opposition won in three key states: Minas Gerais (Tancredo Neves), São Paulo (Franco Montoro), and Rio de Janeiro (Leonel Brizola). The government retained control of the Senate, but lost control of the Chamber of Deputies to the sum of the various opposition parties. The last two years of Figueiredo’s term would be rocked by the *Diretas Já* campaign, which galvanized the population in massive rallies and, on April 25, 1984, suffered a glorious defeat with the taste and promise of victory. Less than nine months later, the Electoral College, created by the regime and theoretically controlled by it, elected the PMDB candidate, Tancredo Neves, as president with 480 votes to 180 for the official candidate, Paulo Maluf, former governor of São Paulo (January 15, 1985).

The distension had dragged on for 11 years, more than half the length of the military regime. This was enough to earn it the adjectives “slow” and “gradual”; whether its conclusion was “secure” depends on one’s perspective. If the men of the regime understood the word to mean a choice made by them, they must have felt cheated, as they lost control of the process in the final stretch and were forced to witness the election of a representative of the opposition. It is true that the moderate Tancredo Neves, as Oscar Camilión observed, was the only genuine member of the opposition who was both acceptable to the PMDB and tolerable to the government. No one, added the former Argentine ambassador, could reasonably fear any threat to their freedom, security or property from the Minas Gerais politician.

Officialists had fewer reasons to complain when fate removed the elected president through death and brought to power his vice president. José Sarney, chosen at the last minute, had been president of the ruling party until months earlier. By crooked means, fate insisted on fulfilling the military’s design to hand over the government to a civilian close to them.

XIV The government imposed a requirement for voters to choose candidates exclusively within the same party and banned electoral coalitions.

However, this was not how Figueiredo perceived what seemed to him a reward for betrayal. Sullen and disillusioned by ingratitude and criticism, the general-president refused to take part in the presidential handover ceremony. Shortly before, he had vented in an interview that his last wish was to be forgotten. He left the stage of history in the same manner as the military regime he had embodied: without fireworks or handshakes.

The hard-liners were equally disgruntled, seeing ghosts and dangers in any solution other than the continuation of the regime of exception. Right from the start, in January 1980, they unleashed a terrorist campaign initially targeting newspaper stands. One of the attacks, against the Brazilian Bar Association (Ordem dos Advogados do Brasil/OAB), cost the life of an innocent employee. In April 1981, another attack, this time aimed at the audience at a concert in the Riocentro convention center, was thwarted by the premature explosion of a bomb that killed a sergeant and wounded an Army captain. Both were members of the security services. What everyone suspected soon became evident: the terrorist threat came from the very heart of the regime.

In contrast to Geisel's direct and frank approach, Figueiredo preferred the corporate reaction of covering up the perpetrators so as not to expose the responsibility of the corporation. The investigation revealed nothing, and military justice (very much in lowercase) lived up to journalist and humorist Millôr Fernandes' verdict: "*A justiça militar farda, mas não talha.*"^{xv} It is just as well that, despite the cover-up, the attacks ceased and, at the time of the transition, the nonconformists were unable to produce the feared reaction. The sneaky, covert nature of the hard-liners' final offensive ended the regime without grandeur or glory, merely as a stealthy full stop of an immense, endless misunderstanding.

The Cursed Economic Legacy of the Military Regime

The military did not know how to get out at the right time, at the height of spectacular economic growth that represented the only somewhat "legitimizing" success of a system responsible for setbacks in freedoms,

xv The sentence by the Brazilian humorist and journalist switches the letters "t" and "f" on the original saying "*A justiça tarda mas não falha*" ["Justice delays but does not fail"], so that "tarda" (delays) becomes "farda," (as in dressing someone in a military uniform) and "falha" (fails) becomes "talha" (to mark with a cut). The sentence criticizes the military justice system suggesting that it readily "uniforms" or protects its own, but fails to "cut" or convict those responsible for torturing and killing political dissidents.—Trans.

human rights, institutions, income distribution, and culture. They had waited too long and now felt as if they were being chased away by the collapse of their only source of pride, the economy. Dias Carneiro summarizes the fate of the last military government sharply and ironically:

The beginning of the Figueiredo government was, in reality, a continuation of the Geisel government. When it became clear to the new president that it would be up to him to do what was unpleasant and what Geisel had failed to do [...] it was easy for the general-president to choose to make his own policy, trying to revive the aura of the Médici period, handing Minister Delfim Netto the task of performing, *now indeed, an economic miracle* [emphasis mine].²⁹

There were still attempts to ignore what was happening in the world around them, but in 1981 there was no escaping reality. In a short time, the second oil shock and the explosion in international interest rates left no other remedy but a recessionary adjustment that led to a 10% drop in industrial output and the first significant contraction in real GDP in the entire post-war period (–4.3%). There was a slight recovery in 1982, when real GDP grew by 0.8%, a setback in per capita terms. It was the fateful year of Mexico's payment suspension (August). The Brazilian government delayed as long as it could to request a bailout from the IMF due to the proximity of the elections, but to no avail. A few days after the elections, it was announced that negotiations with the Fund had begun. These would last throughout Figueiredo's term and result in no fewer than seven letters of intent!

Under Geisel from 1974 to 1979, in order to make economic expansion possible with an average of 6.8% and an investment rate of over 25%, Brazil's foreign debt had exploded by \$20 billion! Due to the rise in interest rates, debt service had jumped from \$2.7 billion in Geisel's last year (1978) to \$4.2 billion in Figueiredo's inaugural year (1979).

In the first year of the IMF agreement (1983), GDP fell again (–2.9%). By the end of the government (1984), growth had recovered to a satisfactory rate (5.4%). Inflation, however, had skyrocketed to vertiginous levels, rising from 77% (1979) to an average of 100% (1980/1981/1982) and over 200% between 1983 and 1985. Throughout the period of external adjustment, "internal imbalances, and especially high inflation rates, were treated [...] with excessive tolerance or passive complacency," comment

Dias Carneiro and Eduardo Modiano.³⁰ The main symptom of the severe internal imbalances, the authors conclude, was leaving behind an explosive inflation rate that would soon break the barrier of 1,000% per year and would condition the performance of the economy until the end of the lost decade.

A Sober and Effective Foreign Policy

To complete and give continuity to foreign policy, no better choice could have been made than that of Ambassador Guerreiro. In his four years (1974–1978) as secretary-general of Itamaraty, the second-highest position in the ministry, he had personally participated in every major decision and had a thorough knowledge of the dossiers. He knew what had worked well and what was lacking. When he was called to return to Brasília, he had only been serving in Paris as ambassador for a few months, not long enough to lose touch with the issues he had left behind in Brazil and the key players in the capital. He possessed eminent qualities of patience, discretion, profound legal and diplomatic knowledge, and balanced judgment. He was also related to the new head of the National Intelligence Service (SNI), General Otávio Aguiar de Medeiros, a factor that probably influenced his selection.

Guerreiro belonged to the group of diplomats including Araújo Castro, Carlos Calero Rodrigues and Celso Souza e Silva who were primarily trained in dealing with United Nations issues, and he had distinguished himself in lengthy negotiations on the new Law of the Sea. Even as a counselor in the early 1960s, he was entrusted with drafting the most delicate texts on controversial issues, such as those relating to Portuguese colonialism in the UN debates. Few could match him in the precision and accuracy with which he handled words and formulas of diplomatic technique in writing. His competence went hand in hand with a straightforward, unambiguous manner of proceeding. He was as averse to duplicity in attitude as he was to disguising difficulties and disagreements to please or mislead others.

His temperament was reminiscent of that of a distant relative, Counselor Saraiva from the Empire, classified by Baron Cotegipe as belonging to the rare species of “phlegmatic Bahians.” Oral ability, rhetoric and eloquence were not among his strongest qualities, making him similar to Araújo Castro, also a man of writing. Castro, in fact, would

say that Guerreiro was the only speaker who would fall asleep during his own speeches... He used to close his eyes when listening and take deep breaths, perhaps due to his past as a heavy smoker, which gave the false impression of inattention or drowsiness. His interlocutors sometimes mistook for skepticism or pessimism what was actually a sober realism in his judgment. This quality served him well at a stage in Brazilian life that required balance and clarity from the foreign minister to avoid extremes of enthusiasm or despair. His sense of reality and timing was evident from the outset in the determination with which he tackled the country's immediate diplomatic priority: resuming the interrupted negotiations on the compatibility between the dam projects of Itaipu and Corpus and bringing them to a rapid and happy conclusion.

Resolving the Contention with Argentina over International Rivers—Guerreiro began by calming tempers, imposing discretion and silence on all those involved in the negotiations. To the press, he simply stated that Brazil was in no hurry and would negotiate when the situation matured. From the outset, he obtained the technicians' alignment from the minister of Mines and Energy and the Brazilian president of Itaipu Binacional, who assured him that there would be no harm in leaving the issue of the two additional turbines as a future eventuality, as they were unnecessary at that time. The Paraguayans, interested in the gains that would come from expanding the damn, were convinced not to risk years of arduous negotiations because of this future goal. Patiently, the Argentines were persuaded to accept the 105-meter quota and the volume set for the river's minimum flow. The solution to the impasse was camouflaged in Annex B of the agreement: the mention of the existence, in addition to the 18 machines in operation, of another two in reserve.

Just six months after the Figueiredo government took office, the Technical-Operational Cooperation Agreement between Argentina, Brazil and Paraguay was signed in Presidente Stroessner, now Ciudad del Este, Paraguay (October 19, 1979). The accord settled a disagreement that had poisoned relations with Argentina and the entire River Plate region for 11 years. The minister noted in his memoirs that "without the elimination of this controversy, it would not have been possible to develop relations with Argentina [...] without the solution of this last major controversy for Brazil in the region, the president's Latin American policy would have been impossible."³¹

Indeed, the last payment to the old Platine quarrels and rivalries, falsely dignified by the packaging of geopolitical fantasy, was finally redeemed. Those who lived through the passions and upheavals of the disagreement at the time would find it hard to believe that the matter was definitively resolved. This, however, is the case today, after more than 40 years of absolute normality in the completion of Itaipu and its regular operation, and even after the inauguration of the two additional turbines in May 2007. An ironic epilogue to this story is that, after so much effort to make it compatible with Itaipu, the Corpus Christi project would never even get off the ground! One can only sigh over the disturbing unreality of certain international conflicts!

Cooperation with Argentina: Allegro ma non Troppo—Once the stone had been removed, the path was cleared for a rapprochement with Argentina. This was promptly exploited by an exchange of presidential visits by Figueiredo (only the third Brazilian president to visit Argentina) in May and Videla in August 1980. The joint communiqués of the visits, as usual, exaggerated in proclamations of harmony and convergence in the two countries' approach to issues on the international stage and bilateral relations. In practice, reality was different. As Argentine historians point out, Brazil was more interested in economic cooperation, while the Videla government remained captive to a strictly anti-communist view of international life.³²

A sign of this disconnect was seen in the failure of the Argentine project to secure Brazilian consent for the creation of a kind of South Atlantic Organization, an alliance between the two South American countries and apartheid South Africa. Both in the documents relating to the visits and on the occasion of joint naval maneuvers, the Brazilian government consistently refused to encourage such a scheme. Through statements by its official spokesperson, Itamaraty made a point of publicly denying any collaboration with the South African regime. In the following years, such disconnects with the Southern Cone military dictatorships multiplied. One of the most obvious involved the reaction of the two countries' government officials and diplomats to the Reagan administration's growing tendency in the early 1980s to intervene, either through direct military action or clandestine operations, against left-wing governments or guerrilla movements in various Central American and Caribbean countries: Grenada, El Salvador, Nicaragua, Suriname, and Panama.

Although still governed by an anti-communist regime, Brazil during the distension and opening period felt increasingly in tune with the moderate vision of countries like Mexico, Venezuela, and Colombia in their approach to Central American and Caribbean problems. In contrast, the military regime of Argentina not only politically supported US actions in the region but also offered active cooperation in sending military advisors and training armed groups set up by the Americans to subvert local governments. This collaboration of clandestine services led to the illusion among official circles in Buenos Aires that they could eventually count on Washington's support or, at least, sympathetic neutrality in their reckless plan to militarily occupy the Malvinas Islands.

General Leopoldo Galtieri's audacious move to invade the Malvinas (April 2, 1982) subjected the recent and still fragile Brazilian-Argentine rapprochement to a dangerous and premature test. The invasion and the triumphalist speech with which the president announced it to the world awakened dormant ghosts of old animosity and mistrust in Brazil and in some neighboring countries. The major newspapers unanimously condemned the action, and military sectors, especially in the Navy, expressed concern about the consequences for Brazil's status on the continent if Argentina's show of strength were to be rewarded with success. At this delicate time, it was proven how a knowledge of history, even of seemingly unimportant details, can be crucial for foreign policy.

A few months before the occupation, the Argentines had once again prioritized the issue of the islands in international forums, a topic also raised by Foreign Minister Nicanor Costa Méndez in a private meeting with Guerreiro during a visit to Brasília in March. In preparation for the visit, the Department of the Americas, already under my direction at the time, had presented the minister with a study in which, among other precedents, it was mentioned that in 1833, shortly after the British invaded the islands, the government of the Province of Buenos Aires had sent a note to Brazil on behalf of the United Provinces of the Río de la Plata about the occupation. Surprisingly quickly for the time, Bento da Silva Lisboa, son of the Viscount of Cairu and foreign minister of the Triune Regency, assured in response that he would send instructions to the Brazilian representative in London to "assist" the Argentine complaints.

This was enough for Minister Guerreiro, surprised in New York by the invasion of the Malvinas, to declare to the press that Brazil had recognized Argentine rights from the outset. He added that the Brazilian government had always hoped that the conflict would be resolved by peaceful means. In his memoirs, the foreign minister commented on the implications of his words:

1st) Argentina's right was recognized not as a mere political option of the moment, inspired by regional conveniences, but as a consequence of a more than secular Brazilian position; 2nd) at no time was anything said about the Argentine military action, an omission that, given Brazil's situation, was the mildest way to dissociate from such an occupation; 3rd) emphasis was placed on a peaceful solution, even at that moment, which implied favoring negotiation initiatives to avoid the worst and, at the same time, indirectly involved a criterion adverse to the initial use of force by Argentina.³³

The comment shows why Guerreiro was a “diplomat for diplomats,” a master of the art of fine tuning, the sense of nuance and balance. Thanks to these qualities, he was able to navigate safely and maturely during the two months of the crisis. There were numerous occasions when it would have been easy to err by providing overly irresponsible and emotional support for Argentina, as some did, or by adopting a hostile stance in a moment of danger that our main neighbor would never forget or forgive. Brazil was therefore right to be chosen to represent Argentina's interests in London, a task that the embassy, under the leadership of Roberto Campos, carried out effectively.

In Brasília, Itamaraty firmly tackled challenges such as the internment of a British bomber forced to land in Rio de Janeiro. In a loyal manner, the country found a balance between Chile, which was clearly hostile to Argentine actions, and Peru and Venezuela, which were fervent in the wish to invoke the Inter-American Treaty of Reciprocal Assistance (TIAR) in favor of Buenos Aires. The Brazilian government publicly rejected the sanctions against Argentina applied by the Europeans and Americans, and made efforts at the OAS and the UN to adopt constructive resolutions.

Attempts at mediation by General Alexander Haig, secretary of state under Reagan, and the Peruvian UN Secretary-General Javier Pérez de

Cuellar failed even though some of their proposed formulas were very favorable to Argentina's demands. The failure of mediation made armed confrontation inevitable, costing the lives of more than 700 young Argentines and more than 200 Britons. In mid-June, the invading forces surrendered to the British in Port Stanley. Galtieri stepped down, paving the way for redemocratization and the election of Raúl Alfonsín the following year (October 30, 1983).

Two years after the war, Switzerland, representing British interests in Buenos Aires, initiated a meeting in Bern to try to reestablish direct contact between the two adversaries. I represented Brazil at the meeting, which unfortunately failed due to the rigidity of Prime Minister Margaret Thatcher and the ambiguous behavior of British diplomacy. Despite the efforts of Brazilian diplomacy on behalf of the Argentine cause, it would still take several years before direct ties between Argentina and the United Kingdom were renewed, which only happened in 1990.

Brazil and the Reagan Administration's Recurrent Interventionism—The foreign policy conducted by Guerreiro was very much in line with the ancient Roman formula, "soft in form and firm in substance." Its application in relations with the United States, especially after Reagan took office (January 1981), had to navigate risky pitfalls. Still during the Carter administration, Brazil had refused in late 1979 to join in economic sanctions against the Soviet Union in response to its intervention in Afghanistan and did not participate in the boycott of the Olympic Games in Moscow the following year. After the change of government in Washington, the challenge was further aggravated by the propensity of the new Republican president to use military force and clandestine action to subvert Central American and Caribbean governments and even in countries closer still to Brazilian borders.

The first step in this direction took the form of a secret mission sent to Brasília in April 1983 to convince Brazil to intervene militarily in Suriname in a joint operation with American and Dutch forces. The motive for the request was the alarm aroused in Washington by a bloody military coup carried out by sergeants and corporals that had brought former Sergeant Dési Bouterse and a group of Cuban-linked non-commissioned officers to power in Paramaribo. Significantly, the mission did not approach Itamaraty. Reagan's personal envoy, William Clark, or Judge Clark as he

was known, landed in Brasília on a weekend and contacted the Presidency of the Republic and the SNI. At that point, the relationship of trust and proximity between the head of the SNI, General Medeiros, and Guerreiro, who was immediately alerted, proved valuable.

In secret talks with the Americans, the Brazilian government recognized the seriousness of the threat that was beginning to take shape on the northern border, but made it clear from the outset that it preferred to act on its own and try to exhaust all possibilities of finding a peaceful solution. To this end, an emergency operation was set up within hours under the command of General Danilo Venturini, head of the military cabinet, who traveled in the company of Osmar V. Chohfi, head of the South America-II Division. The aim of the mission was to make the Surinamese dictator “an offer he couldn’t refuse”: a Brazilian alternative to Cuba in terms of economic aid and military cooperation. After a tense start, the mission succeeded and gradually, over the following months and years, managed with great difficulty to mobilize resources to help the small neighboring country and steer it away from the preponderant Cuban influence.

Sometime after the start of the operation, during the foreign minister’s visit to Washington, I heard from my counterpart at the State Department, Undersecretary of State for Inter-American Affairs Ambassador Thomas Enders, that he understood our motivation but was convinced that the effort would not succeed. The reason, he said, was that the tyrant of Suriname needed something that only the Cubans could provide: assurance of his personal survival. More than 30 years have passed since then, and history has proved us right. Suriname remains an unstable country due to structural conditions, and its politics are far from exemplary. However, the danger of a Cuban-style shift, if it ever existed, never materialized.

The episode holds a lesson that should not be overlooked. By resisting the mistaken vision of a much more powerful country with infinitely more “effective” means at its disposal, Brazilian diplomacy did not simply say no. It offered an alternative, which might or might not have worked, but which none of the antagonists could reject *in limine* without giving it at least a chance. In this way, the continent was spared an armed intervention that would certainly have represented a trauma in Latin American politics. Brazil managed to prevent the meddling of great powers in its immediate neighborhood.

Much more importantly, in a critical test, given the sympathies that the Americans' aggressively anti-communist stance found among some Brazilian military personnel, the country actually proved through actions rather than words its sincere fidelity to the tradition of almost 150 years (at the time) of refraining from forceful interventions against any of its neighbors. If Brazil had acted as the United States wanted, it would have confirmed the absurd accusations of "imperialism by proxy" as an agent of the Americans. The damage to the country's reputation would have been immeasurable. It is worth emphasizing once again, as has been done throughout this book, that by acting in accordance with its principles, Brazilian diplomacy helped to further strengthen one of the core values of the Brazilian people: peace and a relationship of harmony and respect with other countries, even small ones.

Unfortunately, in the United States the lesson fell on deaf ears. Less than six months later, the Reagan administration applied against Grenada, a tiny Caribbean nation, the same recipe that had failed against Suriname thanks to Brazil's resistance and capacity for action. In a similar situation—a bloody, pro-communist coup, with a growing Cuban presence—the United States unleashed Operation Urgent Fury, an invasion by 5,000 marines described by one correspondent as "a lovely little war." Even so, it cost more than 100 lives, mostly of Cuban defenders. Brazil "deplored" the action, which was also criticized by England (the former colonial power of Grenada) and Canada and condemned as a "flagrant violation of international law" by a UN resolution approved by 108 votes to nine, with 27 abstentions. The Security Council considered a similar resolution with 11 favorable votes, but it was vetoed by the United States.

The interventionist pattern would be openly or covertly repeated in numerous countries in troubled Central America: Guatemala, El Salvador, and Sandinista Nicaragua, where the "Contras" acted with the support of the Americans. In this region, Brazilian foreign policy preferred to leave the leading role to the Latin Americans who enjoyed the advantage of geographical proximity and greater familiarity with local conditions—Mexico, Venezuela, Colombia, Panama, all founders of the Contadora Group—strongly encouraging and supporting them. In this as well, Guerreiro demonstrated the wisdom, forgotten in later periods, of not always insisting on being the *primus inter pares*.

Guerreiro's conviction that Brazil did not possess a surplus of power, that its resources were limited and should be used judiciously, sparingly and only where they could produce the best possible result, was often misinterpreted. If overextension, that is, the temptation to stretch power too far, is sometimes the cause of the decline of great empires, it should be obvious that this danger is greater for those who have fewer means. This is an attitude of evident common sense; of the sober assessment of challenges and one's own strengths. Brazil would have avoided a lot of trouble and harm if it had always acted with restraint and realism, weighing up the risks before venturing into dangerous and unfamiliar regions where, as the English expression goes, even angels are afraid to tread.

In conclusion, it must be said that, in relation to the United States and the aggressive Reagan rollback doctrine (of toppling governments seen as allies of Moscow), Brazilian diplomacy was able to preserve its independence, taking a measured stance and criticizing when necessary. When Brazilian interests were threatened by the application of this doctrine to Angola, national foreign policy resisted by deciding to give intense priority to collaboration with Luanda, including and above all in the oil sector, which essentially dates from this phase. Guerreiro is largely responsible for the definitive removal of the obstacles that stood in the way of active collaboration with both Angola and Mozambique. The emphasis on Africa culminated, almost at the end of his administration, with Figueiredo's visit to five African nations, the first by a Brazilian president.

Epilogue of Guerreiro's Diplomacy and the Military Regime—Guerreiro did improve the state of relations with Washington as much as possible at the time. This was true even in the nuclear area, which was beginning to lose importance as the Brazilian nuclear program faced growing difficulties. Facilitated by the exchange of presidential and ministerial visits, the general climate between the two countries eased compared to the Carter era. Fluidity in the relationship helped at a time when the external debt crisis had increased Brazil's dependence on the Treasury Department authorities and, consequently, on the IMF, which US officials controlled or influenced directly or indirectly.

Many interesting events that took place in six years would merit attention, were it not for the limitations of this synthesized study. Mention should only be made of the unprecedented intensity of relations with the

Andean countries and the disappearance of the last vestiges of Brazil's diplomatic isolation, through contacts at the presidential level with the main European countries. Also noteworthy is the action taken by Brazil as coordinator of the group of guarantors of the Rio de Janeiro Protocol, together with three others—the United States, Argentina and Chile—with the aim, starting in January 1981, of preventing armed clashes between Peru and Ecuador in the disputed Cordillera del Condor region from turning into open war. For those interested in a reliable account of the extent and density of foreign policy in those years, I recommend the 130 pages that Fernando de Mello Barreto devotes to the period in his book.³⁴

As the military regime came to an end, almost everything it had undertaken in its 21 years in charge of national life was in crisis or openly criticized and rejected. Virtually only foreign policy was spared. Not the early regime's policy, but the one that began to be practiced from March 1974 onwards. Abroad, Brazilian diplomacy inspired a respect among governments and analysts that was categorically denied to the regime from which it emanated. Within the country, the opposition identified with foreign policy much more than the supporters of the 1964 movement, anti-communists nostalgic for the Cold War's Manichaeism. It was up to Tancredo Neves, the founder of the New Republic, to capture and express the collective sentiment of the nation in this lapidary judgment: "if there is one point in Brazilian policy that has found consensus among all currents of thought, it is the foreign policy carried out by Itamaraty."

Notes

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- 24 Matias Spector, *Kissinger e o Brasil* (Zahar, 2009).
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Part X

Redemocratization and Foreign Relations (1985–1995)

At the time of the publication of this book in English translation, the democratic period inaugurated with the withdrawal of the military has completed 40 years, thus equaling the duration of the First Republic. In this time, three presidents have begun and ended their terms on the dates set out in the Constitution; two of them, reelected, completed eight years in office each. If it were not for the disturbing fact that the second president of this phase, the first to be chosen in direct elections, had to be removed through the traumatic remedy of impeachment, one might even believe that the country was heading towards increasing stability. More troubling is that this procedure, in principle exceptional, was repeated after a 20-year interval against the fifth president, almost immediately after her reelection.

There is no linear trend that adequately covers these four decades. Instead, it has been a zigzagging line covering at least three distinct phases of Brazilian sociopolitical life. The first runs from 1985 to 1995, 10 years to overcome the aftershock of Tancredo Neves' death, consolidate redemocratization, adopt a new Constitution and begin to settle the cursed legacy of the military (the foreign debt crisis and hyperinflation). This was a turbulent and hectic period, made more difficult on the external front by frustration with the American attitude towards debt and trade. This phase includes the administrations of José Sarney, Fernando Collor de Mello, and Itamar Franco. Those who enjoy historical parallels can compare it to the 13 years that ran from the proclamation of the Republic to the end of the Campos Sales administration (1889 to 1902).

This phase was followed by the 16 years (1995 to 2010) of Fernando Henrique Cardoso (widely known as FHC) and Luiz Inácio Lula da Silva, an era dedicated to economic stabilization, the implementation of the Plano Real and an effort towards social inclusion, income redistribution and the reduction of poverty and inequality. These years roughly correspond

to the golden age of Rodrigues Alves, Afonso Pena, and Nilo Peçanha (1902–1910) in the Old Republic. That era coincided, not by chance, with the glorious phase of Brazilian diplomacy under the Baron of Rio Branco, whose work would not have been possible without the stability and prosperity of the period. Similarly, to project Brazil onto the world stage, FHC and Lula took full advantage of the favorable domestic and international conditions at their disposal following the end of the Cold War, the dissolution of the Soviet Union and the ideological conflict that had defined previous decades, globalization, the end of apartheid, and the extraordinary rise of China.

The third phase begins but certainly does not end with the ill-fated government of Dilma Rousseff (2011–2016). It is as if a mysterious hand pressed a button and everything began to unravel: the world crisis finally hit Brazil hard, China slowed down, commodity prices plummeted, the government plunged into fiscal irresponsibility and wrecked public finances, inflation rose sharply again while the economy shrank. At the same time, the decayed political system was disintegrating under the blows of Operation Car Wash. The corrupting mechanism of electoral financing was exposed, and Brazil's institutions showed no signs of being capable of self-reform, the only way to avoid the breakdown of yet another frustrated cycle in the country's history. As a result, foreign policy retreated, ashamed of the fiasco and demoralized by a president with no taste or talent for that sector, which was relegated to professional diplomats.

It was not the first time, and perhaps it will not be the last, that the diplomatic dream of a stable, prosperous and respected country was postponed due to internal failures.

For most of this period, foreign opinion has tended to associate Brazil's success much more with its presidents than with its foreign ministers, following the global trend of diplomacy directly embodied by heads of government. Of the first six presidents to take office after Neves' death, Itamar Franco and Dilma Rousseff were exceptions to this, less inclined by temperament to involve themselves in foreign policy. All the others—Sarney, Collor, FHC, and Lula—occupied the best diplomatic spaces, assisted by ministers chosen, in almost equal numbers, from within and outside the diplomatic professional corps. Ambassador Sérgio França Danese brilliantly examined this modality in a book that I highly recommend:

Diplomacia presidencial: história e crítica [Presidential Diplomacy: History and Critique].¹

The Sarney Administration: Internal Redemocratization And Latin American Diplomacy (1985–1990)

Even under normal conditions, the challenge of redemocratization would have been extraordinarily difficult given the precarious state in which the military left the country. Many of the problems that had been evoked to justify their intervention in 1964 remained unsolved, and even some advances, such as those made against inflation and economic disorganization, had been reversed in the final stage of decline. In terms of democracy, human rights and the quality of Brazil's institutions, the picture was one of scorched earth. Additionally, the unexpected blow of Tancredo Neves' death deprived the transition of a mature and balanced politician who, by general consensus, was the best qualified to see it through successfully. José Sarney had political experience, but lacked almost everything else: credibility among the population and opponents of the military regime, and support from the majority PMDB and its supreme leader, Ulysses Guimarães, a lifelong resister who was passed over in favor of an outsider.

As Sarney himself wrote in an article for *Foreign Affairs*, he was not psychologically prepared for the remote possibility of the presidency. He was not privy to the secrets of the cabinet composition he inherited, whose logic was known only to Tancredo Neves. The president-elect had never confided to him how he intended to address the most complicated issues facing the administration: how to convene the Constituent Assembly, how to control the process of drafting the Constitution, how to overcome the threatening external debt crisis, or the best policy to prevent the economy from being swallowed up by hyperinflation, a legacy of the military regime. Sarney came from a poor state in the Northeast, dependent on federal government transfers and with no weight in the internal power game. He had little knowledge of the influential circles of economic and business life and was little known (and appreciated) by them in return.

I was able to live through and witness these palpitations firsthand, as I was one of the members of Neves' team inherited by Sarney. I had been the foreign policy advisor to the then-candidate since 1984. After

his election, I accompanied him on trips to Europe, the United States and several Latin American countries. I saw and, in a way, took part in the serious and dedicated effort with which the future president was preparing to exercise power, building relationships of personal knowledge and trust with world leaders such as Pope John Paul II, French President François Mitterrand, Spanish Prime Minister Felipe González, King Juan Carlos, US President Ronald Reagan and Vice President George Bush, Mexican President Miguel de la Madrid, and Argentine President Raúl Alfonsín, sketching with them the general lines of a foreign policy that would benefit the Brazilian government. I recorded that fleeting “presidential moment of Tancredo” (a felicitous phrase by Celso Lafer) in a travel journal I published in 2009, *Diário de Bordo—a viagem presidencial de Tancredo*.

In addition to the ministers, Tancredo Neves had appointed the main officials of the Presidency of the Republic, among whom I was deputy head of the presidential staff, led by Minister José Hugo Castelo Branco. I did not know the vice president, and came to both know and appreciate him over those agonizing 45 days of the president-elect’s illness. A few months later, when Célio Borja became a minister of the Supreme Court, I took his place as special advisor to the president of the republic, a position I held until mid-1987. Much of what I will recount in this chapter comes not from books, but from “knowledge made only of direct experience.”

The Political Equation

Once the so-called authoritarian debris was removed (the reestablishment of direct elections at all levels, for example), the greatest political challenge facing the new administration was to provide the country with an equitable constitution that would guarantee stability and progress. Conspiracy theories abounded at the time insinuating that Tancredo Neves would maneuver to prevent the convening of a Constituent Assembly. Those rumors seemed like an exaggerated fantasy, given that this had been a clear commitment of the redemocratization campaign. However, the possibility should not be excluded that, as a conservative and cautious politician, he would have sought to secure mechanisms and safeguards against the danger of losing control of the process. With Neves gone, the pressure in favor of a constituent assembly exclusively tasked with voting on the constitutional text shifted to Sarney. The assembly’s impartiality

and independence would be guaranteed by its immediate dissolution once the Magna Carta had been promulgated.

The formula that eventually prevailed was the most conservative and traditional option available: a Constituent Assembly that would become a regular congress after the Constitution was promulgated—an approach probably not very different from what the late president would have favored. A commission of experts led by Afonso Arinos de Melo Franco would prepare a draft for consideration by the future assembly. Boosted by the initial success of the Plano Cruzado, an economic stabilization plan to curb hyperinflation, in the election of November 15, 1986, the PMDB received an undisputed majority position in both houses of Congress and in the selection of governors for 22 of the (then) 23 states of the federation. On February 1, 1987, the National Constituent Assembly was installed; the following day, Congressman Ulysses Guimarães, already president of the PMDB and the Chamber of Deputies, was also elected president of the Assembly.

In appearance, all the pieces were in place to ensure a quick and controlled process like the one used to draw up the 1946 Constitution under the aegis of the conservative PSD-UDN alliance (which held around 80% of the seats in the assembly). But times were different, and the nominal majority of the PMDB masked a multitude of divergent tendencies regarding sensitive chapters of the text. Ulysses Guimarães himself had to bow to the heterogeneous reality of his party. I remember well, at a ceremony in which he received the Legion of Honor at the French embassy in Brasília, a witty speech with which the old parliamentarian promised to follow Napoleon Bonaparte's model of an ideal constitution: that it be short and vague! The result, as we know, was instead an endless and extraordinarily detailed text.

It would have been even worse had the “triple president,” as he was called at the time, not known how to conduct his unruly factions with mastery. On the eve of the most important votes, Guimarães used to gather dozens of parliamentarians representing the party's different currents at his house after dinner. The discussions went well into the night, in an atmosphere thick with cigarette smoke and washed down with *liqueur de poire* and glasses of whisky. When sleep and fatigue had dulled the always inconclusive debate, the president would declare: “Gentlemen, I think

everyone agrees that we have finally reached a clear consensus position, which I will announce tomorrow in the Assembly on behalf of the party!” No one dared ask what this elusive consensus was, and the next day everyone was surprised to discover a result that reasonably reflected the average of the most significant opinions...

Exaggerated or not, this description of Guimarães’ methodology does not much distort the complexity of the negotiating process for a text that took more than twice as long as the 1946 one had. When it was finally promulgated on October 5, 1988, the document earned the title of Citizen Constitution, in honor of the undeniable advances it brought in terms of popular participation, social rights, income transfers and benefits for vulnerable individuals, such as rural retirement without prior contribution. The problems it introduced or aggravated were no less significant, however, in particular the increase in spending without the corresponding revenue creation; the transfer of 25% of revenue to states and municipalities, without any real transfer of burdens; an even greater increase in earmarks within federal revenue (according to the government, 92% of the total); the reduction of budgetary flexibility and the possibility of fiscal adjustment to almost nothing; and the tenure of all civil servants after five years of service. When the text was approved in the first round of voting, Sarney called a national radio and TV network to denounce that the Constitution would make the country ungovernable.

In the final phase of the process, an unfortunate disagreement over the length of the presidential term had disastrous consequences that remain at the root of the difficulty in overcoming political crises without the threat or actual use of impeachment. The Afonso Arinos Commission’s preliminary draft proposed the adoption of a parliamentary regime, and numerous provisions of the final text reflected this general option. The issue of the presidential term, set by Geisel at six years, had to be resolved first. Backing down from the maximalist intention of maintaining the original length, Sarney leaned towards a compromise of reducing the term by one year. The intransigence of parliamentary constituents, which demanded instead a four-year term, forced a confrontation with the president and his supporters. In one of the most tumultuous sessions of the Constituent Assembly (March 1988), the majority voted to maintain the presidential system and set the term of office at five years. The clash caused the first crack in the PMDB structure. The dissatisfied group would go on to form an

independent bloc and, months later, found the Brazilian Social Democracy Party (PSDB), led by Mário Covas and Fernando Henrique Cardoso.

The Assembly had created a hybrid system that contained the worst of both worlds: a Congress with almost parliamentary powers, permanently willing to occupy all power with no responsibility, and an Executive obliged to buy parliamentary support through increasingly expensive and demoralizing bargaining for positions and funds. In cases of serious conflict between the Executive and Legislative branches, which is common in Brazil, the lack of conciliation mechanisms pushed political life towards confrontation and impeachment.

The ink was barely dry on the Constitution's signatures when the dispute between Sarney and a significant portion of Congress triggered a sequence of events that would soon become almost routine. A Parliamentary Commission of Investigation indicted the president and five ministers for corruption and other crimes, rooted in accusations against Sarney's former son-in-law, Jorge Murad. An impeachment request would be filed by the new president of the House, prompting an immediate appeal to the Supreme Court by several senators. With slight variations, this script has been repeated in almost every government since.

Sometime earlier, I had been involved in an episode that foreshadowed the painful end of Sarney's reign. It was a few days before Christmas 1986 when I went to visit Carlos Castello Branco, the unparalleled political columnist for *Jornal do Brasil*. We talked alone and, as I was saying goodbye, Castelinho, as he was known, held me back and said:

"It's not my custom to give advice to politicians, but since I like Sarney, I'm going to break that rule. Tell the president on my behalf that the best thing he can do when the Constitution is promulgated is to call a national radio and TV network to announce that his mission ends with the new Charter, and that elections should be called to choose the future government."

He paused and, to my surprise, added:

"I know he's not going to do anything like that, and it is a shame because he'd have nothing to lose. From the end of the Constituent Assembly, his government will become a living hell."

The next morning, the president was waiting alone in his office for the time to leave for the Brasília air base, where he would take a plane to São Luís, capital of the state of Maranhão, for the Christmas holidays. I entered, gathered my courage and relayed Castello's message. Sarney did not say anything to me; he just stared at the wide windowpane overlooking the vastness of Lake Paranoá. I even wondered if he had heard what I had said. We were soon called away and I accompanied him in the car, in silence, to the airport. When he returned, it was as if the incident had never happened. A few months later, on the occasion of Portuguese President Mário Soares' visit to Brazil, we all traveled to Maranhão, with a stopover in Carajás.¹ When lunch was served, Sarney pulled me to a solitary table and explained:

"Do you remember Castello's advice? I know he is my friend and wishes me well. However, he doesn't know the real reason why I can't follow his advice. If there are early elections, the winner will be Brizola, a result that is absolutely unacceptable to the military. In order to avoid a step backwards, my duty is to continue."

In any case, Castello was right in at least one respect: the hell that the first presidential term of the New Republic would become. The promulgation of the Constitution would mark the beginning of the most painful phase of the government's terminal decline. But that is another story, closely related to the explosion of inflation and the growing ruin of the economy.

Hyperinflation Haunts the Country Again

The failure of the military regime to exorcise the ghost of inflation formed the backdrop against which redemocratization would be debated. Economist Eduardo Modiano captured the escalation of inflation in this description:

From the end of the 1970s until the establishment of the New Republic in March 1985, Brazilian inflation exhibited two major movements. The first major inflation jump occurred at the end of 1979. The second oil shock, the domestic policy of setting "realistic prices" and the simultaneous increase in the frequency of wage

¹ Located in the southeastern region of the state of Pará, Carajás is known as a rich mineral extraction area, notably for iron ore.

adjustments from annual to biannual doubled the inflation rate, which went from 50% to 100% per year. The second major jump [...] came in 1983, driven by a maxi-devaluation of 30% [...]. It then reached a level of 200% per year.²

The economic history of the first 10 years of the constitutional era can largely be summarized as an incessant trial-and-error effort to stabilize, at first, and then substantially reduce these levels of inflation. At an incalculable cost of economic loss and suffering, every attempt was made to overcome the cursed legacy: orthodox methods, heterodox remedies, a mixture of the two in varying doses, currency changes, shocks, packages, savings confiscations. After the orthodox approach of the first few months was abandoned, three (or five, depending on the count) stabilization programs followed in the Sarney administration alone: the Cruzado Plan (February 28, 1986), the Cruzadinho (July 24, 1986), the Cruzado II (November 21, 1986), the Bresser Plan (June 12, 1987) and the Summer Plan (January 14, 1989).

The resistance of prices to the deflationary effects of recession and unemployment fostered a conviction among a group of brilliant economists that inflation in Brazil had taken on particular characteristics due to the widespread indexation of the economy. This inertia would have to be broken by removing indexation mechanisms and triggering a rapid drop in inflation rates at a lower cost to employment and growth. The first major test of this concept was the Cruzado Plan, launched shortly after monthly inflation reached 16.2% in January 1986 and projections pointed to 400% to 500% per year. The program included the adoption of a new currency, the cruzado (worth 1,000 cruzeiros), and price fixing, to be monitored by “Sarney’s inspectors,” i.e. the population itself, summoned by the president to enforce the fixed prices.

The Cruzado was perhaps the most notable example in Brazilian history of an economic policy capable of mobilizing popular enthusiasm and almost unanimous participation, at least initially. Inflation plummeted overnight, and the highest rate was no more than 1.4% in May. Suddenly, people’s expectations, repressed during the military regime, exploded into uncontrollable demand and consumption. In the first half of 1986, sales increased by 22.8%, the production of consumer durables jumped by 33.2% compared to the previous 12 months, unemployment fell to

3.8% and real wages rose by 12%. It seemed as if Brazil had discovered the philosopher's stone, a miracle that led to a massive fall in prices at the same time as production, employment and wages soared!

The mirage did not fool attentive observers, however, who noticed the disappearance of price-controlled products, inaccuracies in inflation indices, which could not adequately capture the premiums demanded by sellers, and the excessive and rapid overheating of the economy. The remedy would be to either to declare an end to the price freeze and watch inflation return explosively or to promote a severe recessionary cut in demand. With only a few months left before the decisive election for the Constituent Assembly, the government did neither. It bought time with the ineffective Cruzadinho Plan and waited until a week after the electoral victory to announce Cruzado II, a cold shower on popular illusions. From then on, it was a race downhill. Price increases had risen back to 20% a month when Finance Minister Dílson Funaro resigned (April 1987).

Before Funaro, inflation had already cost the job of the first finance minister, Francisco Dornelles, appointed by Tancredo Neves, his uncle. Funaro would be replaced by Luiz Carlos Bresser Pereira, who lasted as long as his eponymous new plan: nine months passed before he left his post in December. Mailson da Nóbrega, author of the Summer Plan, then took over, doomed to endure the final throes of the administration. The rate of price increases multiplied sevenfold, jumping from 230% (1985) to 1,780% (1989)! Reflecting on so many futile efforts, Modiano offered this bleak conclusion:

The Cruzado, Bresser and Summer plans produced nothing more than a temporary damming of inflation [...] The permanent effects of a succession of stabilization “shocks” have proven [...] to be perhaps as perverse as the effects of the inflation they intended to eliminate.³

Foreign Policy Marked by the Debt Crisis

The military regime did not just leave the incoming civilian government with the growing threat of hyperinflation; it also shackled it with the burden of an unpayable foreign debt. Both Neves and Sarney allowed themselves to be lulled, at first, into the illusion that the US government, out of compassion or self-interest, would try to help Brazil's fledgling democracy take its first steps. The memory of the Americans' tolerance

towards the 1937 moratorium and their recent collaboration with the Castelo Branco government provided some basis for hope.

The wake-up call was swift and brutal. The metropolis of modern times differed little from the old Iberia, of which it was said in the colonial era: “*socorro de España o llega tarde o nunca!*” [“Help from Spain arrives late or never!”] Brazil had yet to become discerning enough to decipher the “signs of the times,” in this case, the radical shift to the right inaugurated by Reagan and the decisive weight that financial and banking interests came to have on US government decisions.

Ronald Reagan became president in January 1981 and would govern until January 1989. He was therefore at the height of his much-heralded “conservative revolution” when Sarney took office. Almost the entire first government of the New Republic took place under the unfavorable shadow of an American power slow to soften its stance towards debtors, and which had once again adopted the destabilizing and interventionist policy in Central America and the Caribbean set aside by Jimmy Carter. Nothing could be more dissonant, less synchronous, than a Brazil on the verge of discovering the charms of the welfare state and tempted to return to the national-developmental model, on one side, and a neo-reactionary United States, engaged in the terminal struggle against the communist “evil empire” and immersed in financial greed, on the other.

My experience of working as a diplomatic advisor to Neves and Sarney left me convinced that both were, in principle, willing to resume with Washington some updated version of the traditionally pro-American diplomatic line that had been superseded by the Independent Foreign Policy and, later, by the Geisel–Silveira orientation that had continued in the last military government. During his visit to the US capital before his inauguration (February 1–2, 1985), president-elect Tancredo Neves privately stated in his first contact with local authorities, and publicly repeated at the National Press Club luncheon, that “there was no country in the hemisphere or perhaps in the world more friendly towards the United States than Brazil.” He added a phrase revealing his hopes for understanding and help, which evoked an inverted version of the infamous declaration by Juracy Magalhães: “Everything that is done to strengthen and reinforce Brazil is being done to strengthen and reinforce the interests of the United States.”⁴

I sometimes heard similar sentiments from Sarney. Ambassador Luiz Felipe de Seixas Corrêa, who succeeded me as the president's advisor in mid-1987, rightly observed:

When President Sarney took office, he had high hopes for the relationship with the United States and found himself somewhat frustrated both by the lack of understanding shown by the US government regarding Brazil's hardships in its transition path and by its inability to signal clear cooperation policies.

He concluded: "By the end of his term, a president who had always seen cooperation with the United States as a fundamental pillar of Brazilian foreign policy seemed led to disbelieve in the possibility of its implementation on an effectively equitable basis."⁵

The Imperatives of Redemocratization: Rapprochement with Argentina—The frustration of outsized expectations about forthcoming US aid and understanding pushed Sarney in the natural direction of realigning foreign policy to the priorities imposed by redemocratization. Argentina, Brazil's main neighbor, had completed its democratic transition a little earlier. The historical cycles of the two countries were not always synchronized in the past, but now coincided in the similarity of their political and economic challenges. Among these, on the international stage, external debt crises inherited from the previous period stood out. "To equal evils, the same remedy," was the first thought to be put into practice. Why not try to form a common front of debtors to negotiate the debt? Was that not what the creditors were still doing, the governmental ones in the Paris Club and the commercial ones in the coordination and negotiation committees generally chaired by one of the largest US banks? Would a collective bargain not be able to extract better concessions from the creditors?

The idea, tempting in theory, remained just that: nothing more than a pipe dream that became the subject of conversations, informal consultations, including with other Latin countries, and draft projects that never came to fruition. The obstacles were many: there was always some country that was more advanced in its negotiation and fearful of setbacks if it joined the others; the characteristics of debt securities varied enormously; the payment prospects varied even more according to differences in national economic potential. Although it did not succeed, this initial approach to

common problems served to bring the direct advisors of the presidents and the officials in charge of economy and finances closer together, opening the door to what came later in the field of trade and integration. At the time, the Argentines were concerned about an old problem that tended to become chronic: the serious and growing imbalance in favor of Brazil in bilateral trade.

At the very beginning of the government, Foreign Minister Olavo Setúbal, an industrialist and banker who had practically established the greatness of Itaú, one of the most powerful Brazilian banks, visited Buenos Aires. At the end of the military government, analysts considered him the obvious choice to head the Ministry of Finance. Neves, who deep down wanted to reserve command of the economy for himself, surprised everyone by appointing his nephew Francisco Dornelles to the post, offering Setúbal the Foreign Ministry as honorable compensation. The new foreign minister represented an endangered species—that of great bankers with a public spirit and a statesman's vocation, a combination symbolized until then by Walter Moreira Salles. Setúbal unfortunately would not remain in the federal government for long, leaving in February 1986, less than a year later. During this period, he carried out important activities and exerted strong influence in other sectors of the government. One of his most important contributions, possibly the greatest in terms of Brazil's future development, was the decisive impetus he gave to the start of effective economic and trade integration between Brazil and Argentina, the seed of MERCOSUR.

The Evolution of Brazil-Argentina Integration towards MERCOSUR— The contacts Setúbal held in Buenos Aires during his visit in May 1985 revisited the issues Neves had discussed with Alfonsín in February of that year: foreign debt, the need to definitively overcome the chronic trade imbalance, the benefits of building mutual trust in nuclear matters. The minister came back impressed by the seriousness of Argentina's concern about the trade imbalance and took the matter to Sarney, who authorized him to coordinate actions across various ministries that could contribute to increasing Brazilian imports of products such as wheat and oil from Argentina.

A process of bilateral meetings was set in motion, culminating in the signing in Buenos Aires of the Act for Brazilian-Argentine Integration and

the Program for Economic Integration and Cooperation, which covered the areas of capital goods, trade, binational companies, investment, energy, services, cutting-edge technology, nuclear affairs, transport, communications, and steel (June 1986). At that time, Alfonsín and Sarney were joined by the president of Uruguay, Julio Sanguinetti, forming a kind of democratic trinity in the Southern Cone, years before Chile's return to democracy, which would only be completed in 1990.

The Act and the Integration Program resulted from a process initially restricted to the bilateral horizon. Focused exclusively on the two largest economies in the region, it aimed at gradual progress, sector by sector. To avoid a repeat of the accumulation of trade surpluses and imbalances, it provided for an immediate compensatory correction mechanism and, in the longer term, the stimulation of corrective investments. The main planner and executor on the Brazilian side was future ambassador Samuel Pinheiro Guimarães. Suddenly, this careful approach was disrupted by President Sanguinetti's initiative to include Uruguay. The argument was irrefutable: his country's small economy depended on its two neighbors and should not be left to fend for itself at the delicate moment of redemocratization. Once the principle of admitting the Uruguayans was accepted, how could the doors be closed to Paraguay, whose democratization was desired and encouraged, and which was a partner of the three other countries in the River Plate Basin and a participant in shared energy projects?

This led to a configuration that was entirely different from what was initially envisioned—and much more complex and challenging to achieve. If it was already difficult to deal with the difference in scale of the economies between Brazil and Argentina, what to say now, with the entry of two countries that immediately claimed preferential treatment as “nations of relatively less development”? Few today realize that the ambitious goal of the MERCOSUR customs union, which would only gain real substance later, originated from the frustration and detour from a bilateral project, a development that may have led to some of its future problems. It is worth noting how irresistible political reality, in this case the solidarity of democratization, sometimes overrides the cold logic of economic convenience. The dynamics were not very different, as we know, in the expansion promoted by the European Union with the aim of sheltering the former communist countries of Central and Eastern Europe, under similar arguments and contrary to the logic of economics.

By the time these developments occurred, Setúbal had already left the scene and been replaced by Roberto de Abreu Sodré (February 1986), a former governor of São Paulo, landowner and entrepreneur. Under the leadership phases of the two non-career foreign ministers, it fell to the secretary-general of the Ministry of Foreign Affairs, Ambassador Paulo Tarso Flecha de Lima, to ensure the professional management of day-to-day diplomacy, assert influence in the decision-making process, and establish autonomy of action well above the usual for career officers in that position. For his part, the president of the republic showed, from the outset, an interest in and taste for international issues that was uncommon in Brazil, with exceptions such as Jânio Quadros. The integration process with Argentina, initiated by Setúbal, would find in Sarney its greatest guarantor and driving force. The presidential role would become even clearer on the nuclear issue, a subject of rivalry and suspicion between Brasília and Buenos Aires.

Building Trust in the Nuclear Area—In November 1985, during a meeting between the two presidents on the Iguazu border, Alfonsín agreed at Sarney's invitation to visit the Itaipu dam nearby, breaking one of the taboos in the dispute over the compatibility of hydroelectric projects. On the same occasion, a Joint Declaration on Nuclear Policy was signed, announcing the intention to confront another of these taboos: the rivalry over "parallel" military programs, which were suspected of masking intentions to produce atomic weapons. Unlike in the field of hydroelectricity, Argentina had shown greater continuity of effort than Brazil in developing nuclear technologies for energy generation and peaceful uses.

The Brazilian military and specialists feared that Argentina's superiority in nuclear research would give it an advantage in mastering the technology to build an atomic bomb. If this were to happen, the balance of power in South America would be altered, and the old arms race of the past would come to a dangerous new crescendo. Such speculations may have contained a good deal of exaggeration in terms of the true intentions and the actual technological capabilities of Brazil's neighbor. Psychological perception, however, and the mirror game that makes each rival attribute imaginary intentions to the other would end up provoking what they wished to avoid. A curious example of the persistence of this way of thinking is the Buenos Aires explanation that Geisel and Silveira had agreed to negotiate

compatibility between Itaipú and Corpus due, among other reasons, to Argentina's nuclear superiority.⁶

The patient confidence-building process began with strongly symbolic gestures. In June 1987, during one of his many trips to Argentina, Sarney visited the Pilcaniyeu Technological Complex and its top-secret uranium enrichment plant. It was an absolutely unprecedented event. Shortly afterwards, the Brazilian government announced (September 5, 1987) that it had mastered the technology for uranium enrichment using the ultracentrifugation process. On the eve of the official announcement, the president sent me as his personal envoy to preemptively convey the news to President Alfonsín, who received me at his Olivos residence.

The systematic dismantling of the most dubious aspects of the parallel programs is one of the most impressive success stories of Argentine-Brazilian diplomatic development in the contemporary era. Sketched out in the talks between Neves and Alfonsín, taken up and vigorously pursued by the latter and Sarney, the process of building mutual trust was extended through various subsequent governments without a setback or break in continuity. In due course, it culminated in the creation of a bilateral safeguards inspection agency as the result of a bilateral agreement, and the signing of a safeguards agreement between both countries and the Vienna Atomic Energy Agency.

On the Brazilian side, this evolution was completed with the dramatic liquidation of the nuclear test site at Serra do Cachimbo by President Collor and its natural consequence: Brazil's accession to the Nuclear Non-Proliferation Treaty (NPT) under Fernando Henrique Cardoso. In the area of nuclear non-proliferation, it would be difficult to find a comparable case of the success of a diplomatic process that put an end to decades of mistrust between two neighbors in the space of just a few years. For comparison, one only needs to look at the counterexamples of India-Pakistan or North Korea. This is what diplomacy is for: giving concrete application to the value of peace and mutual trust.

The Moratorium and the Troubled Trade Relations with the United States—On the morning of September 7, 1985, as I entered the president's office to accompany him to the Independence Day military parade, I found him distraught by news he had just received: the US government had announced the opening of an investigation against Brazil over the

Information Technology Law and was threatening to impose sanctions. Sarney could not believe that the Americans were unaware of the symbolism of the date. Could it be that no one at the State Department or the US Embassy in Brasília had advised delaying the announcement by at least a few hours?

The threat of retaliation was not new; indeed, it had been talked about for some time. Washington later explained that the coincidence with the national celebration was inadvertent and that the announcement had included other countries as well. Regardless, the damage was done. The gaffe, if indeed unintentional, nevertheless contained an ominous message: for the United States, the fact that Brazil was emerging from a long military dictatorship, and that its democracy remained on shaky ground, made no difference. What mattered more were the commercial interests of American companies or, in the case of Brazilian debt, its banks.

The lesson was not lost, but it was not enough to completely dispel Brazilian illusions. One day in 1986, the president called me to the Alvorada residence, which, although not unprecedented, only happened under exceptional circumstances. Ambassador Sérgio Corrêa da Costa had telephoned him to inform that he wanted to take early retirement for personal reasons. The embassy in Washington would be vacant sooner than expected and the ambassador's decision was not yet known to the Ministry of Foreign Affairs. Sarney wanted to choose someone from outside the diplomatic professional corps. "I feel the greatest appreciation for diplomats," he explained, "but I think that you in Itamaraty have a certain tendency to be anti-American!" He asked if I had any suggestions for a person who combined extensive international experience, undisputed intellectual prestige in Brazilian society and a solid, practical knowledge of financial matters.

I replied on the spot that he seemed to be sketching the portrait of Marcílio Marques Moreira, who had been a career diplomat, left the ministry to work at Walter Moreira Salles' bank, and was (and is) an intellectual of the highest order, deserving of his prestige in both Brazilian and American circles. The president looked surprised, declared that Moreira was exactly the kind of person he had in mind and forbade me from informing Itamaraty before he had made the necessary arrangements. I recount the story not to imply an unreasonable influence on the choice.

On the contrary, I suspect that he already had the name in mind and just wanted to test my reaction. The interest of the episode lies in the belief that an ambassador in the mold of Walter Moreira Salles' could perhaps work the magic of winning the elusive and long-sought support of the United States.

Something similar happened with Tancredo Neves. I recounted the story in *Diário de Bordo—uma viagem presidencial de Tancredo*, but it bears repeating to spare the reader an additional search. The president-elect had timed his arrival in Washington (February 1, 1985) to avoid meeting the director of the International Monetary Fund, Jacques de Larosière, who he knew was leaving for France for a few days. The debt issue remained explosive in Brazil, and it was not advisable to revive it before the inauguration. Neves harbored the hope (or illusion) that the Figueiredo administration, in its final days, would still be able to advance negotiations with the IMF, Brazil's commercial creditors and the Paris Club and close the deals once and for all. His daydream was that he could then publicly declare himself unable to reopen the agreements signed by the previous government on behalf of the country. To do this, the bankers, the IMF and the American government had to agree. Now, all these groups had lost patience with Minister Delfim Netto's unfulfilled letters of intent (he was on his seventh at the time!).

When we arrived in the American capital, the IMF director had already left. Secretary of State George Shultz, however, came to see the president at the Madison Hotel at 3:30 p.m. on a gray and dark afternoon, after the morning snow. I was the note-taker for the meeting and then dictated a document from which only three copies were made: one was to be sent to Dornelles, the second to the president, and the third remained with me and was published in full in my book.⁷ Journalist Elio Gaspari commented that the conversation between Neves and Shultz should be read on one's knees, obviously referring to the fencing duel between two masters of the art, two statesmen of rare stature in either country. Unfortunately, I cannot reproduce the entire conversation here, as it would take up too much space. I will try to summarize the main points and, perhaps, whet the reader's appetite to seek out the full content in the book.

Opening the session, the secretary of state presented himself as merely the bearer of a message from the IMF director: the Brazilian

government had issued far more money than promised, and the January 1985 price index showed annualized inflation of over 300%, instead of the 120% set in the letter of intent. The “pressure of public opinion” (he did not say from which side) would force the Fund to “blow the whistle,” i.e. denounce the agreement. In that case, losing the agreement with the IMF would mean that “the agreement with the creditor banks and the Paris Club is also lost.” He acknowledged that “it would be much better if the new government, on taking office, already had these agreements in place” and knew that this was the strategy of the president-elect. The results were so far off target that something had to be done soon, before the inauguration.

These goals, countered Neves, were not attainable, as everyone knew perfectly well when the last letter of intent was drafted. There had been no sincerity on the part of either the Brazilian authorities or the IMF, nor any intention to reflect Brazilian reality.

Our concern was not with the opinion of the United States or the Fund, but with our survival [...] If I come to office with the negotiations not yet concluded, the pressure will not allow me to proceed with them. All my party’s arguments about capitalizing interest, spreads, and extending payment terms will be reopened, which will lead to endless negotiations. It will be important to have the support of the US government so that the negotiations can be concluded quickly and we can start a new era on the basis of sincerity and loyalty.

To this, Shultz reacted sharply: “It is not my business,” and “it is not my responsibility [...] I just wanted to pass on information that came to my attention [...] I’ll see what can be done, although at the moment I am not sure what.” The best thing, he advised, would be to send an emissary to meet de Larosière directly. Neves agreed, but added a statement that would prove prophetic:

If we lack support at the beginning of the government, if we have to break with the international financial system—which we absolutely do not want, as it is the worst thing that can happen to us—then there will be three serious consequences: redemocratization will suffer a severe blow, inflation will spiral out of control, and social problems will become explosive.

And he insisted:

I cannot, therefore, forego the influence of your personal and public authority to help us through this difficult situation, which was not created by me.

The American official's response, perfunctory, uncompromising, did not match the drama of the request: "I sympathize with the situation, we'll help in any way we can," "a quick understanding with the IMF would give your government the necessary breathing room." The rest of the conversation, although pleasant and relaxed, could not hide the fact that the spell had been broken and the time for illusions was over. Neves escorted the visitor to the hotel door. On his return, visibly shaken, he commented: "It was a hard blow, undoubtedly the most serious of this entire trip."

The account of the conversation reveals the statesmanlike qualities of the great president that Brazil never had, his insight, the sharpness of his reaction to a shock for which he was completely unprepared, his clarity in immediately realizing its consequences, his impeccable chivalry in the face of adversity, all without losing his touch of humor and even elegance and grace. On the other hand, it is impossible not to feel the near-tragic inevitability of the situation created by a transition from military to civilian rule under the worst conditions. The irresponsible "*après moi, le deluge*" attitude of the dying government, tinged with a hint of resentment, could only elicit a punitive, distrustful and uncooperative reaction from the IMF, the US government and Brazil's commercial creditors, just when the new government most needed understanding and goodwill.

Orphaned of Neves, the weakened government had little support, either internally or externally. As the president-elect had predicted in that fateful conversation, Sarney ended up suspending payments, causing, if not a rupture, at least a blow to confidence in the international financial system. Inflation spiraled out of control, although the debt was not the main reason; conflicts of all kinds worsened towards the end of the term, to the point of creating the right conditions for the election of an opportunist and setting the stage for the first major institutional crisis of the 1988 regime. It would be an exaggeration to attribute all or most of what happened to the debt impasse and the relative indifference of the US government. However, it cannot be denied that these factors further

aggravated both inherited problems and those created during the first post-military presidency.

Unknowingly and unintentionally, I ended up playing an indirect role in the events that led to the moratorium. Luís Paulo Rosenberg, Sarney's economic advisor, had left the government and in his place was Michal Gartenkraut, a brilliant economist who would go on to become the director of the Technological Institute of Aeronautics (ITA). Without access to the president, Gartenkraut began to provide me with information and analysis that he wanted to reach Sarney. One morning, in February 1987, he came to me alarmed that the country's actual reserves were much lower than previously thought and asked me to alert the president.

I passed on the information that same day. When I told Sarney that reserves had dropped to less than \$3.5 billion, Sarney did not believe me and said: "No, that cannot be right, you must be mistaken." I replied that I had the exact figure and recited the numbers down to two decimal places. "Then they are deceiving me!" he exclaimed and explained that there was an understanding with Finance Minister Dílson Funaro to suspend payments if the reserves fell below a minimum level needed to safely guarantee essential imports (my recollection is that the minimum was \$5 billion, but Luiz Gonzaga Belluzzo, Funaro's advisor, mentions a slightly higher figure of \$6 billion).

Concerned by what I had just heard, I insisted that Sarney place a private call to Ambassador Marcílio Marques Moreira in Washington. I hoped that the ambassador might bring information or arguments that could make a decision with unpredictable consequences unnecessary. Unfortunately, events escalated quickly, and Marques Moreira was faced with a practically irreversible situation. The suspension of payments would begin on February 20, 1987, and last until January 3, 1988, with a disbursement of part of the suspended interest. By late June, a preliminary agreement was reached that allowed the country to resume negotiations. Filled with twists and turns, those would span the rest of the Sarney administration and Collor's entire term, only culminating with a definitive agreement under Itamar Franco in 1994.

There was no shortage of people who accused the president of trying to use the moratorium to regain the popularity he had lost with the failure of the Cruzado Plan, in the vein of Kubitschek's famous break with the

IMF. If the idea crossed his mind, the least that can be said is that this time it did not work, since the conditions were unfavorable: long gone were the optimism of the 1957 Plano de Metas and the construction of Brasília, and Sarney did not have Kubitschek's personality. Seixas Corrêa accurately described the dialogue of the deaf between Brazil and the United States about the debt, noting that the Americans always had an ambivalent position on the issue: "On the declaratory level, there was some understanding of the forceful circumstances of the Brazilian economy, but in practice it was claimed that the US government could not interfere in the negotiating process between Brazil and the banks."

It should be remembered at this point that, despite its alleged impotence, the US Treasury Department virtually dictated Washington's financial policy towards Latin America for the duration of the debt crisis; the people at the Treasury who handled the matter, almost without exception, either came from Wall Street or planned to migrate there when they left public service. Both official plans to address the crisis, the Baker Plan and the Brady Plan, are named after the Treasury Secretaries who presented them. The first had a very limited and ineffective application, partly because it was based on the false premise that the problem was one of liquidity rather than solvency.

Treasury Secretary Nicholas Brady, under the Bush administration, finally recognized that insolvency would make it impossible for countries to get out of their debt crises through the conventional formula of additional loans, which were ultimately intended only to pay off the arrears to the commercial banks. A menu of different forms of "debt relief" was then adopted, which represented a reduction in payments in exchange for internal reforms in the bailed-out countries. The plan initially aroused a lot of skepticism among supporters of the conventional approach. One of them even compared the Brady Plan to offering fire insurance at bargain prices in a town where half the inhabitants are arsonists...

It was not quite like that. On the contrary, the plan was a welcome demonstration of "enlightened self-interest" by the US government, which helped to overcome the crisis. It roughly corresponded to what Seixas Corrêa calls "Sarney vision" of the debt issue,

which should be handled at two different but interconnected levels:
a financial level, restricted to negotiations [...] and a political level,

in which the issue would be considered from the perspective of its impact on the universe of state-to-state relations.⁸

It is a pity that the Brady Plan was only put into practice in 1989, after the Reagan administration and in the last year of the Sarney administration, and at the end of the “lost decade” in Latin America.

Turning from “debt (foreign) policy” to the concrete effects of the moratorium decision on the Brazilian economy, Eduardo Modiano argues that:

The balance of the advantages and disadvantages of the moratorium is ambiguous. Its defenders point to the following as gains: savings of \$4.5 billion; a halt to the loss of foreign exchange reserves and the strengthening of Brazil’s negotiating position. Its opponents point to the loss and increased cost of short-term credit lines as a visible cost, and the following invisible costs [...]: the inhibition of a greater inflow of foreign resources [...]; the loss of the opportunity to reach an agreement with the creditor banks on more favorable terms regarding interest rates and deadlines; and the withdrawal of foreign investment.⁹

Bilateral and Systemic Trade Disputes—A similar disagreement manifested itself around trade. What I have in mind is not so much the slate of usual commercial issues, such as market protection measures applied to Brazilian manufacturing exports—anti-dumping and countervailing duties against steel, surcharges on footwear, textile quotas. Irritants from afar would continue into the future and indeed became part of the new normal of international relations. I am referring above all to a mismatch of worldviews, the way of viewing the trade system and external insertion. By the second half of the 1980s, it had become clear that the United States and the advanced nations had practically reached the limit of tariff liberalization they were willing to undertake. They were turning to new topics such as the inclusion of services in the GATT, intellectual property protection, freedom and protection of investment. This was known as deep integration, going beyond the shallow, surface-level removal of tariff barriers to trade. Increasingly, the aim was to unify and homogenize norms and standards, issues that had until then been solely within the domain of national sovereignty.

Brazil, India and other developing countries saw things from a different perspective. Before overloading the trade system with new and complex issues, it seemed more pressing to these governments to finally tackle systemic problems such as the exclusion of agriculture and textiles from the liberalization process that began in the 1950s. These issues, deemed sensitive, had been systematically postponed in each GATT negotiating round, the last being the Tokyo Round, which was concluded in 1979. For this reason, it was said that agriculture, textiles, tariff peaks (products with much higher-than-average tariffs), tariff escalation (upward taxation according to the degree of processing, from zero for raw materials to high tariffs for industrialized products, such as coffee and other tropical products), the abuse of anti-dumping and countervailing duties, constituted the “unfinished business” of Tokyo and deserved priority treatment.

This approach clashed head-on with the interests of the United States, the main advocates of launching a GATT round to discuss new issues. Since the first half of the 1980s, American desires had faced resistance from the Brazilian representatives at GATT: the legendary Ambassador George Álvares Maciel, highly respected in global negotiating circles, and his successor, the fierce and brilliant ambassador Paulo Nogueira Batista (the same one who had played a key role in the Nuclear Agreement with Germany and had been the first president of Nuclebrás). This divergence became one of the main points of contention on the bilateral agenda and sometimes caused unfavorable reactions in areas of the government focused on financial issues, which were more inclined to accommodate Washington’s positions. In one of the critical moments of the debt crisis, there was even a meeting in Geneva in which Chancellor Guerreiro had to accept the vigilant company of Finance Minister Ernane Galvêas.

The issue was finally resolved at the Punta del Este meeting (September 1986), where a compromise was reached between the opposing positions. It was thus possible to launch what would become the longest round in the history of the GATT, the Uruguay Round (named after the country where it was launched). The agenda included both new issues and unfinished business. Sarney’s pragmatic and moderating influence was decisive in achieving such positive results. During the round, two major bilateral disputes, on information technology and patent protection for pharmaceutical products, would serve the United States as opportunities

to weaken Brazil's resistance, forcing a change in domestic legislation that would lead to a shift in the negotiating position in Geneva.

The information technology policy and law, inherited from the military regime, were typical examples of "market reserve," a policy that blocked companies from the US or other countries from investing in Brazil to gain access to the national market. They therefore reflected the industrial policy model that advanced economies wanted to prohibit during the negotiation of one segment of the Uruguay Round, on Trade-Related Investment Measures (TRIMs). This specific case involved the exclusion or limitation of foreign investment in a certain area, which clashed with the thesis that all national markets should, in principle, be open to "contestability" (hence the name "contestable market thesis"), i.e., disputed by foreigners through local production or imports. Another example of such measures, more generalized and widely used by Brazil in the past and present, is the conditioning of foreign investment in certain sectors on the inclusion of a certain percentage of national inputs, known internationally as "local content" and locally as the "nationalization index" (such as in the automobile or oil equipment industries).

Various American objections to the Information Technology Law led to investigations and threats of trade sanctions against Brazil, which lasted practically throughout the entire Sarney administration. Despite Brazilian initiatives and measures approved by Congress or the Executive to address some of these complaints, the unresolved residue fueled a detrimental climate at all times, well captured in the following excerpt from a speech by Brazil's chief negotiator in the dispute, the Secretary-General of Itamaraty Ambassador Paulo Tarso Flecha de Lima: "What is the point of this attitude?" he asked, referring to the American threats after two and a half years of negotiations and countless Brazilian concessions.

Does this attitude demonstrate a willingness to understand the Brazilian political moment, its economic situation, its financial and commercial responsibilities and, finally, does it show a desire to capitalize on the good faith, goodwill and positive spirit of mutual understanding in the relations between Brazil and the United States?

I called attention to this final paragraph because it perfectly expresses the sentiment, already mentioned above, of Sarney and other Brazilian politicians regarding US insensitivity to the difficulties the country was

facing. The pressures and threats from the United States significantly contributed to the weakening of the market reserve for information technology. However, what decisively helped overcome the dispute was the ultimate failure of the policy and the law, which did not get national investors to develop the complex technologies required by the electronics industry. The products and equipment manufactured in Brazil were of inferior quality than foreign products, and the prices far exceeded those of imported items. Pressure from other industries, which needed imported electronic components, was decisive to put an end to market reserve in the sector. This process is very well-studied by Tullo Vigevani, to whom I refer interested readers who want to better understand the dispute and the reasons for the failure of the Brazilian position.¹⁰

A clearer case of the use of a bilateral issue with the covert intention of modifying the GATT negotiations was the lack of patents for pharmaceuticals in Brazil. Much more than just the supposed losses of American pharmaceutical companies in the Brazilian market, what was really at stake was the United States' objective of expanding intellectual property protections, a subject of the Trade-Related Intellectual Property Measures (TRIPs) negotiating group in the Uruguay Round. Until then, such issues had been part of two major international conventions, the Paris Convention on Industrial Property (patents for inventions, for example), adopted in 1883 and revised or amended seven times, lastly in 1979, and the Bern Convention on the Protection of Literary and Artistic Works (copyrights), signed in 1886 and amended eight times, the last time also in 1979.

For the developed nations, which own the overwhelming majority of patents and copyrights, these texts left something to be desired, as they allowed signatories enormous latitude in choosing which sectors to protect and to what extent. The institutional and legal path to amend or transform them would naturally have been the World Intellectual Property Organization (WIPO), the international body competent in the matter and in charge of administering the two conventions. This route, however, did not suit the United States and its followers; obtaining decisions through WIPO's complicated mechanism was difficult and the organization lacked a sanctions system against violators. The GATT, by contrast, could apply punishment (it was said to be one of the rare organizations with "teeth").

To justify transferring this essentially technical and legal issue to a trade-oriented entity like the GATT, the proponents of TRIPs claimed that their objective was not to change the substance of intellectual property rights but only the distorting trade consequences arising from deficiencies in the application of such rights. Opponents, including Brazil and India, were willing at most to discuss issues relating to the counterfeiting or falsification of brands and products, undeniably a commercial matter. This concession did not satisfy the United States, which insisted on the need to discuss “standards and norms” in the GATT, putting paid to the argument that it was not about the substance of intellectual property rights.

In October 1987, the US government announced the imposition of prohibitive tariffs of up to 100% on certain Brazilian export products in retaliation for the lack of patent protection for pharmaceutical products and processes in Brazil. It was hard to take seriously the allegation that the lack of patents caused great harm to American firms, because at that time transnational companies, among which those from the United States held the highest percentage, accounted for around 85% of the Brazilian pharmaceutical market. Furthermore, Brazilian law on the matter dated back to 1945, over 40 years before the measures were conceived, and had never prevented such companies from establishing themselves in the country before. These circumstances suggested that it was not so much the old law that bothered the Americans but rather that Brazil was using it to justify the rejection of intellectual property proposals in Geneva. By forcing the country to change its laws, the United States was also compelling it to change its negotiating stance in the GATT, which was far more important to them than any potential marginal gains in the Brazilian pharmaceutical market.

The sanctions episode unveiled what the negotiations had masked with economic and legal arguments: the power of the big players, especially the United States, to impose the interests of industries such as pharmaceuticals, not through the soft power of persuasion, but through the hard power of sanctions. The sanctions took the form of a ban on the US market for Brazilian products, whose exports had been growing faster, through the imposition of prohibitive tariffs. The sanctions mobilized the affected exporting sectors, which pressured the Brazilian government to concede, first under Sarney and later under Collor. A panel that was set up at the GATT to settle the conflict lost its objective, and Brazil softened its position

in Geneva, as did the US' other opponents, allowing the TRIPs proposals to be approved at the end of the negotiating round. Deep forces such as the “computer revolution,” the transformation of communications, cheaper transportation, and the end of communism undoubtedly propelled the liberalization movement. Nonetheless, the United States did not hesitate in helping History along by using its power to advance the interests of its sectors and companies.

Those final years of the 1980s heralded the coming peak of globalization in the subsequent decade, when world trade would expand at rates much higher than GDP growth, often more than doubling. It was the era of “offshoring” production, exporting factories and jobs to places with lower wages and costs, the beginning of forming global value chains, of the *maquiladoras*, in parallel with the signing of bilateral or regional free trade agreements outside the GATT. Brazil, amidst democratization, the 1988 Constitution, the nationalism of the PMDB, the PT and the remnants of the left from the struggles against the military regime, was out of tune with the new wave spreading from the United States under Reagan and England under Margaret Thatcher. In Brazil, official circles still thought in terms of import substitution, market reserves, the voluntarism of the Information Technology Law, relying on high tariffs, Annex C of CACEX^{II} (the list of products whose importation was said to be “temporarily suspended”; in reality, prohibited), import licenses, the CACEX director's drawer and examinations to see if foreign goods had “national equivalents.”

In Latin America, the first countries to catch the winds of globalization were Chile in the last years of Pinochet and Mexico during the economic reconstruction after the debt crisis. The latter would soon become integrated into the North American market through the North American Free Trade Agreement (NAFTA) of 1992. Brazil and Argentina are two examples of truncated experiences in both respects. They took longer than the others to overcome the dual crisis of hyperinflation and external debt. They also showed great difficulty in accepting and implementing orthodox economic and trade policies. The Argentines would go through the 1990s under the shadow of the radical convertibility of the Menem–Cavallo formula, only to go up in flames in the apocalyptic disaster of 2001. In Brazil, a savings confiscation fiasco would thwart Collor's initial “shock” liberalization

II CACEX (Carteira de Comércio Exterior do Banco do Brasil, or Foreign Trade Chamber of the Bank of Brazil) was the Brazilian authority that regulated import and export operations from 1953 to 1990.

drive, and the country would have to wait until the mid-1990s to outline a new economic line. Brazil's negotiating position in the GATT and in economic forums suffered the bumps of this tumultuous road and gradually evolved until the consensus of the Marrakesh Final Act (1994), which concluded the Uruguay Round and led to the creation of the World Trade Organization (WTO).

Cuba, Latin America, and the UN—Sarney, being from an older generation, might not have had the same keen sense as Collor for the trends and fashions of youth, but he did have some attributes that made him the first genuinely Latin American Brazilian president in sentiment and empathy. Unlike most, he had read and reread almost all the great Andean, Caribbean and other Hispanic poets and novelists. In September 1985, on his way to New York for the opening of the UN General Assembly, he made a stop at Maiquetia airport to meet the Venezuelan president and government ministers. He impressed those present with his knowledge of the work of novelist (and briefly president) Rómulo Gallegos. While the others had only read *Doña Barbara*, Gallegos' most well-known novel, Sarney named three or four other books, recited verses by regional poets, spoke of *La vorágine*, by Colombian José Eustasio Rivera, cited Ecuadorians and Peruvians, and surprised everyone with his familiarity with Hispanic literature.

His ability to communicate in approximate Spanish may have also contributed to his closeness to his continental colleagues. By the end of his term, he was proud to have visited all the South American countries, as well as Mexico, and to have received practically all the South American heads of state in Brasília. He inaugurated a more informal, personal and direct style of communication with the region's presidents. Previously, Itamaraty's tradition was to avoid congratulating the winners of foreign elections before they had been officially certificated and their administrations inaugurated for fear of seeming to violate the principle of non-interference. Nor was it customary for the president to attend the inauguration ceremonies of foreign leaders. All of this changed after redemocratization and presidential meetings, especially with the presidents of Argentina and Uruguay, which became almost routine.

Sarney also broke the final taboo inherited from the military and reestablished relations with Cuba (June 1986), and during his term and

with his active encouragement Brazil created, together with Argentina, Peru, and Uruguay, the Contadora Support Group (an auxiliary to the Contadora Group of Mexico, Colombia, Venezuela, and Panama). Later, the two groups merged to form the Rio Group, the first time that “an autonomous channel for diplomatic action emerged in Latin America, capable of discussing and influencing policies on the main regional issues without the participation or tutelage of the United States,” in the words of Seixas Corrêa.¹¹

The Rio Group would become a kind of counterweight, at least in terms of moral and legal conscience, to the interventionist policy of Reagan and, subsequently, George H. W. Bush during the “unipolar moment” of American power. The Group condemned, for example, the violent American intervention in Panama (December 1989) which culminated in the arrest of former President Manuel Noriega. In this episode, just as in the clandestine operations against the guerrillas in Central America or Sandinismo in Nicaragua, US power ultimately prevailed. The Rio Group was right to point out the structural nature of the region’s economic and social problems and the unsustainability of solutions imposed by force. A simple look at present-day Central America shows how fleeting and false the “normalization” instituted by arms proved to be.

The United Nations, alongside Latin America, represented another sector of international relations of personal interest and preference to the president. A regular attendee of previous sessions of the General Assembly as a member of the parliamentary delegation, Sarney became familiar with the mechanisms and methods of the UN. Partly thanks to this appreciation, and partly as a result of redemocratization, Brazil returned to the Security Council (elected in 1987 for the 1988/89 biennium) after a nearly two-decade absence. In the multilateral context, human rights constituted the area where Brazil was most scandalously behind, due to the military’s aversion. Sarney was responsible for signing or submitting for ratification some of the primary pacts that form part of the core of the great work of systematizing the international human rights regime carried out by the UN. He also oversaw Brazil’s accession to the Pact of San José, which established the inter-American human rights system and had been signed in 1969 and ignored by the military. He is also credited with the initiative to propose the South Atlantic Peace and Cooperation Zone, approved by the General Assembly.

Human rights and environmental protection are almost the unavoidable binomial through which it is possible to recognize the democratic and progressive essence of a genuinely democratic and advanced foreign policy. It is no coincidence that both were absent from the diplomacy of the military regime, appearing only in a denialist form. Similarly, they could not have failed to occupy a more prominent position in the foreign policy of redemocratization. The national reality in these sectors remained extremely precarious, although the problems appeared in a different form. Torture, disappearances and summary executions no longer reflected an official state policy decided at the highest level against political enemies. Instead, the daily barbarism of police and prisons against common law offenders, the poor and marginalized people reemerged. No longer did anyone in the government endorse the slogan, as in Médici's time, that "the ox's hoof will conquer the Amazon." Despite this, forest fires, the devastation and invasion of indigenous lands, the predatory exploitation of timber, and the poisoning of rivers by mercury from mining operations had not diminished.

Just as he had done with human rights treaties, Sarney made the correct decision to adopt a proactive attitude on the environment, as opposed to the previous defensive denialism. At the time, the international campaign to defend the Amazon against fires and other types of destruction was on the rise. The pressure on, and damage to, the country's image peaked at the end of 1988 when Chico Mendes, a rubber tapper and forest protection leader, was assassinated in the state of Acre. The president appointed his spokesperson as president of the Brazilian Institute of Environment (IBAMA) and launched a campaign, with the support of the armed forces, to try to stop or reduce the devastation.

Far more enduring than these spectacular actions was the decision to present Brazil's candidacy to host the major United Nations Conference on Environment and Development, which was to be held in Rio de Janeiro in 1992, under Collor's presidency. Audacious and exceptional in the context of Brazilian tradition, the initiative opened the country up to universal scrutiny. If the stakes were high, equally significant would be the catalyzing effect of that measure in forcing the government to adopt a more effective environmental policy.

Epilogue with a Loss of Control over the Economy and Politics—

In the last two years of his mandate, Sarney spent more and more time on international trips, visiting the Soviet Union shortly before its disintegration and China at the start of its uninterrupted economic and political rise. In diplomacy, he perhaps found some consolation for the anguish of a domestic situation, which had spiraled out of control due to the explosion of inflation and the worsening of distributive conflicts.

The year 1989 meant not just the fall of the Berlin Wall and the beginning of the end of communism in Central and Eastern Europe. It also marked, in South America, the agonizing upheavals of two governments that had reinstated democracy in Argentina and Brazil amid jubilation and hope. Compelled by hyperinflation and trade looting, Alfonsín brought general elections forward to May and handed over the presidency to his successor Carlos Menem in July, five months before the end of his term.

In Brazil, a similar scenario nearly played out. Never had there been so many candidates, more than 20, to the presidency. Among them were the veteran Ulysses Guimarães, Leonel Brizola, Lula, Mário Covas, Aureliano Chaves, Paulo Maluf and the newcomer, the former governor of Alagoas, Fernando Collor de Mello. Demoralization and economic fiasco combined to create an atmosphere conducive to adventurers. Until almost the last minute, there was a risk of the candidacy of TV show host Sílvio Santos. Over 82 million voters, representing 88% of the total, took part in the first round (November 15, 1989), giving Collor a 28.5% lead against Lula's 16%. In the second round (December 17, 1989), Collor de Mello won with 42.7% against Lula's 37.8%.

The loss of control over inflation led Finance Minister Mailson da Nóbrega and other ministers to advise Sarney to resign in order to move up the inauguration date and enable the elected government to take effective economic action. The president was not convinced. There was no alternative but to wait until March 15, 1990, for the start of another traumatic frustration: the freezing of assets, popularly known as the "savings confiscation," an episode in which economic policy was used as a weapon in an authentic crime of aggression against the population's interests. The failure of the first government of the New Republic and the lack of political and economic control handed the Brazilian people

over to yet another adventure, at the very moment when the problems accumulated in the 1980s reached a boiling point.

The Collor Administration: Corruption, Impeachment, and the Economic Liberalization Diplomacy (1990–1992)

Invented by ECLAC economists to characterize the harsh slowdown in economic growth in Latin America during the 1980s, the expression “lost decade” should not be taken literally. It does not mean that all the countries in the region experienced a negative contraction of the economy in absolute terms. What did happen—and what justifies the term—was the definitive loss (up to the present) of the previous growth rate in the vast majority of Latin American economies. After 40 years of unprecedented expansion of output, at rates well above those of population growth, the accelerated growth capacity was lost; the art of development was unlearned. The main reasons for this phenomenon included the oil shocks, the debt crisis, the evaporation of external financing and deterioration in the terms of trade. In fact, the period actually spanned a decade and a half, roughly from 1980 to 1995.

The average performance of 19 Latin American countries, broken down into three to five-year intervals, indicates that the region’s growth of 4.2% between 1978 and 1981 fell to 0% between 1982 and 1984, before beginning to recover to 2% between 1985 and 1990 and reaching 3.6% between 1991 and 1995. In these same time intervals, Brazil started off slightly above average and ended up well below it, largely due to the Collor government fiasco, which caused the country to lag behind its peers. Brazil’s results were: 4.1% (1978–1981, Geisel–Figueiredo); 1% (1982–1984, Figueiredo); 2.8% (1985–1990, Sarney); and 2.3% (1991–1992, Collor, and 1993–1994, Itamar Franco). Far ahead of Brazil were Chile, with rates of 7.2%, –3.4%, 5.6% and 6.8%, and Colombia, with even more balanced results, without sharp fluctuations, of 4.9%, 2.2%, 4.7% and 4.0%, all higher than the Brazilian rates. Chile and Colombia also stand out as the two countries that enjoyed the longest expansion cycles: 12 years.¹²

To allow the reader to assess what Brazil has lost in growth capacity since 1980, it would be useful to recall that, between 1940 and 1980, the Brazilian economy showed an average annual GDP growth rate of around 7%. Rogério Furquim Werneck, to whom I owe this comparison, comments:

This excellent performance was achieved despite the serious economic and political difficulties faced several times over this period of four decades. Expansion was not only rapid but also extremely stable. Only in six of the 40 years was the growth rate below 4%: 1942, 1947, 1956 and 1963 to 1965. And only in one year (1942) was there a drop in output.

Werneck observes that accelerated growth allowed real GDP to multiply by 15 times in 40 years. Despite the Brazilian population having tripled, the per capita output was multiplied by more than five, growing at an average annual rate of over 4.2%. Only from these facts can we adequately put into perspective the extent and consequences of the slowdown that began after 1980.¹³

The Restructuring of Development Models

Severely hit by the cataclysm of the 1980s, Latin American economies rebuilt themselves with differing fortunes and with varying degrees of radical change. Partly by choice stemming from the exhaustion of previous development formulas, and partly due to the conditionalities imposed by agreements with the IMF and the World Bank, the policies that emerged from the crisis involved reforms more or less in line with classic proposals: reducing inflation and the fiscal deficit, privatizing public enterprises, opening up and liberalizing trade and investment regimes. Codified in the Washington Consensus or attributed to fashionable ultra-liberal schools of thought, some of these main tenets were no different from the principles of economic policy confirmed by the practice of most prudently and sensibly managed economies.

A country like Colombia, known for its consistent and cautious financial management, did not need to change much from its traditional stance. Chile had completed its transformation earlier than the others and remained remarkably faithful to its chosen path. A more impressive case of drastic change occurred in Mexico under the presidencies of Miguel de la Madrid, Carlos Salinas de Gortari and Ernesto Zedillo. A champion of Third World causes in the 1970s and promoter of the Charter of Economic Rights and Duties of States, post-debt crisis Mexico reinvented itself as a resolutely liberal economy. Having joined the GATT late (only in July 1986, in contrast to Brazil, a founding member since 1947), it quickly

became a staunch supporter of free trade agreements and signed NAFTA with the United States and Canada. Benefiting from investments in the “*maquiladora* industry,”^{III} it tripled its manufacturing exports and joined the OECD.

In these three examples, the reorientation of the economy after the 1980s crisis would consolidate and become permanent. In other cases, the experience was soon partially or totally reversed, as in Venezuela during the second presidency of Carlos Andrés Pérez, which was shaken by the bloody “Caracazo” riots, in Bolivia after the presidential terms of Gonzalo Sánchez de Losada and in Argentina under Menem–Cavallo, where the convertibility formula lasted for much of the 1990s until it disintegrated at the end of 2001. Collor’s Brazil embodied one of the briefest instances of the liberalization process, strictly speaking lasting less than two and a half years of the president’s actual mandate, before the paralysis brought on by impeachment began.

Once Again, Change Comes from the Outside World

In several chapters of this book, attention has been drawn to moments when profound transformations in world history exerted an irresistible influence on Brazil and its neighbors, overshadowing or complementing internal factors that would have been insufficient to promote change. This was the case with the opening of the ports, political independence and the end of the slave trade, episodes marking the transition from the *ancien régime* to the modern world as the sum result of the Industrial, American, and French Revolutions. In the transition from the 1980s to the 1990s, in parallel to one of the most radical upheavals in international history, external factors acted to reinforce the ongoing structural revision of Latin American economies due to the debt crisis.

The collapse of communism and the end of the Cold War, with the disintegration of the Soviet Union and the disappearance of the bipolar power system, removed the only economic and political alternative to Western capitalism that had existed since 1917. An immense void was created on the left of the ideological and political spectrum, causing an

III “*Maquiladoras*” are assembly plants primarily located in the north of Mexico, which receive imported parts from the United States or other sources, assemble them into finished products and export them to the US market without paying tariffs.

irremediable imbalance that would affect even the milder, reformist forms of Marxism or social democracy.

This astonishing political tsunami would at the same time propel technological forces working in the same direction with redoubled vigor. The unification of markets on a planetary scale for trade, investment and financial flows, a phenomenon that has come to be known as globalization, owes as much to the wreck of real communism as it does to the revolution in information, telecommunications and container shipping. The 1990s were the golden age of intensified world trade, growing at twice the rate of output and opening the way to development through the export of value-added manufactures.

In the first decades after World War II, Latin America had been, among the developing world, the continent that benefited most from the rapid recovery of the central economies of the United States, Europe and Japan during the “30 glorious years” nostalgically recalled by the French. This time, in the post–Cold War era, it would be the rapidly industrializing Asian economies, the tigers or dragons of the 1980s, that were best positioned to reap the rewards of globalization. Soon, the latecomer China, the “world’s factory,” would surpass them all in its ability to detect and exploit the gigantic potential of the North American market and the advanced economies to grow at a dizzying pace.

Chinese and other Asian countries surpassed Latin America in their perception of historical time and sense of opportunity, attributes partly resulting from the Confucian emphasis on education and on keeping up to date with current information and world events. But they were also better prepared to seize opportunities thanks to a tradition of more solid macroeconomic fundamentals, without the monstrous hyperinflation rates or fiscal deficits of many Latin American countries. It is no coincidence that the Latin American exceptions were the ones that had completed the process of inflation control and financial balance restoration earlier and more rigorously. These conditions were unfortunately lacking in both Brazil and Argentina, jeopardizing the future performance of the integration project to which they were dedicated.

National Reconstruction in the External Dimension—In his in-depth study of Collor’s foreign policy, international relations analyst Guilherme Casarões noted an understated aspect of the 1989 election campaign,

which tacitly reflected the underground rumblings that heralded a gigantic earthquake. Unlike in the past, the candidates began to travel abroad *before*, not *after*, the elections. They sought indirect support from major foreign political figures with whom they had ideological affinities, or vaguely hoped to gain electoral prestige through exposure to the changing international reality. It was not yet clear what was about to happen. It is curious, notes the author, that the fall of the Berlin Wall (November 9, 1989), which occurred between the first and second rounds of the presidential election, did not find explicit resonance in the very fierce final contest between Collor and Lula, except in highlighting the anachronism of ideological formulas associated with the PT candidate.¹⁴

In August 1989, at the request of Ambassador Marcos Coimbra, brother-in-law and main international advisor to candidate Collor, I prepared a “Foreign Policy Project for Brazil” in which I argued that this policy “should be aimed at facilitating Brazil’s insertion into an international context marked by profound economic and political changes, in order to overcome our economic bottlenecks and resume development.” I then observed that, in order to have internal and external credibility, this policy could not be carried out in a vacuum, in isolation. It would have to be “one leg of a tripod, with the other two bases being a vast program of economic reconstruction and effective action in the areas of environmental protection, indigenous peoples and human rights.”¹⁵

Casarões points out the similarities between the text of the project and the candidate’s speech—and, one might add, between what would later become his practical foreign policy platform after being elected—highlighting, above all, common points regarding international insertion in general and the issues of debt, the environment, indigenous people and human rights. In the interview I gave Professor Casarões, I confessed that I still do not know if the candidate ever read my text or if the project somehow influenced his advisors. I find it more likely that the similarity was simply due to the fact that the ideas collected in the project, far from being personal or original, were circulating in the air at that time; many people were thinking about them, but only a few gave them clear formal expression.¹⁶

In any case, upon rereading the text above, I realize that I was mistaken to talk about a “tripod” in which the policy of competitive insertion,

economic restructuring and environmental, indigenous and human rights policies were placed on the same level. What reality soon demonstrated was that one of these elements, economic restructuring, conditioned the others. Its calamitous failure would compromise not the durability of the others, but at least the positive outcomes that were expected from them. One example is trade liberalization as a precondition for greater external competitiveness and better resource allocation internally. The opening up proved irreversible, while the results have waned considerably, due not to the opening itself, but to the fact that it took place in the midst of worsening macroeconomic conditions.

The Trauma of the Savings and Assets Confiscation

Inflation was nearing 80% a month when Collor took office on January 15, 1990. The shock economic package he announced at the time would go down in history as the most traumatic blow that economists playing gods could deliver against the fates of Brazil's most humble individuals. A full chronicle of the spate of suicides, despair and genuine tragedies that followed, triggered by a measure to freeze savings, bank balances and assets exceeding 50,000 cruzeiros a month for 18 months, has yet to be written (the cruzeiro was reinstated, replacing the cruzado novo, on the basis of a thousand-to-one conversion). In the public's collective memory, this confiscation symbolized the cruelty and injustice hidden behind an economic policy implemented without regard for the consequences in terms of human suffering.

The worst part is that it was (almost) all in vain. Two months after the shock, inflation had returned 10% per month, then rose to 14% before settling at around 20% for an extended period. The cost-benefit balance would prove to be disastrous: in exchange for still unbearable inflation, GDP would shrink by a brutal 4.4% in 1990!

In May of the following year, Minister of Economy Zélia Cardoso de Mello gave way to Ambassador Marcílio Marques Moreira, and Francisco Gros replaced Ibrahim Eris as president of the Central Bank. Shortly before, the government failed in another attempt to freeze prices through the so-called Plano Collor II. Efforts to eliminate the public sector's operating deficit, at 8% of GDP, and to produce a 2% surplus had also been unsuccessful.¹⁷ The new team managed to restore a modicum of

confidence in the conduct of economic policy and dispel fears of new, destructive shocks. Unfortunately, accusations that led to the opening of the impeachment process ruined recovery efforts.

Of the Collor administration's achievements, the one that best withstood the political crisis was trade liberalization. This was unilateral in nature, i.e. it did not result from negotiations with other countries in exchange for equivalent concessions. In this respect, Brazil's liberalization followed a fairly widespread trend among developing countries at the time. Soon after coming to office, the government decreed a radical reduction in non-tariff barriers to trade. In one fell swoop, Annex C of CACEX (the list of prohibited imports) was abolished, and import licenses and special regimes were made more flexible. At the same time, a progressive tariff reduction scheme was adopted, from an average of 32.2% (1991) to 14.2% and then 11.2% (1994).

The privatization process began more slowly, due to the need to create the necessary rules and procedures for complex operations. It initially included companies in the manufacturing sector: steel, petrochemicals, fertilizers. Asset sales reached \$3.5 billion (15 companies) under the Collor government and \$5.1 billion (18 companies) under his successor Itamar Franco. Among the most controversial sales were those of Companhia Siderúrgica Nacional, with its symbolic Volta Redonda plant, and Usiminas. The cash receipts, totaling around \$1.6 billion, were disappointing because the payments were made in the so-called "rotten currency," government-issued bonds sold at a discount and accepted at face value at auction.¹⁸

Fast and Poorly Done or the Advantages of Being Peripheral

It has been said that, in decisions such as liberalization and privatization, Collor was able to resist pressure from the Rio/São Paulo/Minas Gerais axis, where interest groups in Brazil have always been concentrated, because his political base was limited to the small and peripheral state of Alagoas. In fact, the president did not have much of a support base in society or in Congress at all, as the impeachment process showed. Nor did he seem to care. But this was not the main reason why he adopted an attitude of Olympian indifference—bordering on provocation—on many issues, not just those with significant economic impact.

By confirming justified protections for the immense Yanomami reserve on the border with Venezuela, Collor disregarded ranchers, regional politicians and members of the military who believed that a reserve with indigenous people on both sides of the border would limit sovereignty by hindering official access to the frontier. (In my career, I have supervised border demarcation commissions and even accompanied campaigns on the Brazilian-Venezuelan border. I can therefore attest that the indigenous people living there were no obstacle and often played important auxiliary roles). In another spectacular case, when a test pit for nuclear explosions was cemented over in the Serra do Cachimbo, the pressure, if any, must have come from the military. The pattern, therefore, was always the same, whether or not there was pressure from the axis of economic power.

Collor's problem did not seem to be pressure but rather impulsiveness, improvisation, an excessive love of publicity and appearances to the detriment of substance. These flaws can account for many of his failed initiatives: the freezing of assets, administrative reform, the strategy for negotiating the external debt and, in general, Collor's government in the broadest sense, devoid of planning, internal coherence and a minimum ethical standard.

Although completely different and even opposites in personality, tastes and inclinations, Collor resembled Jânio Quadros in that he was an outsider to political parties, the press, institutions, and leaders of public opinion. The two men were also similar in their demagogic use of anti-corruption as an instrument for electoral manipulation. At the critical moment, they both found themselves alone and without the solidarity of these parties and institutions. One last point of similarity was their intuitive understanding that the dominant international trends, the fashionable winds of the global public square, contained the potential to influence the electorate. Quadros connected himself to the winds of the 1960s, the Cuban Revolution, the Third World, the Spirit of Bandung; Collor, attuned to the era of globalization and the collapse of communism, would play the card of neoliberalism and the "end of history."

Foreign Policy: An Unfulfilled Promise

The subtitle of this section, describing Collor's diplomatic approach, would apply just as well to his government as a whole. In essence, the

Collor administration, just like that of Quadros, was nothing more than an immense truncated promise. Its grand ambition was to rebuild Brazil, starting with the economy. It aimed to leave behind the old model of a state promoting development with strong nationalist undertones—the *Estado Novo* of Vargas, the alliance of technocrats, military and industrialists, the import substitution, the market reserve—to build on its ruins a dynamic economy, open to the world, capable of competing in all markets.

It must be said that this structure had been crumbling since the debt crisis of 1982 and could no longer ensure satisfactory growth without sharp fluctuations. With his liberalization and privatization policies, Collor delivered the coup de grâce, the “silver bullet” intended to kill the tiger of hyperinflation. Instead, it struck the national developmental state itself. The government only embraced the first part of the “creative destruction” formula, never preparing or planning for the second and more arduous part, that of building new institutions, whether in the economy or in the country’s administrative structure.

In the sphere of foreign policy, by contrast, there was no destructive phase, because there was relatively little disagreement about the diplomatic line that had been followed since Geisel. Moreover, when a solid, professionally competent institution is confronted by someone armed only with a few general ideas and vague, poorly digested intuitions, the institution ends up prevailing. This is what happened even before Collor took office, when Ambassador Marcos Coimbra set up an international advisory service to the presidency headed by diplomat Gelson Fonseca Jr. The advisory team’s influence was already visible in the wording of the foreign policy section of the president’s inaugural speech. Its spirit is noticeably different from the rest of the text. The speech’s overall unmistakably liberal ideological inspiration came from the pen of José Guilherme Merquior, also a diplomat and critic, and inspired Roberto Campos to comment that the first part (Merquior’s contribution) seemed to have been written at Harvard and the last at Patrice Lumumba University...

Some interpretations of Collor’s foreign policy see it, with obvious exaggeration, as a regression to the times of supposed “automatic alignment” with the United States, something reminiscent of the Dutra era and the height of the Cold War. The radical nature of his liberalization and privatization measures, which coincided with the Washington Consensus,

may have influenced this type of assessment. Equally influential were the style and rhetoric of the candidate and president-elect during his brief enchantment of official North American circles. Casarões was not fooled by these false appearances. With greater sensitivity to nuance, he perceived that Collor's diplomacy did not differ in substance from the foreign policies that preceded it in pursuit of the same goal: building autonomy. The difference lay in the choice of method: modernization.

This path was neither flat nor straight, and evolved through different stages. The approach can be considered through at least four key moments, starting from what Casarões calls "mitigated Americanism." As the concessions in debt negotiations ran out and the difficulties multiplied alongside internal economic failures and enormous international transformations, the foreign diplomatic line underwent changes and adaptations of its own. In the end, the failure of modernization would dictate the failure of the pursuit of autonomy through foreign policy.¹⁹ In its strict diplomatic sense, the Collor period much more represented continuity than a real break with the previous tradition. The clear rupture came instead via trade policy of liberalization and the privatization of public enterprises. Most of the outstanding diplomatic achievements of the time came not only in continuity with what had been done previously; they also reflected coherence with the initiatives of the immediately preceding phase, of which they were logical and natural extensions.

MERCOSUR, by far the most important legacy of the Collor era in terms of integration and South American policy, illustrates this perfect continuity. Sarney and Alfonsín had resolved (August 1988) to create a common market within 10 years, to be completed in 1998. Collor and Menem signed the Treaty of Asunción (March 1991), which moved up the deadline for completing the common market by four years to December 31, 1994.

In the second major sector of Brazilian-Argentine cooperation, that of building trust in the nuclear field, it was up to Alfonsín and Sarney to once again open the doors of their respective nuclear research facilities. The next steps were reserved for Menem and Collor: the signing of the Agreement for the Exclusively Peaceful Use of Nuclear Energy; renouncing atomic explosives; the establishment of the Common System of Accounting and Control of Nuclear Material; and the creation of the Brazilian-Argentine

Agency (ABACC) to implement joint nuclear safeguards (July 1991). A few months later, Argentina, Brazil and ABACC signed a quadripartite agreement for the application of safeguards with the International Atomic Energy Agency in Vienna (December 1991).

A simple comparison between Argentine and Brazilian foreign policy in the early 1990s shows that the former went much further in its conscious and systematic pursuit of rapprochement with the United States. One of the formulators and apologists of this policy even dubbed it “peripheral realism.” Alignment with US positions extended beyond UN votes to military initiatives, such as sending two Argentine warships to take part in the first Gulf War.

In order to explain the type of relationship he desired with the world’s only remaining superpower, Guido Di Tella, Menem’s foreign minister for more than eight years, went so far as to say (albeit behind closed doors at an IDB meeting and in a semi-jocular tone): “*No queremos tener relaciones platónicas: queremos tener relaciones carnales y abyectas*” [We do not want platonic relations: we want carnal and abject relations]. The statement was foolish, and Di Tella himself eventually repudiated it.^{IV} It would be unfair to take it seriously as a program of action. On the other hand, the mere fact that it was uttered, even lightly, reveals the mindset of high-ranking Argentine authorities towards the United States.

Leaving aside ideological antipathies and prejudices against Collor’s liberal economic orientation, old or new, an objective examination of the facts leads us to recognize that the diplomacy of those two and a half years generally adhered to the professional tradition of the Foreign Ministry. It was a period of continuity and the logical development of actions undertaken before, especially since redemocratization. I succeeded Marcílio Marques Moreira as ambassador in Washington in the second half of 1991 and remained there until September 1993, after Collor’s impeachment. Nothing I saw or experienced during that time conflicted with the decision-making autonomy that Brazil pursued according to its own interests, without the *a priori* concern of agreeing or disagreeing with the United States. On some issues, and not minor ones, we continued to

IV “La frase sobre las relaciones carnales fue una estupidez,” see <https://www.pagina12.com.ar/2001/01-01/01-01-25/pag10.htm>, last accessed May 8, 2025.

disagree vigorously. This was the case with the recognition of the MPLA government in Angola after legislative elections there (September 1992).

Previously, during the first Gulf War, triggered by the Iraqi invasion of Kuwait (August 2, 1990), we adopted a position of support for the UN Security Council resolutions. It could not have been otherwise. There were no fewer than 11 resolutions condemning the invasion and urging Iraq to withdraw, until finally resolution 678 set an ultimatum and provided the legal basis for Operation Desert Storm. Military action, under the aegis of the United Nations and American leadership, was carried out by a coalition of 34 countries, including almost all Arab nations, NATO's European allies and Argentina (naval force).

Brazil abstained from participating, despite President Bush's request; the administration claimed that the dangerous situation of several hundred employees of Brazilian companies having been taken hostage by Saddam Hussein required the country to maintain a discreet stance. Whether or not this was entirely true, the fact remains that, after Brazil's refusal, Bush changed the salutation in his correspondence to Collor from "Dear Fernando" to the curt "Mr. President." At the end of his account of the episode, Casarões comments: "The next steps in the bilateral relationship with the United States ended up bearing the burden of not having aligned with the hegemonic power's interests."²⁰

Results and Key Players—In terms of outcomes, the diplomatic harvest was meager. Concessions on the information technology law or patents, for example, derived from the autonomous and unilateral project of economic liberalization, although they were also aimed at (and achieved) the goal of suspending or avoiding illegal American trade sanctions. Despite the initial fanfare surrounding Collor's visits to the United States, debt negotiations with US banks remained stalled and frustrating until Zélia Cardoso de Mello's fall and the appointment of Pedro Malan as negotiator. Even so, a definitive adjustment would take time and would only find its final form in 1994. The 4+1 agreement (Rose Garden Agreement), by which the MERCOSUR partners undertook not to negotiate separately with the United States, was useful in preventing the promise of funding or trade gains from the Bush administration's Initiative for the Americas from weakening the bloc's sense of unity. The truth is, however, that the vague and modest nature of the initiative did not pose a serious threat.

Despite coming from outside the diplomatic career, the two ministers who headed Itamaraty during the period were in line with the Brazilian tradition of eminent jurists, university professors, and men of culture occupying the post. Both Francisco Rezek (March 1990 to April 1992) and Celso Lafer (April 1992 to October 1992) fit the mold of the great names of the past, such as Raul Fernandes, Afonso Arinos, and San Tiago Dantas. Both had intellectual links with the Foreign Ministry as specialists in International Law and, in Lafer's case, as the most notable Brazilian writer and philosopher in the field of international relations, alongside Hélio Jaguaribe, of whom he was a spiritual heir. Thus, even without being diplomatic officials, it was as if they belonged to Itamaraty by assimilation, and they were far from amateurs. They reinforced the professional nature of diplomatic conduct and prevented the amateurism apparent in many areas of the Collor government from contaminating the international sphere.

Celso Lafer had only five months to lead Brazil's foreign affairs. Nonetheless, it was primarily due to him, personally and functionally, that the greatest and most enduring of the government's foreign successes—and possibly that of the entire decade—was achieved: the United Nations Conference on Environment and Development (Rio 92 or Eco 92). With representatives from 183 countries, including 61 presidents or monarchs and 40 prime ministers, Rio 92 stood out as the most important environmental meeting in history and one of the largest of the major United Nations conferences. A milestone in the creation of international environmental regimes, it provided the backdrop for the signing of the two main environmental conventions to date: the United Nations Framework Convention on Climate Change and the United Nations Convention on Biological Diversity.

Despite the lack of precedents (the Stockholm meeting, 20 years earlier, had suffered from the pioneering nature of the issue and the unpreparedness of the countries), the Rio Conference managed to adopt an ambitious environmental program for the next century, Agenda 21. It enshrined into international affairs an innovative concept of development, from then on inseparable from sustainability. The definition originated in the report "Our Common Future" (1987), drawn up by the Brundtland Commission (named after its chair, Norwegian Prime Minister Gro H. Brundtland). Development would be the process that enabled humanity "to ensure that it meets the needs of the present without compromising

the ability of future generations to meet their own needs.” For the first time, the intertemporal notion of responsibility between generations was introduced: each generation committed to handing over a planet to the next generation in at least as good condition as it received. The Rio conference proved to be the culmination of the environmental movement; after it, progress continued to be made on several paths and significant commitments were reached, such as the Kyoto Protocol, although the results of Eco 92 were never matched or surpassed.

The benign effect of the end of the Cold War had not yet worn off in international relations, making it possible to resolve issues that had been frozen for decades. Favored by this fleeting moment of diplomatic collaboration, Canadian Maurice Strong, a Stockholm veteran, and Ambassador Tommy Koh of Singapore, chairman of the Preparatory Committee, managed the highly complex preparatory process effectively. The replacement of Reagan by Bush had softened conservative resistance to the conventions and paved the way for American acceptance of the pact on climate change. As for biological diversity, even substantial concessions could not win the United States’ support. This was the beginning of a trend that would repeat countless times: the Americans, formerly the promoters of major international standards regimes, isolated themselves by rejecting conventions that were otherwise nearly universally accepted.

All this effort, however, could have been negatively affected if Brazil as host had fallen victim to the serious deterioration in political and economic conditions that prevailed in the country at that time. The success of the conference becomes even more remarkable when one recalls that it took place in parallel to the impeachment process of President Collor. Shortly before the opening of the meeting (early June 1992), the Brazilian public had learned (May 1992) of two whistleblower interviews by the president’s brother, Pedro Collor, which formed the starting point of investigations against him. By the end of that month, the Parliamentary Commission of Investigation into the accusations had been established and, shortly afterwards, the impeachment process began. Under such far-from-normal circumstances, it would have been impossible for the impeccable logistical and security support provided to the participants in the gigantic event to have come without significant effort and special merit from the organizers. It was a situation in which Itamaraty salvaged what

little prestige remained of a country demoralized by economic failure and a sordid personal corruption scandal with extensive political ramifications.

Minister Celso Lafer's actions proved fundamental to this outcome. Thanks to his decision-making, both the organizational structure of the event and the handling of the problematic negotiations were conducted in a manner superior to what might have otherwise been expected at the time. The generous nature of the foreign minister inspired him to summon, even from the embassies where they were serving abroad, a group of the most experienced and qualified Brazilian diplomats—a team of quality never before assembled, to which he assigned coordination and negotiation tasks in the various chapters of Agenda 21. He also ensured that Brazil played a constructive role as host, moderating contrasts, reconciling differences and building consensus.

The diplomatic line inherited from Stockholm did not make his mission any easier. The traditional position of Itamaraty (and the developing countries in general) identified with the thesis of common but differentiated responsibilities: as the primary beneficiaries of the 18th-century Industrial Revolution and therefore mainly responsible for global warming, the advanced economies should bear the greater burden in mitigating its consequences. In practice, differentiated responsibilities, historically and scientifically correct, were confused with no responsibility at all. The global and planetary nature of the problem was overlooked, as was the tendency, already evident at the time, for large developing economies such as China, India and Brazil itself to become the main sources of worsening conditions in the near future. Instead of extreme positions, a sincere effort was needed to find a reasonable point of balance capable of reconciling the greater responsibility of industrialized nations with the contribution of developing countries, necessarily smaller from a financial and technological point of view.

It was up to Brazil to set an example by leading the effort to convene the most representative delegations to build a possible consensus. Lafer coordinated this effort through the diplomats assigned to each of the negotiating sections. Individually, he chaired the plenary meetings with discernment and balance. Until the very last moment, at the session to adopt the final documents, he had to intervene decisively to prevent Saudi Arabia and other oil exporters from jeopardizing the consensus that had

been achieved only through painstaking effort. The conference was a success, but the precarious domestic situation prevented the country from fully reaping the rewards of so much effort. International prestige was gained, to be sure. However, the concrete result of the meeting in Rio de Janeiro—the creation of a global entity on sustainable development—was not followed up, and faltered amid the Brazilian political crisis.

A few months after the conference ended, President Fernando Collor was temporarily removed from office by the Chamber of Deputies (September 29, 1992) and definitively impeached by the Federal Senate, despite his last-minute attempt to resign (December 29, 1992). The regrettable adventure of the first directly elected president under the 1988 Constitution came to an inglorious end.

The Itamar Franco Administration: The Plano Real and Inward-Looking Diplomacy (1992–1994)

In the days when General Golbery's book on geopolitics was still influential, one might have admired his comparison between the rhythm of the human heart and that of Brazilian history. The alternation of cardiac contraction (systole) and relaxation (diastole) served as a metaphor for the supposed oscillation in national history between phases of centralization (tension, closure) and decentralization (relaxation, opening). The comparison may apply to a different phenomenon: the alternation between moments of diplomatic activism, external projection and emphasis on external insertion, and those of a focus on domestic issues, introspection and a less conscious pursuit of international insertion. Naturally, the former periods almost always coincide with positive periods of political stability, economic prosperity and confidence in Brazil's ability to solve challenges and seek international recognition and acclaim.

It has often been noted in Brazil that the nine glorious years of the Baron of Rio Branco were only possible thanks to the consolidation of the First Republic and economic growth. Without the institutional stability of those governments, it would have been difficult for the Baron to remain in office for so long, let alone to have had the means to advance his policy. Something similar happened again in the 16 years of the peak of the New or Third Republic, which began in 1985 and persists today, albeit amid crises and anxiety. Fernando Henrique Cardoso and Luiz Inácio Lula da

Silva enjoyed the combination that Machiavelli considered ideal for the prince: *virtù* and *fortuna*. Both possessed undeniable gifts that allowed them to shine on the world stage. But neither would have made it very far without the internal and external perception of the success of the governments they led.

The link between internal success and external projection is not always decisive. On the brink of the abyss, San Tiago Dantas and Araújo Castro proved that it is possible to execute an intelligent and active foreign policy, even if, in the absence of other requirements, this was not enough to save the government they served. The same general rule applied to Sarney and Collor, who were drawn to foreign action and tried to exercise it for as long as they could. However, from a certain point onwards, internal failure deprived them of ground for maneuver. For Itamar Franco, the question never even arose: the pressing priority of domestic challenges was absolutely clear from the start. Rarely has a government begun under such gloomy auspices and ended with such hope and confidence in the future. The first half of the five-year term had been exactly the opposite: a young politician, hailed as a sort of Indiana Jones of modernization, would end up being ousted from power for reasons fit for a police chronicle.

The need for balance contrast on presidential tickets in order to garner the votes necessary for victory has produced curious results in Brazil. The Getúlio Vargas—Café Filho ticket, for example, paired a border-region gaucho with a typical northeasterner. But none of these odd couples of president and vice president was as odd and mismatched as the pair formed by Collor and Itamar Franco. Young, modern, dynamic, the president seemed, based on the superficial logic of appearance, to have the best prospects for success. Conversely, Franco, prematurely aged, anachronistic in his attire and ideas, nostalgic for his 1960s Volkswagen Beetle, seemed destined for a museum of ideology and public policy. However, to everyone's surprise, perhaps even his own, it fell to Franco to pull Brazil out of the quagmire. He started from a desperate position, at first slipping and banging his head on everything until he found the upward path he would continue to climb until the end of his term.

Behind the two men's individual masks lay the dialectical tension that dominates Brazilian politics to this day. Collor symbolized competitive modernization, the overcoming of the welfare state, fiscal responsibility,

and liberalizing insertion into cosmopolitan globalization. His aspirations were evidently aligned with the program that Fernando Henrique Cardoso would apply in a more systematic way, although he did not manage to complete it. Franco, on the other hand, embodied the opposite trend: the continuity of the Getúlio Vargas kind of state that produced steel and distributed benefits, the nationalism of industry and state-owned enterprises, distributivism, social programs, the minimum wage increase. By instinct and ideas, he belonged more to the spiritual family of the old Laborism, the nationalism of the National Union of Students (UNE) and his fellow Minas Gerais native Artur Bernardes. His sympathies should have brought him closer to the PT, to Lula, to Brizola, rather than to FHC and the advocates of privatization.

It is a paradox of Brazilian politics that it was Itamar Franco who paved the way to the presidency for someone who went against his most cherished preferences (such as the maintenance of Vale do Rio Doce as a state-owned company). His opposition to Collor's ideals (and to all liberal projects, including those of FHC) was apparent in his inauguration speech following the president's removal by the Chamber of Deputies. Franco explicitly described the modernity of his predecessor as "criminal and cruel" for the suffering it imposed on the people. He denounced the weakening of the state, sounding as if he were refuting the speech written by Merquior and delivered two and a half years earlier by the suspended president. How, then, can we explain the fact that the final aim of the Franco government was to facilitate the rise to power of men with ideas opposed to his own?

One partial explanation lies in the symbiosis or interdependence that was created between him and FHC. Without Franco, who had the power to appoint ministers, Cardoso as minister of finance would never have existed; without FHC and his economic team, Franco would never have achieved the success that crowned him by finally taming hyperinflation. It is worth remembering that Franco only approached Cardoso with the job offer after unsuccessfully trying three ministers of finance: Gustavo Krause, Paulo Haddad, and Eliseu Resende. The result was, once again, an odd couple without affinities or mutual sympathy, in which one tolerated the other because they depended on each other to achieve their personal goals.

In Itamar Franco, the weight of ideas and inclinations was not insensitive to the calculation of political ambitions and the possibility of achieving them through judicious opportunism. At a time when Collor's impeachment was still uncertain, it reached the then-vice president's ears that his state-interventionist and nationalist positions seriously worried businesspeople who, although committed to the president's removal, did not want to see a reversal of the liberalization and privatization agenda he had initiated. That was enough for Franco to discreetly act through Senator Albano Franco, president of the National Confederation of Industry (CNI), to soften and even alter his ideological identity, which he also did in statements to journalists.

This pragmatism would be confirmed in his administration, when he reluctantly went along with the privatization of Usiminas, a step he had previously harshly criticized. The behavior is reminiscent of what Lula would later do both in his "Letter to the Brazilian People" and in the economic policy applied by Finance Minister Antonio Palocci and Central Bank President Henrique Meirelles. This turnaround is no different from what socialist or social-democratic governments like those of Mitterrand, François Hollande and many others have done in Europe. Elected on a leftist platform, they resigned themselves to the preferences of the market and investors. But in discussing this, we are moving the narrative clock forward. It is now instead time to return to the government's starting point.

Brazil as the "Sick Man" of Latin America

For those who believe in bad omens, the Itamar Franco government could not have begun at a worse time. Collor's temporary removal from office was voted through by the Chamber of Deputies on September 29, 1992. The interim president took office three days later. On October 2, prisoners at the Carandiru prison in São Paulo rebelled. The resulting crackdown by the Military Police left 111 dead and opened a sinister cycle of massacres and slaughters that would continue for months: the Candelária massacre (July 23, 1993), with the murder of eight children and teenagers in downtown Rio de Janeiro; the Yanomami massacre (June or July 1993), with the killing of 16 indigenous people in the state of Roraima; the Vigário Geral massacre (August 29, 1993), the slaughter of 21 residents of a favela in Rio de Janeiro; all during the Itamar Franco

government. The atrocities took place in distinct locations and were carried out by different perpetrators. The victims had nothing in common except for belonging to fragile, vulnerable categories (street children, indigenous people, slum residents) or being detainees entrusted to the tutelage of the state.

Once the military regime and its systematic practice of torture and disappearances were left behind, it suddenly became apparent that the violence of barbarism, the brutality of life in deep Brazil, was still ready to surface. At the time of writing, 20 years have passed since the shock triggered by the succession of massacres every two or three months described above. The last headline-grabbing massacre may have been that of Eldorado dos Carajás (April 17, 1996), when 19 landless farmers were slaughtered during Cardoso's term in office. After that, massacres and clashes between police and criminals took on the aspect of a trivial routine, mimicking the suburban stories of Rubem Fonseca in *Feliz ano novo* [Happy New Year] (unfortunately, this was written before the recent return of another wave of shocking massacres in Brazilian prisons, which left an even higher number of victims than those of the 1990s). As in Mexico and Colombia with drug traffickers or Central America with the "maras," gangs of ultra-violent youths, the persistent inability of the Brazilian justice system and government to control violence has pushed the population into an attitude that Thoreau would describe as "quiet desperation."

In the 10 months of 1992–1993 when massacres became an almost regular occurrence, the reaction of the Brazilian authorities was no better or worse than that of subsequent governments. In the case of the Yanomami, a false institutional solution was adopted: a new ministry was created, that of the Legal Amazon, which soon became part of the Ministry of the Environment and the Legal Amazon. (A few years later, the duality of the name disappeared, and the ministry was renamed the Ministry of the Environment.) For me personally, the consequence was an invitation to leave the embassy in Washington and return to Brazil, where I was responsible for getting Congress to approve the creation of the Ministry of the Environment and the Legal Amazon and implement its structure from the previously existing IBAMA.

At the time, experience had taught me that Brazilian politicians, even those with popular or leftist sensibilities, are incapable of mobilizing collective responsibility to tackle structural problems, such as violence against the weak. Already in Brasília when the massacre in the Vigário Geral favela dealt another devastating blow to a traumatized population, I suggested that the president declare a three days national mourning and address the Nation on radio and TV. He would then announce concrete measures for the effective application of human rights and declare that Brazil and his government would not tolerate attacks of this kind. At first, I received no response. After a few days, I was informed that Franco had appreciated the suggestion and was inclined to adopt it, but had been warned that the measures could be interpreted as hostile to Governor Brizola, who was in charge of the state of Rio de Janeiro at the time of the Candelária and Vigário Geral massacres.

The official reaction to international press coverage of the massacres also reflected this same refusal to recognize the ugly national reality as it was. The government was even reported to have seriously considered dismissing all the ambassadors in key diplomatic posts, perhaps blaming them for not having reacted to the publication of the unvarnished truth abroad with the simplistic nationalism of the past. Luckily, the intervention of level-headed people prevented such folly. What matters in this episode is that human rights catastrophes had helped drive another nail into the coffin of whatever remained of Brazil's international prestige after massive corruption scandals and economic collapse.

The experience I had as an ambassador in Washington is similar to that of my colleagues in other posts. Well before Franco came to power, at least since the beginning of 1992, the perception was solidifying in international circles that Brazil, even before the impeachment and the massacres, seemed incapable of successfully completing the transition from military dictatorship to democracy, or from hyperinflation and debt default to a minimum of price stability and financial normalization. Compared to Mexico, on the brink of NAFTA, Chile, the best student in the class, and Argentina, with its convertibility and near-zero inflation, Brazil was seen as the worst of the medium and large countries in Latin America. The corruption scandals, the months of impeachment proceedings and the series of killings added to the economic fiasco to complete the portrait of a country that had apparently reproduced on the continent

the experience of the Ottoman Empire, the “sick man” of 19th-century Europe, as Tsar Nicholas I described it.

Engaged in damage control, Brazilian diplomacy lacked the backing of a country with a modicum of credibility that would enable constructive foreign policy. This manifested itself in countless ways on a daily basis: in the difficulty of securing meetings with US government ministers for their Brazilian counterparts or for visiting parliamentarians; in the obstacles to obtaining credits from the World Bank or the Inter-American Development Bank due to a lack of national counterpart; in the lack of interest of investors and entrepreneurs in roadshows to promote investments. On the diplomatic scene in Washington, where priorities have always been defined according to US foreign policy interests and the immediate potential of each country, the only Latin American nation receiving special attention was Mexico, due to the ongoing negotiations for the formation of the North American Free Trade Area. Vying for second place to negotiate a free trade agreement with the United States were Chile and the Argentina of “carnal relations.”^V

The scenario I outlined regarding the United States was the same everywhere and hints at why the period was relatively poor in terms of significant diplomatic innovations. There were simply no conditions for such an outcome, as potential external partners would only become interested in Brazil again once the country demonstrated its ability to put its house in order. This would indeed happen only much later, towards the end of 1994 when the success of the Plano Real became clear. By then, it was too late for Franco: Fernando Henrique Cardoso had been elected president, and the long, interminable transition was coming to an end, marking Brazil’s shift from chronic instability to the beginnings of economic stability.

The Decisive Turning Point of Plano Real

In the United States, it was often said, half seriously and half ironically, that Reagan’s unexpected success was due to a few ideas, two or three at most, pursued with unwavering conviction. I sometimes think that Itamar Franco finished well what he had started poorly by sticking to one idea:

V See Part VII of this book, chapter “Getúlio’s So-Called ‘Double Game’ and World War II,” subchapter Realistic or Exaggerated Interpretations of the Alliance.

that a plan to end near-hyperinflation could work even under the adverse conditions of his government. Other interpretations are much harsher. The most solid summary I know of the advent of Plano Real, the essay “Estabilização, abertura e privatização, 1990–1994” [Stabilization, opening up and privatization, 1990–1994],²¹ reproaches the president for being too “fickle” in the selection of finance ministers and points out that the average tenure of the first three did not exceed 75 days!^{VI} This is true, as it is also true that after FHC, the fourth on the list, two more would still pass through the ministry responsible for the economy: myself and Ciro Gomes. Six ministers in 27 months averages out to about four and a half months per minister. Under normal circumstances, it could be inferred that the government had failed in the economic arena; a more accurate statement would be that the curve of success, descending under the watch of the first three ministers, began to rise with FHC and stabilized through the end of the government.

Itamar Franco did not have a very clear idea of what he was looking for; he probably had in mind some miracle, like the Cruzado, that would have immediate effects and generate inexhaustible popularity. He tried, one after the other, three ministers who, for whatever reason, could not assemble a strong enough team to come up with a convincing plan. He did not give up, however, and finally found the man he was looking for in Cardoso. By that time, after the summary dismissal of his predecessors, it would have been difficult to persuade qualified economists to leave their private occupations to risk being fired after a few weeks. Only a person like Cardoso, who combined statesmanship and the highest academic prestige, would have what the Argentines call “*poder de convocatoria*,” the ability to rally professionals who would form perhaps the most brilliant economic team the country has ever enjoyed. If Franco had the political merit of offering FHC the chance to save the economy, Cardoso deserves recognition and gratitude for having accepted an almost impossible mission.

I would like to draw on my personal experience to try to justify my assertion that the president was not simply the plaything of circumstances and fate. When he invited me to succeed FHC at the Ministry of Finance,

VI I cannot resist recounting here an episode I witnessed as ambassador in Washington. When Eliseu Resende, Itamar's third finance minister, apologized to the president of the World Bank, Lewis Preston, for the delay in visiting the bank, explaining that he had only been in office for five or six weeks, Preston exclaimed: “Is that a record in Brazil?” to general laughter.

I tried to refuse—not out of modesty, but out of fear of the responsibility and the conviction, which I still hold today, that I was not the right person for the job. The scene took place in a small room next to the presidential office, under the gaze of Saint Therese of Holy Jesus, of whom Franco (and I) were devotees. There were no witnesses, and today I am the only survivor of the conversation. I told him that I was not an economist, that I barely knew the plan and that I only knew about the Real Value Unit (URV) from what had been announced in the press. I suggested he choose one of the older members of the team and mentioned Edmar Bacha and Pedro Malan. He replied: “We have considered all the options, and you are the only alternative.” I understood that he did not want a member of the team because he preferred someone who would owe the position to him, not to Cardoso. I resigned myself to accepting as a public servant and asked what he wanted me to do. His instructions were clear and precise: “I want you to implement the plan with the team that is there” (literally).

The phrase later served as a lifeline for me on the countless occasions when Franco, giving in to populist instincts or suggestions from those close to him, pressured me to adopt measures that would have undermined the plan even before the new currency came into circulation. Excessive adjustments to the minimum wage, increases in police and military spending that the budget could not bear, wage raises for civil servants, the judiciary and the legislature, interest rates being capped, the transposition of the São Francisco river, price freezes—ideas like these became regular fixtures of conversation. After repeatedly exhausting all the arguments against such proposals, often provided by several of Franco’s handpicked ministers present at the meetings, I always ended up resorting to the definitive argument, reminding the president of the instructions he had given me: to implement the plan with the existing team. And I would conclude: if we do what you ask now, we will be left without a team and without a plan. The formula never failed.

I share all this to defend my conviction about Franco, who was contradictory but ultimately faithful to the inspiration that the Plano Real was his only lifeline. For an excellent analysis of the plan and the circumstances that surrounded its development and implementation, I refer readers to the aforementioned essay by Marcelo de Paiva Abreu and Rogério L. F. Werneck. I would like to highlight from this study the

observation, which I fully endorse, about the lack of support from the International Monetary Fund:

It is important to stress that the stabilization policy implemented in 1993–1994 did not have the support of the International Monetary Fund, which never believed in the success of Plano Real. The IMF's resistance to supporting the plan, at the end of a period of almost 12 years of troubled relations with Brazil, was an ironic outcome. Having shared in a long series of failures, the institution ended up not participating in the resounding success of Plano Real.²²

It was not just the Fund that doubted; when the new currency was launched, I received a visit from Larry Summers, the undersecretary and future secretary of the US Treasury. He categorically told me that he understood what we were trying to do, but that it would not work because we lacked the minimum fiscal conditions. I responded that fiscal progress depended on political conditions that would only come into existence after the initial success of reducing inflation, as in fact would later happen under Fernando Henrique Cardoso's government. It is worth adding that, deep down, almost nobody outside or inside Brazil believed in the success of the real, neither the press nor the political parties or politicians (Lula and the PT bet everything on its failure and lost). At first, not even the public, disillusioned after so much frustration, believed in the plan. The communication and clarification effort helped a lot by providing ordinary people with abundant and transparent information, in everyday language rather than "economese," as well as by announcing everything in advance, avoiding surprises and letting the transparency of the measures speak for themselves.

A Foreign Policy of Continuity and Discretion

Compared to the novelty of the Plano Real and the vital stakes of its implementation, strictly political diplomacy unfolded discreetly around themes that had already been the focus of the Foreign Ministry's attention for some time. Competent, professional and firm in its pursuit of autonomy, the ministry pursued a foreign policy to help consolidate and, in some cases, develop and perfect the main diplomatic initiatives of the period: progress in building trust with Argentina in the nuclear field, progress that finally allowed Brazil, Argentina and Chile to ratify the Treaty of Tlatelolco

outlawing nuclear weapons in Latin America; MERCOSUR; support for the MPLA government in Angola; the creation of the Community of Portuguese-Speaking Countries. The Uruguay Round of GATT negotiations came to an end during this period with the adoption of the Final Act of Marrakesh (1994), which established the World Trade Organization (WTO), and the approval of a significant number of agreements, including on the new subjects of services, intellectual property and investment.

Itamaraty was headed during Itamar Franco's administration by then-Senator Fernando Henrique Cardoso (from October 1992 to May 1993) and Ambassador Celso Amorim (from May 1993 until the end of the government). Monica Hirst and Letícia Pinheiro note that, from 1993 onwards, some of Brazil's international insertion strategies underwent revision and adjustment in response to changing global and domestic conditions. Nevertheless, they emphasize that

For the most part, [...] these revisions occurred in the methods and means to achieve the previously intended results. In this sense, following the paradigm crisis that emerged at the end of the Collor administration, which seemed to indicate a programmatic change in Brazilian foreign policy, there followed a readjustment of strategies vis-à-vis the international community, without any significant change in the final objectives to be contemplated.²³

Ending en Beauté

Having consumed the essential part of the government's energies, Plano Real left little time or resources for major initiatives in other areas. Itamar Franco never showed any particular interest in international affairs, nor did he reveal any taste or aptitude for the presidential diplomacy practiced enthusiastically by his two predecessors and two immediate successors. On the other hand, he defied the discouraging predictions that greeted him upon his rise to power and during his first months at the Palácio do Planalto. Coincidentally or not, it was under his administration that Pedro Malan, president of the Central Bank, led the conclusive final negotiations with commercial banks on the external debt. This is the only example of a country achieving such an agreement without having a formal adjustment with the IMF. Malan also managed to prevent "vulture" creditors from creating the problems for Brazil that would plague the

Argentine economy for years to come. This achievement resolved one of the major issues that the military, despite their discretionary powers, had been unable to fix. Regarding the other cursed legacy of the military regime, the risk of hyperinflation, the Itamar Franco administration left in place a plan capable of restoring to the country a minimum of currency and price stability, the memory of which had been lost by generations of Brazilians.

Although precarious, heterogeneous and sometimes wavering, the coalition that backed Franco in Congress did not require “mensalões” or “petrolões” to approve proposals such as constitutional amendments that were essential to the success of the real: a Constitutional amendment to reduce for a limited period a percentage of the earmarks on federal revenues, the creation of the Emergency Social Fund (FSE), lower budgets, and the provisional measures of the plan.

Elections held in October 1994 gave the main architect of the Plano Real, Fernando Henrique Cardoso, a decisive victory already in the first round, with 54.3% against the 27% given to the main opponent of the stabilization plan, Luiz Inácio Lula da Silva. Itamar Franco successively passed the torch after having presided over the resolution of issues that had challenged all previous governments, both before and after the end of the military regime. All this was accomplished in less than two and a half years. How many presidents have done so much in so little time?

Notes

- 1 Sérgio França Danese, *Diplomacia presidencial: história e crítica* (Topbooks, 1999).
- 2 Eduardo Modiano, “A ópera dos três cruzados: 1985–1989.” In *A ordem do progresso: cem anos de política econômica republicana* (1889–1989), ed. Marcelo de Paiva Abreu (Campus, 1990), 346.
- 3 Modiano, “A ópera,” 382.
- 4 Rubens Ricupero, *Diário de bordo—a viagem presidencial de Tancredo* (Imprensa Oficial, 2010), 162, 166.
- 5 Luiz Felipe de Seixas Corrêa, “A política externa de José Sarney.” In *Sessenta anos de política externa brasileira*, ed. José Augusto Guilhon Albuquerque, vol. I, 1930–1990: Crescimento, modernização e política externa (Cultura Editores Associados, Núcleo de Pesquisa em Relações Internacionais da USP, 1996), 377.

- 6 Carlos Escudé e Andrés Cisneros, eds. *Historia general de las relaciones exteriores de la República Argentina* (Centro Argentino para las Relaciones Internacionales– CARI, 2000), chap. “Las relaciones con Brasil,” 4–5.
- 7 Ricupero, *Diário de bordo*, 169–177.
- 8 Corrêa, “A política externa,” 379.
- 9 Modiano, “A ópera,” 372.
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Part XI

The Height and Crisis of the New Republic (1995–2016)

The eight years of Fernando Henrique Cardoso's presidency (1995–2002) almost perfectly overlapped with Bill Clinton's two terms in office (1993–2000), except for a small two-year gap. Facilitated and prepared by the fall of the Berlin Wall and the end of communism in Central and Eastern Europe, globalization reached the peak of its influence in the 1990s, between the official dissolution of the Soviet Union (December 26, 1991) and the attack on the Twin Towers and the Pentagon (September 11, 2001). Francis Fukuyama's formula aptly applies to these 10 or 11 years from 1990 to 2001, often referred to as the "unipolar moment of the United States": the disappearance of alternatives to the market economy and liberal democracy for the economic and political organization of society. The next stage, closer to our time, practically coincides with the first decade of the 21st century and begins with the wars in Afghanistan and Iraq, a much more turbulent and unpredictable era.

Globalization, according to one of its many definitions, is the process of unifying markets on a global scale, ideally culminating in a single market for trade, investment and financial flows. From this perspective, the most unmistakable sign of the acceleration of globalization in the 1990s was the fact that, from 1992 to the outset of the 2008 financial crisis, world trade grew more than twice as fast as global GDP. This phenomenon reflected the intensification of the interdependence of goods and services among national economies. At the same time, investment from transnational companies organized global value chains according to a cost-based logic. The creation of the World Trade Organization (WTO) conveyed the impression that the trend toward globalization had become irreversible and institutionalized (1994). The organization's first director-general, Renato Ruggiero, went so far as to say that, in the new millennium, the WTO would play the role of a constituent assembly designed to define the rules of globalization governance for the entire world.

These and other notions proved to be exaggerated and unrealistic. Financial crises began to occur at almost regular intervals. These started with peripheral economies before reaching the center: Mexico (1994/1995); Thailand and Asia in general (1997); Russia (1998) and Brazil (1998/1999). The International Monetary Fund abandoned its attempt to amend its charter to make the opening of the capital account of the balance of payments compulsory (joint meeting with the World Bank, Hong Kong, Fall 1997). The Organization for Economic Cooperation and Development (OECD) would later renounce (1998) its attempt to impose a Multilateral Agreement on Investment (MAI). The dream of Columbia University Professor Jagdish Bhagwati, a staunch advocate of trade liberalization and an informal advisor to the WTO, of setting the year of 2000 for the total abolition of all tariff and non-tariff barriers to trade also vanished into thin air.

Despite these setbacks and reversals, then considered temporary, the process of globalization advanced forcefully in the 1990s, driven also by the significant benefits reaped by China and the newly industrialized economies of Asia (Hong Kong, Singapore, South Korea, Taiwan, Malaysia, Thailand, Indonesia). The historical process that was unfolding on the terrain of the real global economy soon found its theorists or ideologues, inspiring prescriptions from the IMF, the World Bank, the WTO, and the OECD, and generating a climate of intellectual hegemony at one point dubbed “the single thought.” More than ever before, participation in the world economy through the export of manufactured goods and the liberalization of trade, investment and finance became the almost exclusive strategy for development.

This international context must be kept in mind in order to fully understand what happened in Brazil during Fernando Henrique Cardoso’s term.

The Fernando Henrique Cardoso Administration: An Intellectual in Power and a Liberal and Democratic Foreign Policy (1995–2002)

Fernando Henrique Cardoso is a rare bird, perhaps a unique one, at least when it comes to Brazilian history. Even in countries with higher levels of education, it is not easy to find an example of a pure intellectual who has been so successful in a political career embraced later in life.

Cardoso was neither a dilettante in academia nor in politics. A former full-time university professor, his standing in the humanities and social sciences comes from a solid body of sociological study recognized in Brazil, Latin America and the world. Had he been French he likely would have followed the path of his friend Alain Touraine and, like many of his peers, continued to teach at university, been elected a member of one of the elite institutes and academies, occasionally signed manifestos, taken part in protest marches—and that would have been the full extent of his political activity.

What paved the way for his public life in Brazil was, ironically, the repression of the military regime. First forced into exile, then compulsorily retired from the university and prosecuted in the military courts, Cardoso found himself pushed into activism just as the regime was nearing its end. Because of Brazil's perverse electoral system, it is highly unlikely that he would have made it to the Senate (and, the first time, only as Franco Montoro's deputy) were it not for the exceptional conditions that accompanied the breakdown of the military regime in São Paulo: a metalworkers' strike, the founding of the Workers' Party (PT), the rise of the Brazilian Democratic Movement Party (PMDB), the *Diretas Já*¹ campaign.

In the atmosphere of social upheaval of the time, instead of the Law School of Largo de São Francisco—*alma mater* of many politicians in both the Monarchy and the Republic, including Ulysses Guimarães and even Michel Temer—it was from the Department of Sociology at the University of São Paulo that two of the new politicians emerged: Fernando Henrique Cardoso and his former professor and friend Florestan Fernandes, a member of the Workers' Party. Of the two, FHC was the one destined to reincarnation as a lifelong politician. Professional politicians, such as Orestes Quércia, did not make it easy for him to reach decision-making positions within the PMDB or to run for governor of São Paulo after his defeat in the mayoral race in the state capital. He stood out in the Senate for his talent and erudition, and played a somewhat visible role in the Constituent Assembly. He bided his time in subsequent years, until fate gave him the opportunity to become foreign minister under Itamar Franco, a springboard from which he dove into the heart of the crisis: an economy threatened by hyperinflation.

1 See Part IX, "The Figueiredo Administration."

Cardoso excelled in selecting his team and in democratically conducting debates, whether with advisors, the president, or congress. He was able to generate an almost perfect consensus on the biggest and most pressing challenge of that time: the inflationary explosion and how to tackle it. “Almost perfect,” because most of the organized left, the PT and its allies, stubbornly failed to recognize the value of economic stability for Brazilian society in general, especially for those dependent on low wages with no defense against the corrosive effects of rising prices. The public’s desire for stability proved to be an irresistible force, propelling him to a landslide victory in the first round of the 1994 presidential elections with twice as many votes as his adversary, Lula, the country’s most popular leader. This same force would give him victory again four years later, with an equivalent result against the same opponent, despite economic difficulties at the end of his first administration.

There were so many unpredictable circumstances in Cardoso’s political and personal journey to the pinnacle of power that he himself named one of his memoirs as *O presidente improvável* [The Unlikely President]. Asked about the possibility of a similar outcome in the future, he reiterated his belief that his experience had been “a point outside the curve.” That may be true, but it is also possible that Brazilian presidentialism, in a context of weak party institutions, tends to favor such outliers.

Come to think of it, how many presidential candidates, people who have worked in politics as a profession, who have gone through town councils, state assemblies, served as deputies, senators, mayors, governors and traditional leaders for decades, such as Ulysses Guimarães, Leonel Brizola, Carlos Lacerda, Mário Covas, never made it to the Palácio do Planalto? How many saw their ambition to preside over the country thwarted? This was not the case in the Old Republic, nor under the 1946 Charter. Due to the weakening of party structures, the massive influence of television, the internet and social media, the system has become increasingly unpredictable, which does not imply a lack of logic. In Cardoso’s case, nothing was more logical for the system than to choose as the person tasked with driving a new economic plan to its conclusion the man responsible for its development and initial implementation, rather than a traditional party leader.

Stability: The Start of the Beginning and the Foundation of the Monument

Soon after the launch of the Plano Real, I often stated, in my public remarks as FHC's successor in the Ministry of Finance, that the relative and precarious stability of the currency's first few months was only "the start of the beginning" of a long journey, the foundation of a monument that had yet to be built. Stability was nothing more than an indispensable minimum condition for something much greater: a national project, an agenda for the original creation of new institutions and the reform and updating of old ones. In different words, this is what Rogério L. F. Werneck expresses^{II}:

The initial success of Plano Real seemed to have opened up space for a much broader and more diversified economic policy agenda. The truth, however, is that consolidating stabilization would prove to be much more problematic than the new government could foresee at that time. And, in fact, it would consume a good part of the best efforts of FHC's two terms in office.¹

This does not mean that stabilization would necessarily have to be definitively consolidated before the task of institutional building could be undertaken. The very title of Werneck's essay, "*Consolidação da estabilidade e reconstrução institucional*" [Consolidation of Stability and Institutional Reconstruction] indicates that the two efforts should be pursued at the same time, in parallel and in such a way as to reinforce each other. The reason is clear: many of the causes of persistent instability and inflation were the result of defective institutions (for example, indexation). Institutions, in turn, would only improve and function properly in a climate of stability.

In the first case, the challenge turned out to be greater than anticipated, especially given the worsening fiscal situation, due to the sudden disappearance of the relief that high inflation provided on the revenue side (indexed) and on the expenditure side (constantly eroded in real terms by rising prices). The sharp drop in inflation would also reveal the fragility of many banks, forcing the government to intervene through a costly program, a source of additional spending pressures. An earlier factor came from the pay raises granted at the end of 1994 to all civilian and military employee categories. In 1995, the loosening of fiscal policy

II Rogério Werneck's essay is the source of most of the data in this chapter, and many of his analyses are reflected in the general orientation of the narrative.

practically brought down to zero the public sector's primary surplus, which had reached 5% of GDP the previous year.

In the absence of the necessary fiscal adjustment, the government relied on the exchange rate anchor as its only effective tool for controlling prices. Appreciation in the exchange rate, which dated back to the first months of the real in 1994, combined with a huge stability-induced increase in consumption, with negative effect on the trade balance at the exact moment when the Mexican crisis (late 1994/early 1995) narrowed the possibility of obtaining external resources. After the scare of a disastrous devaluation attempt in March 1995, the situation eased in the second half of the year with the inflow of substantial capital, the significant expansion of reserves and a reduction in inflation to less than 1% per month. However, the exchange rate issue had triggered the first serious internal rift within the government, pitting the survivors of the original team against the new members of the ministerial cabinet. The problem remained latent and would once again threaten the government's fortunes at the end of the four-year presidential term.

The Reforms: Privatization and the Rest

The Americans call it “momentum”—the rhythm created by the repetition of several events of the same nature. The overwhelming effect of the new currency and first-round electoral triumph had fostered this favorable climate. A historical example of political momentum well used can be found in the initial 100 days of Franklin D. Roosevelt's first term in 1933. To capitalize on the momentum of the real and the election, the government would need to similarly dominate the public agenda and take the initiative to clearly indicate what it wanted. It was hoped that Cardoso would waste no time in securing congressional approval for most of the necessary changes. However, this was not the case, for various reasons. The government was able to make only partial use of the considerable political capital at its disposal.

The small economic team behind the real's success saw the potential for further gains absorbed by difficulties caused by the Mexican crisis and internal divisions over the definition of the exchange rate policy. Cardoso's delay in forming his ministerial cabinet, completed only a week before his inauguration, slowed down coordinated action by the ministers

as a group. As a result, when the legislative session opened in February, there was no coherent and articulated set of reform proposals to consider that were detailed and solid from a legal and technical point of view. The shortcomings were particularly evident in the case of more technically complex reforms, such as to social security and the tax system, which progressed little during the Cardoso administration and those that followed.

What did succeed were the relatively simpler amendments to the Economic Order chapter of the Constitution, especially those that allowed for the flexibilization of Petrobras' monopoly (Constitutional Amendment no. 9), the entry of foreign companies into the telecommunications sector (no. 8), the gas sector (no. 5) and the abolition of differentiated treatment between national and foreign companies (no. 6). The government also exerted intense legislative effort to approve changes to public service concessions legislation to enable privatization in the telecommunications, electricity and oil sectors. A complement of comparable importance consisted of setting up a vast regulatory framework through the creation of regulatory agencies in the various sectors, including telecommunications (Anatel), electricity (Aneel), oil (ANP), health surveillance (Anvisa) and water resources (Ana).

As a result of the comprehensive strategy carried out over much of his term, the administration's privatization program would become, for supporters and detractors alike, the defining hallmark of the Fernando Henrique Cardoso era. Left-wing critiques aim to portray the FHC government as the full expression of the Washington Consensus^{III} and neoliberal agenda. The reality is far more complex and nuanced than such schematic formulas might suggest. Some of the measures of the liberal or neoliberal consensus hovered, so to speak, in the air in the second half of the 1990s. An invariable element of policy prescriptions from multilateral economic organizations such as the World Bank and the IMF, these adjustments constituted mandatory conditions for loans and adjustment programs.

III The Washington Consensus, formulated by economist John Williamson in 1989, codified in 10 points the economic policies recommended by the IMF, the World Bank, and the US Treasury, all institutions based in Washington D.C., as the basic prescription to be followed by developing countries. The 10 measures were: fiscal discipline, reduction of public spending, tax reform, market interest rates, free exchange rates, trade openness, elimination of restrictions on foreign direct investment, privatization of state-owned enterprises, deregulation, and the right to intellectual property.

Virtually no developing country in Latin America or any other region failed to adopt this agenda to some degree. Brazil was no exception, but its use of the list of measures recommended by the Consensus was nevertheless selective, and reflected its priorities as well as national peculiarities, including sectoral and political resistance due to the specific weight of certain sectors in the economy and society.

Thus, from the trinity of reforms recommended by the Consensus—privatization, openness, and deregulation—only the first truly stood out among the achievements of the FHC government. Openness and trade liberalization, which had received a strong boost at the start of the Collor administration, even suffered a certain setback. The average tariff actually applied, 13.6% (1994), was raised to 17.1% (1995) and 18.7% (1999), partly as a result of the support given to the automotive industry. Faced with an alarming increase in vehicle imports, Minister of Planning José Serra played a decisive role in adopting the “automotive regime” with Argentina (1996), based on high tariffs for automobiles and low ones for auto parts. As for deregulation, its application to Brazilian conditions would have made sense if it had been adopted to simplify and reduce the luxuriant labyrinth of tax legislation and the so-called “Brazil cost,”^{IV} which was not done then or later.

Werneck calculates that privatization revenues reached the respectable sum of \$78.6 billion (95% in national currency), in addition to a reduction of \$14.8 billion in debt. The largest share (70%) was concentrated in 1997–1998; acquisitions by foreign capital reached 53% (compared to only 5% from 1990 to 1994). The privatization of Companhia Vale do Rio Doce—founded during the Estado Novo in 1942 and therefore older than Petrobras—took on symbolic significance and aroused fierce opposition. In the daily lives of Brazilians, perhaps the most visible and impactful operation took place in the telecommunications sector (around 38% of total revenues). In this area, the results, as Werneck says, were spectacular: the number of landlines, which had been 8.4 per 100 inhabitants (1994), jumped to 26.3 (2002), while the number of cell phones exploded from 0.4 million (1994) to 21.9 million (2002).

IV Term referring to a series of production costs or expenses that make it difficult or disadvantageous for Brazilian exporters to place their products in the international market, or render it unfeasible for domestic producers to compete with imported goods.

In electric power, privatization focused on distribution rather than electricity generation. The electricity sector's share of total privatization revenues was 28%, with state distributors accounting for 74% of that figure. In oil, Petrobras' monopoly suffered little, except for policy relaxations that opened up exploration to private investors. From 1999 to 2002, the National Petroleum Agency (ANP) held auctions for 157 exploration blocks, of which 88 were sold for 1.5 billion reais. In transport infrastructure, nearly 10,000 kilometers of federal, state and municipal highways were put out to tender. Not counting the Vitória–Minas Railway and the Carajás Railway, owned by Vale do Rio Doce, approximately 26,000 kilometers of railroads were also privatized.²

The full list of these sales and tenders forms an impressive set not only because of the legal, financial and political complexities involved. It represents an equally substantial and qualitative transformation of the state-controlled economic structure that had been accumulating over decades. The fate of the privatized companies and activities varied according to the nature of the challenges faced in each sector, the prevailing economic environment and the quality of new management. In some areas, the perception of improved services or economic results was clearer than in others. There is no doubt that the Brazilian state, by getting rid of part of the production of goods and services for which it had no special aptitude, emerged leaner and more rational.

The most irrefutable proof that privatization was needed in Brazil is that the PT itself, despite denouncing it in electoral campaigns, made no attempt to reverse the program in its more than 13 years in power. Indeed, in light of the organized looting of Petrobras, Eletrobras and other sectors spared from privatization, which came to light in Operation Car Wash, it is regrettable that privatization did not go further. Other measures and innovations, if they had been approved early on, could have fundamentally changed the fate of FHC's government. Unfortunately, in addition to the reasons for the delay in the reforms mentioned above, another obstacle stood in the way: the issue of reelection.

The Battle for Reelection and its Moral and Political Consequences

The issue of the presidential mandate arose from an operation that had been aborted during the 1994 constitutional revision. The idea was

to reduce presidential terms to four years, allowing for a single reelection. During the discussion, some governors nearing the end of their terms tried to extend their stay in power. The maneuver truncated the approval of the original bill, which instead ended up limited to just the first part of the equation—a reduction in the term in office to four years, as in the First Republic. The provision for reelection was abandoned. It was obvious that the situation would not end there and that the issue would return to the agenda as soon as conditions improved. At a time when the president's personal prestige was at an all-time high, what better cause could there be to apply the political capital gained with the success of the real and bolstered by Cardoso's first-round electoral victory? Especially since four years seemed too short a time to consolidate the Plano Real's achievements.

The strategy would obviously require concentrating resources on that single priority, leaving aside anything that might jeopardize the goal: unpopular spending cuts, controversial reforms such as to social security and tax, a decisive attack on the fiscal challenge and the deterioration of external accounts. From 1996 onwards, amid denials and ambiguities, the government would carefully prepare the ground for the great battle of the constitutional amendment on reelection, which would consume its best efforts until mid-1997. During these months, a scheme was set up to bargain for positions and favors in exchange for support and votes from members of parliament and governors, denounced at the time as vote-buying.

The battle was won, but the cost proved exorbitant both morally and in terms of political wear and tear. The parties and leaders, accustomed even in causes of collective interest to negotiating votes on the basis of advantage instead of conviction, would never have supported a measure seen as increasing the president's personal power without receiving equally personal compensation. It is quite possible that the reelection operation served as a push that helped Brazil's irrational political-party system sink into the self-destructive degradation that would lead it to feature, in subsequent governments, the "*mensalão*" and "*petrolão*"^V schemes and ultimately trigger the anti-corruption crusade of Operation Car Wash. At the time, the parties represented in Congress did not total even half

V The "*mensalão*" (2005) and "*petrolão*" (2014) scandals revealed large-scale corruption schemes involving the Workers' Party (PT), respectively through monthly bribes to congressmen and kickbacks from inflated Petrobras contracts.

of today's number. However, the cancerous metastasis that would act through the proliferation of parties and the explosion of electoral spending, transferring more and more resources from the economy to party coffers and politicians' pockets, was already present.

The possibility of reelection seemed like a good idea. It would partially offset the reduced four-year terms and provide more time for positive action by good governments. Unfortunately, Brazilian practice quickly distorted the reelection mechanism, which instead mainly facilitated the perpetuation in power of party machines and apparatuses determined to use all official means to ward off the only unforgivable political crime: losing elections. In retrospect, reelection at all levels—particularly at the state and municipal level, which is more subject to abuse of power—has backfired. Instead of providing more time for the government to do what is necessary, even if it is unpopular, it has introduced a tendency to postpone difficult measures until after reelection. Mayors and governors continue to act like candidates from their first day in office; usually, by the time they reach the end of the term, they have already lost the energy, willingness or support to face meaningful challenges.

The Economic Price of Delaying Fiscal and Exchange Rate Adjustments

The government's total concentration on the fight for reelection had other unintended consequences. Fernando Henrique Cardoso emerged from the congressional campaign visibly displeased with the extortionate propensity of the process; he expressed his aversion to repeating the experience stating that it was necessary to avoid the "president becoming a hostage to reforms," and it was time to "start governing." Unfortunately, the international situation was then entering a turbulent zone of successive financial and monetary crises, even as the delay in fiscal and external adjustments had exacerbated the country's vulnerability.

The 1997 Asian financial crisis exposed Brazil to speculative attacks that forced the Central Bank to continuously raise interest rates. Just as the situation was beginning to show signs of improvement, the government was hit, on the eve of the October election, by the Russian moratorium (August 1998), pushing interest rates up to 40% a year. Despite the apprehension triggered by these crises, Cardoso was easily reelected in the first round. Shortly afterwards, the "fiscal stability program" was adopted

to raise the primary surplus to 2.6% of GDP in 2001, based on an increase in taxes. The program made room for a \$41 billion package financed by the International Monetary Fund, multilateral organizations and the G7 countries. This outcome did not settle the disagreements and divisions within the government, specifically the dispute over the exchange rate regime, which had been going on since the early days of Plano Real.

This time, the faction that gained strength was the one advocating for the abandonment of the crawling peg system (the so-called “sliding fixed exchange rate,” subject to gradual fluctuations defined by the Central Bank under certain conditions). They also promoted a significant devaluation of the currency, accompanied by import substitution measures, industrial policy, and tariff increases. Worn down by the crisis, the main proponent of the prevailing exchange rate policy, Central Bank President Gustavo Franco (who had the more discreet support of Finance Minister Pedro Malan), left the government at the beginning of 1999. A disastrous devaluation attempt triggered an alarming depreciation process, responsible for a drop of more than 78% in the value of the real (January to March 1999). Brazil lost the support of the IMF, while the Central Bank watched four presidents pass through its ranks in 60 days!

Once again, the president managed to stabilize the situation. Cardoso kept his finance minister, appointed Arminio Fraga to head the Central Bank, and renegotiated the agreement with the IMF. Within a few months, the economy showed signs of rapid recovery, allowing for a reduction in the interest rate from 45% to 20% (July 1999), the elimination of the trade deficit, and marginal GDP growth of 0.3% instead of the 4% drop that had been feared. The growing prestige of the new Central Bank president would have another relevant consequence: unification in economic diagnosis and action, with the disappearance, for all practical purposes, of the influence of dissidents within the government. As a result of this evolution, the government was once again able to formulate economic policy innovations.

The scare caused by the severe exchange rate crisis and the sense of urgency had created the conditions for fiscal adjustment and what Rogério Werneck describes as an “important effort of institutional construction which, from March 1999 onwards, would provide a much more solid basis for conducting macroeconomic policy.” This system, known as the “tripod,” consisted of a primary surplus target, an inflation target, and a floating exchange rate. As a complement to this policy, the government managed

to pass the Fiscal Responsibility Law (2000), which inaugurated a process of more disciplined expenditures at the federal, state, and municipal levels.

Thus, the main legacy of the Fernando Henrique Cardoso era in terms of improving Brazilian institutions was consolidated. It can be summarized in three main achievements: 1) privatization with its institutional framework (constitutional amendments, legislative changes, creation of regulatory agencies); 2) the economic policy tripod; and 3) the Fiscal Responsibility Law.

It is striking how, from a certain point onwards, coinciding with the reelection battle though not necessarily solely the result of it, the FHC administration began to experience a kind of “bad spell” in which very hard blows alternated with surprising recoveries, only to give way to new and unexpected trials. Bumps and jolts, separated by brief periods of calm, gave no respite to a team under constant pressure. Sometimes due to tremors from abroad, sometimes due to genuinely domestic upheavals, hard-won progress in terms of reducing inflation, easing interest rates, stabilizing the exchange rate, fiscal adjustment, and resuming growth was constantly challenged and sometimes reversed by factors often beyond the government’s control.

The three-year period from 1997–1999 was marked by disruptive speculative attacks, external crises, loss of reserves, defensive interest rate hikes, decreased GDP, and internal disagreements. From 2000 onwards, the economy was expected to flow like a calm river. GDP grew by 4.3%, the deficit was converted into a primary surplus of 3.3%, and foreign investment was pouring in. The dream was that Cardoso would repeat Itamar Franco’s feat and secure a successor to guarantee the continuity of the reconstruction program started with Plano Real. This expectation, however, underestimated the pitfalls in the electricity sector and panic sparked by the PT’s proposal to hold a popular referendum on whether Brazil should pay its internal and external debts. Before touching on this point in the narrative, however, it is time to look at what was happening in Brazil’s immediate Latin American surroundings.

The Lesser Impact of Globalization in Latin America

In general, Latin America benefited far less from the peak decade of globalization compared to Asia. The aftermath of the external debt crisis, delays in reestablishing a minimum level of macroeconomic normality,

the narrowness of the productive base and of the capacity to supply competitive manufactured goods all combined to hinder the necessary shift in the export structure and the exploitation of world demand. A partial exception, at least in terms of increasing manufacturing exports, was Mexico, favored by the 1992 North American Free Trade Agreement (NAFTA), which gave the country free access to the US and Canadian markets. Thanks, especially at first, to assembly plants set up along the US border (the *maquiladoras*), Mexicans soon tripled their exports of industrial products, though generally of low added value. For this and other reasons, this increase did not produce economic growth higher than Brazil's in that period, nor did it contribute to significantly narrow the gap in productivity or income between Mexicans and the advanced members of NAFTA.

Almost all Latin American nations seemed to be converging in the same direction towards liberal democracy and open market economies. It is worth noting that these were the years of absolute dominance in Argentina by the duo of President Carlos Menem and Economy Minister Domingo Cavallo, who were committed to maintaining peso-dollar parity (the convertibility regime) and aspiring to follow Mexico's example of joining the free trade agreement, if the Americans would let them. In pre-Evo Morales Bolivia, Gonzalo Sánchez de Lozada ruled, overcoming hyperinflation and chronic instability. The old Christian Democrat Rafael Caldera was nearing the end of his presidency and career in Venezuela. Shortly before his election, in the second term of Carlos Andrés Pérez, the bloody explosion of the popular uprising known as the Caracazo (1989) had signaled the beginning of resistance to IMF packages and foreshadowed the rise of Colonel Hugo Chávez to power at the end of the decade. In Peru, the 1990s were the era of Alberto Fujimori, who liquidated Shining Path terrorism and, with the help of the IMF, redressed the economy. In Central America, the guerrillas had been defeated, and constitutional rule had been restored. Throughout the decade, Chile saw two governments of the Concertación Democrática, the alliance of center-left parties that, after Pinochet, would govern uninterrupted until 2010. Under the presidencies of Patricio Aylwin and Eduardo Frei, the country continued on a path of stable growth and coherent economic orientation.

Despite the long tradition of chronic instability in much of the region, it was believed that the phase of high inflation and lack of budgetary

control was definitively over. The electorate was thought to have been inoculated against populism and always ready to reelect the presidents responsible for quelling recent inflationary outbreaks: Fernando Henrique Cardoso, Carlos Menem, Sánchez de Lozada, Alberto Fujimori. The future of liberal and moderate representative democracy, combined with a market economy increasingly transformed by financial and commercial globalization, seemed assured.

The Relative Exception of Brazil

These expectations proved far too optimistic. Two decades later, we can practically count on one hand the Latin American economies that “reinvented” themselves on a liberal basis in the 1990s and have since remained faithful to their chosen course. Among rare examples, Chile, Mexico, and Costa Rica stand out for having deepened their liberal choices, forming a core within and outside the WTO that is recognizable for its defense of trade liberalization initiatives across various fields. Mexico ended up leaving the “Group of 77 and China,” which brings together developing countries in the United Nations economic entities, and joined the OECD, the organization described as the “rich man’s club” for representing advanced economies. Together with Chile, it has entered into dozens of free trade agreements with various partners in the Americas, Europe and Asia.

Nothing similar happened in Fernando Henrique Cardoso’s Brazil. In the global and continental context of those years, it would have been natural for his government to adopt a foreign policy of insertion into the globalized economy, like so many others. This did occur, but the extent of the policy was surprisingly limited and selective. In contrast to Mexico, for example, Brazil’s private banking sector remained largely dominated by national banks, despite the relaxation of regulations and the privatization of state banks allowing some major foreign banks to enter. Even these have not always fared well in the country. Thanks also to the economic team’s accumulated experience in financial sector restructuring, Brazil maintained prudent regulatory systems, avoiding the serious problems brought about by the global wave of banking and financial deregulation and globalization.

During this period, Brazilian diplomacy at the WTO increased its active militancy in favor of liberalizing world trade in agricultural products,

eventually overtaking Australia and Argentina as leaders of the movement. In contrast, Brazil did not join the organization's Information Technology Agreement (ITA), concluded at the First WTO Ministerial Conference in Singapore (1996). At the launch of the Doha Round of the WTO (2001), the Brazilian delegation led by Foreign Minister Celso Lafer played a decisive role in the adoption of a declaration allowing developing countries to suspend pharmaceutical patents in cases of severe health emergencies. Health Minister José Serra, a member of the delegation, had a direct influence on the action, as his program to make generic medicines cheaper and to combat AIDS depended on the relaxation of intellectual property rules.

One of Lafer's initiatives with the most important long-term consequences was the creation of the General Coordination of Trade Disputes within the structure of Itamaraty. Initially entrusted to Roberto Azevêdo, who would later be elected director-general of the WTO, the unit was responsible for handling cases against US cotton and EU sugar subsidies. Brazil's victory on both counts, achieved under the subsequent government, was a milestone in the fight against agricultural subsidies granted by advanced economies, which have serious distortive effects on world trade. These examples, to which others can be added, such as the preference for multilateral negotiations over bilateral agreements, indicate that even in areas directly linked to globalization and liberalization, the FHC government's orientation did not follow ideological templates. On a case-by-case basis, what dictated the Brazilian position was not the Washington Consensus or neoliberal doctrines, but the perception, right or wrong, of the country's interests and the autonomous means of defending them.

FHC's Foreign Policy: Autonomy through Participation and Integration

The formula that explained the behavior described above, and which would become a kind of label for Cardoso's diplomacy,³ was due to the president's diplomatic advisor, Ambassador Gelson Fonseca Jr.: the pursuit of autonomy through participation. Ambassador Luiz Felipe Lampreia, the minister of foreign affairs for almost six years (1995–2000), would complement the formula by adding the concept of "integration." In its original version, the search for autonomy through participation was meant to replace the search for autonomy through distance, which had been

Brazil's prevailing foreign policy orientation during the Cold War. Times had changed. Ideological conflict had been replaced by convergence and it would no longer make sense for Brazil to isolate itself. Participation and integration were different ways of referring to engagement in the process of shaping the norms and standards of conduct of the world order. To what end? Obviously, to increase control over its own destiny and influence the adoption of norms favorable to Brazil's development process.

In contrast to the triumphalist discourse of some Brazilian governments, FHC's diplomacy, as expressed in texts written by the president, the foreign minister and the diplomatic advisor, was distinguished by less rhetorical emphasis, visible even in the voluntary refraining from giving an official label or name to the diplomacy. Gelson Fonseca's presentations are impressive, in particular, for their sobriety and realism in assessing national conditions. In his words, Brazil was a "medium-sized country," with "some global presence through trade and action in multilateral organizations and a strong regional presence in South America," where it would have "conditions to influence the definition of the agenda" as it had no "rivalries arising from hegemonic disputes or conflicts with neighbors."⁴

His description did not exaggerate the country's true position in the world and was permeated with halftone and nuance. To put it even more bluntly, Brazil's capacity was "limited by internal problems" that "structurally [restrict] the possibilities for action by the state," which "has instruments (economic, military, etc.) that are scarce and not always deployable," leading to "an attitude of preference for diplomacy and law and the consequent distancing from power politics." Foreign Minister Saraiva Guerreiro could not have said it better...

Strictly speaking, the pursuit of autonomy through participation was nothing new. In GATT trade negotiations, the launch of Kubitschek's Pan-American Operation, the establishment of UNCTAD, the Rio de Janeiro Conference on the Environment, and in countless attempts to influence the formulation of international or regional norms and regimes, Brazilian diplomacy had done nothing else for years and years, under the most diverse and contrasting governments. So where is the originality? It lies in two aspects. The first has to do with a general attitude of changing emphasis. Instead of accentuating the discourse of criticism and denunciation of the injustices and imbalances of the international order, Cardoso's government

adopted a position that aimed to be constructive and propositional. If the country wanted to influence and improve international norms, it would have to replace abstention and criticism from afar with participation that would allow it to weigh in on debate within decision-making mechanisms. The second aspect was precisely the application of this change in attitude to concrete cases, the most emblematic of which was undoubtedly the revision of Brazil's traditional position of refusing to sign the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

Adherence to the NPT, a Decisive Mark of FHC's Foreign Policy—At first glance, it seemed perfectly natural and logical for the Brazilian government to join the nuclear non-proliferation regime. Had the parallel military project not been eliminated? Hadn't Argentina and Brazil established a bilateral safeguards agency and signed an agreement with the International Atomic Energy Agency in Vienna? Hadn't President Collor, dressed in fatigues, theatrically cemented the mysterious nuclear test tunnel in the heart of the Serra do Cachimbo^{VI} jungle? Having thus liquidated the slightest hint of any ambition to build an atomic bomb, what was preventing the country from signing the treaty?

What remained was the powerful inertia of a long-standing tradition, which had acquired the strength of immutable things. The prospect of signing the treaty had become a taboo, just as the resumption of diplomatic relations with the Soviet Union and reconciliation with Cuba had been in the past, albeit in the opposite ideological direction. Accepting the treaty would open the door to accusations that the country was giving in to pressure from the major powers, particularly the United States. It would also expose the government to criticism that it was turning its back on Araújo Castro's idea that the NPT was part of a scheme to "freeze world power." In other words, it required decision and initiative. That is why, of all the diplomatic achievements of President Fernando Henrique Cardoso, this is possibly the one that most deserves to be described as innovative, a defining hallmark of his foreign policy.

In a speech and message requesting authorization to sign the treaty from Congress (June 20, 1997), and on the occasion of the foreign minister's signing of the treaty at UN headquarters the following day, President Fernando Henrique Cardoso and Minister Lampreia came across

VI A remote mountain range located at the south of Pará, a state in Northern Brazil.

as somewhat excessive, suggesting that much greater resistance was feared than was actually the case. The minister went so far as to explicitly allude to Araújo Castro's famous argument. He wrote in a justification article that the NPT was no longer a power-freeze instrument and that it was becoming "a mechanism for progress towards disarmament and non-proliferation," an overstatement aimed at proving too much. In reality, it would have sufficed to refer, as the president did in his speech, to the commitment enshrined in the 1988 Constitution, emphasizing that "the acquisition of nuclear weapons did not correspond to national interests, did not meet the values of citizenship, and had no place in the good understanding that the country maintained with its South American neighbors and other international partners."

From the standpoint of "autonomy through participation and integration," the president stressed that "by not joining the treaty, Brazil gained nothing"; by joining it, the country "lost nothing because it had already made non-proliferation commitments in the 1988 Constitution and in other agreements." Most importantly, Brazil gained in terms of credibility and *bona fides* as a nation consistent with its principles. Brazilian diplomacy would continue to assert that the NPT was and is an unbalanced treaty that needs to be revised and improved. However, as Lampreia stated, this principled position should not continue to generate "a permanent burden for Brazil in terms of access to technology and a certain suspicion on the part of the international community."

The same concern about access to sensitive technologies inspired a series of additional measures that complemented adherence to the NPT: acceptance of the Missile Technology Control Regime (MTCR), approval of legislation to control the export of sensitive technologies, entry into the Nuclear Suppliers Group or London Group, the signing of the Comprehensive Test-Ban Treaty (CTBT). All these initiatives had the same purpose of ensuring participation in arrangements to monitor the proliferation of sensitive technologies and aimed, among other things, to prevent Brazil from continuing to face restrictions on access to cutting-edge equipment and technologies. It should be noted that none of these acts of "autonomy through participation and integration" would be questioned or reversed in the future.

Autonomy versus Participation: The Contrast with Argentina—For Cardoso’s foreign policy, participation and integration—the means to achieve autonomy—would only be useful insofar as they helped to strengthen that always predominant end. This hierarchy of objectives becomes clear when compared to the “peripheral realism” that Argentina continued to pursue after Menem’s reelection (1995). The “preferential option for the United States” of Carlos Escudé and other Argentine theorists stemmed from the recognition that, within the regional framework of the River Plate Basin and Latin America more broadly, Brazil had surpassed Argentina in demographics, economic size, and diplomatic influence. It was better, therefore, for Argentina to join the 33 countries led by the Americans in Operation Desert Storm than to resign itself to being a junior partner to its historical rival.

Argentine intellectuals’ reading of Brazil’s alliance with the United States during World War II corresponded to this interpretation of history: Brazil at that time remained in the shadow of Argentina, which still enjoyed the last vestiges of past grandeur, and so sought to make up for what it lacked in relative regional power through the American alliance. This strategy had worked, yielding the Volta Redonda steel mill, ostensible American support for heavy industrialization in Brazil, the strengthening of Brazil’s armed forces and the increase in prestige as a result of their participation in the Allies’ victory. Why not repeat, 50 years later, the policy of Vargas and Oswaldo Aranha, which had yielded so many results? The idea (or illusion) was not new; the Argentine military governments between 1976 and 1983 had implemented a policy of supporting the Reagan administration’s counter-guerrilla activities in Central America, with the hope of earning Washington’s gratitude and benevolence in episodes such as the invasion of the Malvinas.

To be fair, it should not be forgotten that in Argentina the vision of a world divided between military alliances persisted. During Videla’s dictatorship (1976–1981) and its successor regimes,^{VII} this was supposed to translate into an alliance in the South Atlantic, in symmetry with NATO, that would include apartheid-era South Africa. Rejected by the Brazilian government, the suggestion would later be transformed into Buenos Aires’ plan to join NATO in some capacity under Menem. Its initial expression was

VII From March 29, 1981, to December 10, 1983, five military officers held the presidency of Argentina, until the inauguration of Raúl Alfonsín, a democratically elected civilian.

the sending of warships to take part in the first Gulf War. The Americans encouraged this rapprochement: on a visit to Buenos Aires (January 1995), President Clinton agreed that Argentina should be considered “a major non-NATO strategic ally” on a list that included Japan, Israel, and Egypt. As was later clarified, the country would be included among seven non-NATO members with which the United States had close defense relations: Japan, South Korea, Australia, New Zealand, Israel, Egypt, and Jordan.

Culminating the rapprochement, Clinton formally named Argentina as the only Latin American country to deserve the designation of “major non-NATO ally” (January 1998). In return, the Argentine government would align with US positions on the fight against drug trafficking, condemnation of the human rights situation in Cuba and, in general, on the major international issues of the time. There were superficial reactions in South America, where Chile’s foreign minister expressed concern about the risk to the strategic balance in the region, and Senator José Sarney expressed similar astonishment in a speech in the Federal Senate. Lampreia downplayed the significance of Argentina’s attitude, which he described as a matter strictly linked to the country’s bilateral agenda with the United States, with no implications for an arms race or other concerns for Brazil. The wisdom of this studied indifference was proven by the fleeting and artificial nature of the alliance, which would not withstand the collapse of Menem’s economic policy and the chaos that ensued.

Although it did not last, Argentina’s strategy revealed something deeper, which some in the Brazilian government preferred not to see. Brazil had come to conceive of MERCOSUR as a project of far greater scope than a mere trade agreement. Once consolidated and deepened, the framework was intended to expand across all of South America, unified in a common market. There was no need to state that Brazil and its economy would inevitably stand out in such a market due to its size and weight. Faced with this determination, the least that can be said is that Argentina’s position was characterized by ambivalence and ambiguity. For the neighboring country, MERCOSUR appeared mainly as a useful tool for accessing the Brazilian market. Beyond that, Argentina sought to maintain freedom of movement to negotiate, if possible, a free trade agreement with the much larger US market.

In addition, Argentina's recognition of Brazil's perhaps temporary lead was not enough for it to accept the formal and decisive expression of that advantage: Brazil's entry into the expanded United Nations Security Council. In both directions, the strategy of the Argentine-American alliance could only help. Thus, there was an underlying tension, a divergence of interests, which the excessive rhetoric about MERCOSUR, more common on the Brazilian side, barely managed to disguise. Gradually, a relationship was established between Brazil and Argentina that was somewhat analogous to that of Germany and France in the European Union, with the difference that, in the latter case, Germany's economic superiority found some compensation in France's status as a nuclear power and permanent member of the Security Council.

Over time, the dream of converting South America into a large MERCOSUR would fade due to the economic stumbles of its two largest members. What would remain was the intuition that the time had finally come to impose international institutionality on the geographical concept of South America, alongside or preferably beyond the cultural notion of Latin America.

The “South Americanization” of Diplomacy—If in Europe institutional organization grew from small to large, the opposite was true in the Western Hemisphere. Europeans began the work of unification with the original core of Western Europe—France, Germany, Italy, Belgium, the Netherlands, Luxembourg—basically the borders of Charlemagne's empire. From this seed, integration expanded organically, growing east and west, north and south, until it reached 27 countries and stopped at the gates of immense Russia. In the Americas, the regional organization effort began under the aegis of the United States at the end of the 19th century. Curiously, the initial push was to create a customs union from Alaska to Tierra del Fuego! It was only after the trade project's unfeasibility became apparent that the movement acquired a structure aimed at political and legal cooperation, conflict resolution between states, and the coordination of collective support for the United States' global objectives, as seen in World War II.

After the war, the opportunity was missed to steer the task of organization towards the real priority felt by a majority of Latin American countries at the time: cooperation for development, of the kind that was underway with the Marshall Plan in Europe. The mistake proved irreparable.

The Organization of American States (OAS) dates to 1948, just as the call for a priority effort towards development was intensifying. The OAS was thus born as an anachronistic institution, its progressive drift toward irrelevance inevitable. With the Pan-American Operation, Kubitschek tried to salvage the notion of an organization of all the hemispheric states, including the developed United States and Canada, supposedly united by solidarity beyond national borders and committed to the common task of development. Repeated failure and then the deep schism caused by the expulsion of communist Cuba would ultimately condemn the old idea of a Pan-Americanism that encompassed the underdeveloped Latin countries of the south and the prosperous Americans and Canadians of the north.

The alternative of using the historical-cultural concept of Latin America, without the United States, as a basis for organizing regions and countries as heterogeneous as Central America and the Andes, Mexico and Argentina, would not work either. The Economic Commission for Latin America and the Caribbean (ECLAC) tried to provide a theoretical foundation by devising a developmental industrialization strategy. To expand the insufficient scale of national markets, the Latin American Free Trade Association (ALALC, 1960) and its successor, the Latin American Integration Association (ALADI, 1980), were founded in the space of 20 years. The results, real but modest, fell short of expectations due to the reluctance of larger countries to open their markets to the demands of the less developed countries and the Andean countries' desire to establish their own exclusive scheme.

The concept of Latin America as an organizing factor featured in two other types of initiatives. Politically, the centrality of the Central American guerrilla problems in the 1980s and 1990s inspired two groups, Contadora and Contadora Support, which later merged into the Rio Group, bringing together Mexico, Panama and several South American countries. Economically, the Special Latin American Coordinating Commission (CECLA) and the Latin American and Caribbean Economic System (SELA) strove to coordinate the continent's positions for major multilateral economic negotiations.

By the early 1990s, these attempts showed signs of having reached their limits and came to a standstill. To that point, all the initiatives, including sub-regional ones such as MERCOSUR and the Andean Group,

obeyed the principle that trade integration agreements should be limited to economies at a similar stage of development, avoiding the unequal mixing of economies with structurally different levels of competitiveness. It is true that, in practice, there was no alternative to this principle, as the only more advanced economy in the region, the United States, still clung to multilateralism and rejected bilateral and regional arrangements. The situation only changed when the Americans decided to abandon their steadfast support for trade multilateralism, which dated back to the 1930s. Impatient with the slow pace of the GATT Uruguay Round, Washington finally decided to sign a bilateral free trade agreement with Israel in the mid-1980s, followed by another with Canada. However, the real paradigm shift only came with NAFTA (1992), which brought together two large, highly developed and competitive economies (the United States and Canada) and a developing one (Mexico).

The decision to join the trade agreement by the Mexican government, until then a champion of the Third World thesis, sent shock waves across the continent and, as we have seen, aroused the desire to imitate it in Chile, Argentina, Peru and elsewhere. The irresistible attraction of the gigantic North American market was felt with particular vigor in the areas geographically closest to it: Central America, the Antilles, Panama, and the northern strip of South America stretching from Peru, encompassing economies that sent around half or more of their exports to the United States. The gravitational pull of the world's leading economy became even more intense when Washington convened the Summit of the Americas, a meeting of heads of state in Miami. There, with the attendance of President Itamar Franco and President-elect FHC, the proposal to negotiate a Free Trade Agreement of the Americas (FTAA, December 1994) was formalized.

For Cardoso, the number one priority would be, as he stated in numerous speeches, to consolidate and deepen MERCOSUR as an initial step towards its eventual expansion as a component of South American integration. From this point of view, the FTAA obviously appeared more as a threat of disruption than an opportunity to expand the market. The plan to expand MERCOSUR to encompass the whole of South America came up against two obstacles: the attraction felt even by countries like Argentina or Uruguay toward the US market, not to mention Chile, Colombia and Peru, and the resistance of the Andean countries, which, *mutatis mutandi*, had a similar attitude towards Brazil's productive superiority as Brazil did

towards the Americans. Furthermore, we should not overlook Brazil's own shortcomings, and those of its immediate neighbors, in effectively "consolidating and deepening" MERCOSUR, a precondition for everything else.

Faced with the difficulties of the trade integration project, the only option left was to explore the concept of South America as a geographical space for physical integration and concerted efforts to resolve conflicts. These two fundamental aspects constituted the "South Americanization" of foreign policy carried out by FHC. As a (relative) counterpoint to the summits of the Americas convened by the United States, he invited all the heads of state of South America, including the Guianas, to a summit to be held in Brasília in the middle of his second term (August 31, 2000) as part of the celebrations of Brazil's 500th anniversary. The geographical criterion justified the exclusion of the United States and Mexico. The most effective and tangible result of the meeting reflected the emphasis placed on themes of geographical contiguity and the unification of space through physical integration projects, especially in transportation and energy.

The Initiative for the Integration of the Regional Infrastructure of South America (IIRSA) was launched, bringing together and articulating existing bilateral and regional projects. Over the eight years of the FHC era, very significant progress was made in physical and energy integration. The completion of a gas pipeline between Santa Cruz and São Paulo in order to import Bolivian gas (1999) is worth highlighting. The project had been dragging for over two decades, since the days of Geisel's presidency, and required a multitude of treaties, agreements, adjustments and meetings that spanned several governments in both countries. The paving of the highway linking Manaus to the Venezuelan border and the opening of a road linking Acre to the Pacific through Peruvian territory were also useful projects that would extend through the FHC government and beyond. Although to this day South America does not enjoy what Europe has consolidated since the Middle Ages—an effective network of roads and waterways to connect the various countries—the isolation of national territories was thus reduced, though not eliminated, on the eve of the third millennium.

South America as a Space for Pacification and Democratization—Just five days after Cardoso's inauguration, violent military clashes broke out

in the Cenepa region, a disputed Amazonian border area between Ecuador and Peru. The fighting reignited an old conflict inherited from colonial times, the subject of the Rio de Janeiro Protocol (1942), mediated by Oswaldo Aranha, with the joint guarantee of Brazil, Argentina, Chile, and the United States. The issue became a diplomatic priority for Brazil, which acted, as it had several times before, as a coordinator for the guarantors of the protocol. This time, it took advantage of the sense of urgency imposed by the risk of a generalized war to set in motion a mediated negotiation process which, a few years later, would result in the “Global and Definitive Peace Agreement,” signed in Brasília by the presidents of Peru, Alberto Fujimori, and Ecuador, Jamil Mahuad, in the presence of Cardoso, several heads of state from the continent and the secretary-general of the OAS (October 26, 1998).

The agreement was the culmination of more than 50 years of diplomatic efforts, and its importance should not be downplayed as just another incident of its kind. Although much less severe than the Chaco War between Paraguay and Bolivia, the Ecuadorian-Peruvian dispute was the only border conflict that caused repeated military confrontations in South America throughout the 20th century. The nationalist passions it aroused were such that it seemed impossible to find a solution in the foreseeable future. Its closure considerably reduced the residue of issues that could affect South American peace.

Two aspects of the pacification process are worth highlighting. The first was the nature of Brazilian action, which favored a non-protagonist role, was never unilateral, and always came in close understanding and convergence of thought with other prominent players, in this case the other guarantor countries. This eliminated the risk of debilitating rivalries and divisions. Second, the example illustrates, in terms of promoting peace—the irreducible essence of diplomacy—the creative potential of the belief in Brazil’s constructive role in bringing about peaceful compromise solutions to international issues.

In a domain related to pacification—the consolidation of democracy—Cardoso intervened influentially, alongside other heads of state, to defend the democratic process, which was repeatedly threatened in Paraguay in various incidents at the end of the 1990s. Largely because of these threats, the MERCOSUR members decided to adopt the Ushuaia Protocol, often

referred to as the “democracy clause,” which established that the “full effectiveness of democratic institutions is an essential condition for the development of integration processes between the States Parties” (1998). It was also under Cardoso that Brazil finally accepted the compulsory jurisdiction of the Inter-American Court of Human Rights.

The FTAA Negotiations: Autonomy through Integration or Distance?— It has already been noted that the formula of “autonomy through integration” did not represent an absolute criterion that implied an obligation or tendency towards invariable adherence to organizations or policies. For the formulators and executors of FHC’s foreign policy, “participation,” as opposed to absence, sought to influence processes to achieve Brazilian objectives. If the results proved incapable of guaranteeing these objectives and the consequent “integration” led to a loss of autonomy, it would be best to prolong the effort or even stay out of the issue at hand, as occurred in the difficult FTAA negotiations. The ultimately fruitless experience also demonstrates the superficiality of the version of events that claims to see foreign policy at that time as an uncritical acceptance of “neoliberal” initiatives. If there were any basis for the accusation, the government should have enthusiastically embraced the FTAA proposal, which could not have been further from reality.

Naturally, within public opinion and the government itself, there were currents that favored not so much the commercial aspects of market access in the negotiations but rather the broader implications: the advantages of financial integration, the attraction of investment, the indirect “lock-in” effect of making economic reforms irreversible. Lampreia, who had accumulated experience as a GATT negotiator, made his purely commercial approach clear when he declared: “there will be no commercial concessions on our part unless there is strict reciprocity in terms of access to the US, Canadian, and Mexican markets.”

Washington’s proposal, however, divided the hemispheric countries vying for the agreement into four categories (the Caribbean, Central America, the Andes, and MERCOSUR), reserving for the latter group the most squalid offers in agriculture. In return, the United States’ demands were disproportionate in several respects: concessions of industrial goods and services (including financial services); an unreasonable expansion of intellectual property rights; arbitration by private investors against

governments; and limitations on the power to impose capital controls in balance of payments crises.

At a time when the Brazilian government still considered the consolidation of MERCOSUR and its expansion in South America an absolute priority, the FTAA proposal threatened to make the Southern countries' integration process irrelevant, without offering them adequate compensation in Northern markets. Hence the undeniably defensive nature of Brazil's attitude, as Fernando de Mello Barreto noted when commenting on a speech by Cardoso in which the "defense of our interests in the process of hemispheric integration" contrasted with what came soon after, the "rapprochement with the European Union."⁵ The same spirit is present in this text by Lampreia, who defined one of Brazil's main objectives as:

to consolidate MERCOSUR as an additional dimension of each of its members' individuality and give it a growing regional and international projection, as an entity with its own personality and *in no way as a mere transitional stage in the process of integration into broader geographical circuits* [emphasis mine].⁶

The Brazilian government viewed the FTAA proposal as neither an "inevitability nor an imposition" and would only accept the project if it was "balanced, gradual, and compatible" with national interests.⁷ The statement that best summarized what Brazilian foreign policy understood by this is contained in President Fernando Henrique Cardoso's speech at the 3rd Summit of the Americas in Quebec (April 2001):

The FTAA will be welcome if its creation is a step towards providing access to the most dynamic markets; if it effectively is the best way forward for shared rules on anti-dumping; if it reduces non-tariff barriers; if it avoids the protectionist distortion of sanitary rules; if, by protecting intellectual property, it also promotes the technological capability of our peoples—and, moreover, if it goes beyond the Uruguay Round and corrects the asymmetries that were crystallized at the time, especially in the agricultural area. *Otherwise, it would be irrelevant or, at worst, undesirable* [emphasis mine].

The text may have already reflected the influence of the new foreign minister, Celso Lafer, who had recently headed the Brazilian mission to the WTO (January 2001). It listed all the characteristics that the FTAA

would probably never possess. Some—in fact all—of the demands had been expressly excluded from the negotiations by the US government. Their repetition in the president’s speech was equivalent to setting conditions that would make the agreement unfeasible from the US point of view. This therefore confirms that, in this case, the affirmation of autonomy would prove incompatible with integration.

Brazil’s 500 years: Almost a Happy End—Had Fernando Henrique Cardoso’s government ended in the last year of the century and millennium, it would have had a happy ending—not so much for the celebration of the 500 years of building the nation, which (predictably) left a bittersweet aftertaste, a feeling of unfinished work, a mix of light and shadow.

Following the reelection and after overcoming the financial crises of 1998 and 1999, the year 2000 seemed to herald a promising phase for Brazil. Growth, which had stalled in the previous two years (0.0% and 0.3%), had risen again (4.3%) against a backdrop of inflation within the target (6%) and a primary surplus of 3.3% of GDP. Once again, hope was rekindled, only to be stifled by unexpected blows: energy rationing, or the “electricity blackout,” and the return of instability due to the probable victory of Lula in the 2002 elections.

The external picture also suffered a sudden downturn: the attacks of September 11, 2001 brutally shattered the naive illusions of the “end of History,” already reasonably shaken by the Rwandan genocide (1994), the massacres and atrocities of the Bosnian War (1992–1995), and the bombings and fighting in Kosovo and Serbia (1999). Just as the 10-year anniversary of the end of the Cold War and the disappearance of the bipolar world was being celebrated, an implacable and insidious enemy suddenly emerged from Afghanistan, on the periphery of the periphery: the suicidal terrorism of fanatics from a deranged Islamism.

Unprepared, like other countries, to deal with this unprecedented and unknown threat, the United States would make the mistake of militarizing a conflict that instead required a strategy better adapted to the nature of the challenge. The relative moderation with which the senior Bush and Clinton handled their “unipolar” moment of hegemony gave way to the pure and hard unilateralism of George W. Bush. It would be a shocking wake up call for a diplomacy like Brazil’s, inspired by participation and integration, which are only viable in a context that values multilateralism.

Thankfully, the distance from the front line of the Islamic conflict spared Brazil from direct consequences, and the country was affected only by disagreements at the UN and missed opportunities for cooperation on constructive topics.

The top priorities in Brazil's South American foreign policy—Argentina and MERCOSUR—were not so fortunate. They were shaken in a very serious way, perhaps fatally at least in the medium term, by the unprecedented collapse of the Argentine economy between 1999 and 2002, which reached its lowest point at the end of 2001. The causes of the crisis were essentially local, but there is no doubt that the devaluation of the real in 1999 significantly impacted the deterioration of the balance of payments of the southern neighbor, which concentrated more than 25% of its exports in the Brazilian market. One of the immediate effects was pressure from Economy Minister Domingo Cavallo to reduce import tariffs on capital goods in the MERCOSUR Common External Tariff, which had been set at burdensome level due to the interests of Brazilian industry.

The frightening collapse of Argentina's economic, political and social structure at the height of the crisis led to the resignation of President Fernando de la Rúa and a dizzying succession of upheavals until Eduardo Duhalde was chosen as President. Gradually, the new Economy Minister Roberto Lavagna would regain control and ensure, amid the turmoil of a debt moratorium, a return to growth and relative normalcy. However, it was as if the spell had been broken. MERCOSUR would never again display the expansive dynamism of its early days. In contrast to the persistent calls in favor of completing the Common External Tariff and reducing exceptions, of building the Common Market, of deepening integration and extending it into new terrain, what actually happened most in the following years was a multiplication of trade conflicts, unilateral barriers and a paralysis in negotiations with the European Union.

Celso Lafer would say in an apt formulation that "MERCOSUR is a destiny, while the FTAA is an option." The phrase perfectly encapsulates the natural logic, the desirable solution born from geographical contiguity and economic complementarity. It would be a mistake, however, to interpret what is desirable as being inevitable, as an expression of deterministic circumstances with no alternative. Unfortunately, the hope of recovering the bloc's vitality was not realized in the final two years of FHC's administration

nor in the three subsequent governments. Even in the face of a monotonous succession of frustrations, a liturgical ritual continued to be repeated that no one believed in anymore: periodic MERCOSUR meetings, the approval of declarations, relaunch plans, the routine of institutions that survive due to the fear of jeopardizing respectable achievements in increased trade, mutual investments, and business ties.

MERCOSUR had become the unavoidable horizon in Brazil's worldview, partly as a result of the political calculation, conscious or not, that within this group or on the wider scale of South America, Brazil would naturally occupy the top position because of its weight. Argentina and the smaller States Parties did not share this exclusive approach. Unable to aspire to the predominant position, their ideal was to gain access to the US and Pacific markets without losing access to the Brazilian one. This was evident, even under FHC, in the stance of Uruguay and Minister Cavallo. The challenge for the Brazilian government would be to maintain the achievements of MERCOSUR without becoming paralyzed by them, regaining the ability to explore other complementary paths for participation, integration and foreign policy in the Americas and the world.

Meanwhile, on the domestic front, electricity rationing led to a loss of three percentage points in growth, from 4.3% (2000) to 1.3% (2001), alongside interest rates of 19% and a resurgence in inflation. The situation was beginning to improve after a \$15 billion agreement with the IMF, but the approach of the October 2002 elections would once again destabilize the economic landscape. The fear that Lula's likely victory would lead to a public debt default, as advocated by the PT, pushed the exchange rate from 2.4 reals per dollar (March 2002) to 3.4 (end of July) and increased the Brazil risk to over 2,400 points. Alarmed by the rapid economic deterioration and pressured by the government, Lula and the PT agreed in late June to publish a "Letter to the Brazilian people" in which they promised to honor contracts and obligations.

The document helped to somewhat calm nerves, but the effects were short-lived, and expectations continued to worsen. Once again, it was necessary to negotiate a highly difficult IMF loan of \$30 billion, the largest granted by the organization up to that time. Lula held a public meeting with Cardoso and pledged to comply with the agreement if elected, with the bulk of disbursements to be made in the future administration. Despite

all efforts to instill confidence, by the end of September the exchange rate had reached 3.9 reals per dollar.

Lula's victory in the second round did nothing to improve the mood. The Central Bank had to raise interest rates from 18% to 25%. Gradually, the announcement of an economic team led by Antonio Palocci, in the Ministry of Finance, and Henrique Meirelles at the Central Bank, saw the year end with the exchange rate at 3.5 reals per dollar and the Brazil risk down to 1,400 points and falling.

The cost of democratic alternation to the first left-wing government in Brazilian history proved to be significant: due to the 20-month period of instability, GDP growth fell to 1.3% (2001) and 2.7% (2002). Inflation fluctuated between 9% (2001) and 10.6% (2002). On the positive side, the trade balance had recovered, the current account deficit had been significantly reduced, and the public sector primary surplus, generated for four consecutive years, reached between 3% and 4% of GDP. It was precisely during this challenging phase of turbulence and upheavals that Fernando Henrique Cardoso revealed his greatest qualities as the main guarantor of stabilization on the domestic front and as guarantor of the country's credibility on the external one, with the IMF, multilateral economic organizations, and the G7 governments.

His "presidential diplomacy" had never been so intense, a practice that had already earned him the recognition of the major world leaders and Brazil's inclusion in many discussion and decision-making forums from which it had been absent. Prior to the crisis season, the prestige accumulated thanks to his government's foreign policy of constructive engagement, with initiatives ranging from signing the NPT to mediating peace between Peru and Ecuador, had earned Brazil unprecedented respect in international terms. At the critical moment, this recognition would prove crucial in managing the frail transition to a government led by a party that had won the election with a platform opposed to everything that had been done in the previous eight years.

The Lula Administration: Social Advances and Diplomacy of Presidential Protagonism and Search for Prestige (2003–2010)

As a popular democracy, no one in Brazil has led a government as extraordinarily and completely successful as Luiz Inácio Lula da Silva,

a former metalworker and union leader with no formal education. This alone makes him an even more unlikely president than Fernando Henrique Cardoso. Let us leave out Getúlio Vargas, who was not a democrat and preferred to govern with the instruments of exception granted by the Estado Novo. In contemporary history, only Juscelino Kubitschek has come close to Lula in the triumphant popularity of ending his term in a democratic and tolerant setting—though, in JK's case, without being able to elect a successor from his own party.

Lula resembles Juscelino not only in his enormous success and constant popularity throughout and at the end of his term, but also in the increase and imbalance of public spending, sowing the crises that would destabilize their successors. During the Lula administration, the lack of limits on the use of economic stimuli and the vast scheme to divert resources from state companies to the illegal financing of campaigns unfortunately tarnished a remarkable experience of improving the dignity and living conditions of the poorest. The rope frayed by Juscelino did not withstand the pressure from Jânio and Jango, snapping in the military coup of 1964. Cracked from top to bottom by this new political and economic degradation, will the dysfunctional political system created in 1988 hold out?

The Nature of the Initial Challenge

The challenge faced at the beginning of the Lula administration was not just the risk of an economic meltdown caused by the fears of the PT's radical program. Behind this lay a more complex problem. The need to rebuild the party's ideology in light of the disappearance of "real" communism and the identity crisis that gripped all forms of socialism had not been satisfactorily resolved. This was the challenge faced by Felipe González when he came to power in Spain and by François Mitterrand in France, and it remains a problem confronting countless forms of socialism or leftist movements to this day.

In some European examples, change was preceded by seminars, discussions, congresses and debates of ideas that lasted for months and years. The end result, it must be admitted, in England, France, Spain and elsewhere, was essentially no different from the economic and social system advocated by centrists and even the moderate right. One by one, the socialists abandoned the goal of nationalizing banks, railroads and heavy

industries and accepted market economy modalities strongly influenced by globalization and liberalism.

In Brazil, in addition to the intellectual bewilderment at the end of communism, tactical considerations resulting from Lula's three successive presidential defeats, the first against Collor and the other two against Fernando Henrique Cardoso, exerted influence on the nature of the change. Several witnesses have already recounted the meeting in which, after the third defeat, Lula told PT leaders that he would no longer run for the presidency. On behalf of the others, José Dirceu pledged to soften the PT's stance against alliances with "bourgeois" parties and whatever else was necessary to make the party's only presidential candidate change his mind and run again. This would lead to everything that followed: the adherence to realpolitik, to compromises and concessions as a tactic for winning and retaining power.

The new stance required abandoning what had been the party's anti-establishment *acquis*: reforming the political and electoral system, denouncing all forms of corruption and the party's founders' goal of fighting for a radical transformation for workers and employers alike of the corporatist structure inherited from the Vargas era in union organization. The turnaround in Lula's economic program, attributed to the market panic after the electoral victory of 2002–2003, also belongs to the logic of tactics to gain and retain power. The change in the attitude of the PT leadership, though perhaps sincere, was superficial and would not stand up to future temptations. A significant portion of the PT's cadres and militants never accepted what seemed to them like a betrayal of the party's identity, the option for a policy of "class conciliation" incapable of eliminating the structures of inequality.

Remarkable Victory over Initial Challenges—Among all the senior figures of the PT, it was perhaps Finance Minister Antonio Palocci who underwent the most definitive transformation. Thanks to his actions, complementary efforts from Henrique Meirelles at the Central Bank and a team of experts with no party or ideological ties, the recovery of the economy proved surprisingly rapid. In a short time, the Brazil risk fell from 2,400 to less than 700 points, interest rates went from 26.5% to 16% (May 2004), GDP growth jumped from 1.2% (2003) to 5.7% (2004), and inflation fell from 9.3% (2003) to 7.6% the following year. The external

sector also adjusted rapidly: exports of \$60.4 billion (2002) rose to \$96.5 billion (2004) and the current account deficit went from 1.7% of GDP to a rare and fleeting surplus of almost 2%.

With the sole exception of some effects in 2009 from the previous year's global financial crisis, results improved steadily throughout both of Lula's terms. By the last year of the first term (2006), inflation had fallen to 3.1% and the rate of GDP expansion had reached almost 4.3% on average over the three years from 2004 to 2006. In subsequent years, inflation remained moderate, at 4.5% (2007), 5.9% (2008), 4.5% (2009) and 5.9% (2010). Meanwhile, growth seemed to have stabilized at a cruising speed: 6.1% (2007), 5.2% (2008), a sharp plunge due to the global crisis to -0.3% (2009), only to jump to 7.6% (2010). The average rate of increase in output over the eight years of the two terms was 4% per year, in contrast to less than 2.3% during the FHC era. Much earlier, around the third year of the government, maturing conditions inspired Minister Palocci, seconded by his Planning Ministry colleague Paulo Bernardo, to make a proposal that would have changed the fate of the PT experience had it been accepted.

The proposal involved taking advantage of the period of prosperity to set up a mechanism to gradually contain an alarming increase in current government expenditure, which was growing at a rate twice that of GDP growth and having a worrying effect on public debt. At that time, it would still have been possible to avoid the worst in an almost painless manner simply by reducing the growth rate of expenses to a level below the rate of economic expansion. This way, the debt trajectory would be reversed and, within a few years, gross debt would contract in such a way as to allow, for the first time in recent economic history, a low interest rate, like that of a "civilized" country. Unfortunately, while the improved economic conditions were conducive to this kind of crucial reform, the political conditions had seriously deteriorated since mid-2005, with the "mensalão" scandal. The fall of Chief of Staff José Dirceu and his replacement by Dilma Rousseff sealed the fate of the proposal, deemed "rudimentary" by the new minister.

The Government Curve Inverts Downwards

An additional blow definitively buried the possibility of such prudent macroeconomic policy: the departure of Palocci (March 2006), brought down by a personal scandal, and his replacement by Guido Mantega, an ally

of Rousseff and a supporter of the introduction of a new (and expansive) economic matrix. The opportunity was wasted to adopt a countercyclical economic approach, as Chile and later Peru did, taking advantage of the positive years to slow down the pace of spending and reserve resources for when, in a recession, a fiscal stimulus would be needed. The fateful mistake went unnoticed in the eyes of many, overshadowed by enormous growth in federal revenue of more than 10% a year, driven by the acceleration in GDP growth as a result of the commodities boom.

An explosion in soybean and iron ore prices, thanks to China's growth, exceptional gains in the terms of trade and the discovery of the extraordinary oil reserves in the pre-salt layers off the coast of Brazil induced the country to behave imprudently concerning the abundance of commodity revenues and currency appreciation. The push that proved irresistible came from the global financial crisis of 2008. The Central Bank and the Ministry of Finance reacted quickly and generally well, thereby initially mitigating the negative impact on the Brazilian economy. Nelson Barbosa, then the second-in-command of the Ministry of Finance, compared some of these measures, especially the huge expansion of credit, to quantitative easing, i.e. the increase in financial liquidity practiced by the US Federal Reserve. In the Brazilian case, the way to inject liquidity into the economy was by transferring funds from the Treasury to official banks (BNDES, Banco do Brasil, Caixa Econômica Federal), so that they could compete with private banks in loans and in the competition for lower spreads. The abuse of this policy in Brazil would later have harmful consequences for the economic situation writ large.

It is worth drawing attention to the external origin of some of the main forces influencing the Brazilian economy in those years. Once again, the close correlation between economic growth in Brazil (and Latin America) and the commodities supercycle proved true. The global crisis in the real estate and financial sectors in the United States, the bankruptcy of Lehman Brothers, the spread of bankruptcies in Europe, financial liquidity at low interest rates—all of this had an acute influence on the greater or lesser pace of economic activity. China would make a decisive debut as a new source of influence on Latin American countries by deciding to counter the negative impact of the global crisis with an astronomical stimulus package, proportionally by far the largest of all the affected economies.

The Chinese, who had already become the main market for raw materials exports, had a positive influence by accelerating the increase in demand and prices for commodities, especially metals (with copper foremost), improving the terms of trade, trade balances and/or current account balances for exporters on the continent such as Chile, Peru, Argentina and Brazil. On the negative side, China's impact was no less severe, as it weighed on the appreciation of national currencies and flooded Latin markets with unbeatably priced manufactures. Much of the increase in demand induced in Brazil by the government's policy of facilitating credit would end up being captured by Chinese products, leaving national industry increasingly fragile and unable to compete in its own domestic market.

The exchange rate, which had reached 4 reals per dollar during the panic of Lula's election, plummeted to close to 1.5 reals, heavily accentuating Brazil's already vigorous propensity to import goods and travel abroad. At the same time, it reinforced the delicious feeling of enrichment brought on by "exchange rate populism." Weakened by the exchange rate and the Brazil cost, industry did not live up to the government's expectation of increasing private investment through credit subsidies and tax exemptions in the governments of Lula and her successor. Shiny on the surface, the actual economic situation hid increasingly disturbing threats which, in due course, would destroy most of the progress accumulated during the Lula era.

Achievements in Reducing Poverty and Inequality

It was unfortunate that avoidable mistakes in economic policy compromised both the sustainability of the social transformation brought about by Lula's electoral victory and the provisional success of the first moderate left-wing government in Brazilian history. There is no inherent incompatibility between promoting social inclusion and a balanced and sensible public spending policy, as even left-wing governments in neighboring Bolivia had proved and as would have been the case in Brazil if Palocci's intelligent proposal had been implemented in 2005. It was simply a matter of dosing the expansion of distributive programs according to the financial capacity of the public sector. This experience deserved a better fate. As it was, it amounted to a cultural and social shock with historic implications for Brazil's evolution, bringing to the center of power some

traditionally marginalized sectors of the population, such as workers, indigenous people, Black people, and social movements.

The programmatic priority of social inclusion and promotion corresponded to a deep yearning within the collective conscience of the nation, frustrated by the inability to redeem the accumulated debt to millions of excluded and impoverished people. In the FHC government, growing awareness of the intolerable national inequality had begun to inspire specific income transfer programs, the most well-known being Bolsa Escola.^{VIII} Under the PT governments, there was a multiplication and expansion of these and other programs, some better conceived and implemented than others. The project that achieved virtually unanimous approval due to its focus on the most vulnerable, its scope and its low cost (on average 0.5% of GDP) was Bolsa Família.^{IX} At its inception in 2003, the program benefited 3.6 million families, expanding to 11 million (2006) and then 12.8 million (2010), around a fifth of all Brazilian families.

Programs such as Bolsa Família are aimed at specific social segments. Alongside them, what has most benefited low-income individuals in general are public policies to increase the minimum wage and the expansion in the supply of formal employment with signed work contracts brought about by economic growth. The minimum wage was adjusted using a formula that added the previous year's inflation rate to the GDP growth from two years prior. As a result of the appreciation policy, the nominal minimum wage grew by 155% during Lula's eight years in office. After discounting accumulated inflation (IPCA) of 56.7%, the real increase reached nearly 63%.⁸

The expansion of the economy, relative price stability, redistributive programs and the minimum wage adjustment policy all resulted in a significant reduction in income inequality during a period in which the per capita income of the poorest 20% rose much faster than that of the richest 10%. Brazil's Gini coefficient fell from 0.563 (2002) to 0.530 (2010). The proportion of people living in extreme poverty fell by 31.9% with Plano

VIII An income transfer program implemented in 2001 by the Fernando Henrique Cardoso administration that provided financial aid for families in exchange for their children's school attendance. It was incorporated into the Bolsa Família program in 2003 by the Lula administration.

IX An income transfer program that provides financial assistance to families on the condition that they ensure their children's school attendance, vaccination, and nutritional monitoring within the public health system, as well as prenatal care for pregnant women.

Real and under the FHC government. During Lula's two terms, this figure fell by a further 50.6%.

The stage was set to "sell" Brazil to the world and its apparent success in reconciling mass participatory democracy, rapid and stable economic growth with social inclusion and a consistent reduction in inequality. Such favorable conditions had not been seen for a long time in Brazilian history, if ever.

The Emergence of a Favorable External Context

Externally, in an nearly symmetrical manner, the first decade of the century offered a particularly favorable environment in global political terms for the emergence of a new kind of polycentrism, i.e. the possibility for intermediate powers (Brazil, South Africa, India, Iran, Turkey) to take autonomous initiatives on global issues previously reserved for the preponderant powers (the five permanent members of the UN Security Council: the United States, China, Russia, the United Kingdom, France). This trend gradually became viable as the unilateralism of President George W. Bush's strategy in response to the 9/11 attacks—particularly the invasion of Iraq (2003), the doctrine of preemptive strikes and the priority fight against the so-called members of the Axis of Evil—proved incapable of dealing with the threat of fundamentalist terrorism. The consequent weakening of the United States' prestige was further eroded by the impact of the 2007–2008 economic and financial crisis.

The economic scenario was marked at the beginning (2003–2008) by a phase of unprecedented expansion in the world economy (commodity prices, financial liquidity, low interest rates), followed by an acute financial crisis, which disorganized and weakened primarily the Western economies of advanced capitalism and reinforced the effects of China's economic emergence. The crisis also precipitated international acceptance of the G-20 as a replacement for the G-7 in coordinating the global economy.

In Latin America, there was a leadership vacuum caused by the US diverting its attention to other priority regions that posed security challenges, particularly the Middle East and Asia, and by the temporary disappearance of Mexico and Argentina from the agenda. At the same time, the divergences and heterogeneity of regimes in the region intensified due to the radical experiments in refoundation embodied in Chávez's

Venezuela, Morales' Bolivia and Correa's Ecuador, complicating the prospects for effective economic integration or political-strategic collaboration. The global trend towards polycentrism, the relative strengthening of emerging economies at the time of the crisis and the leadership vacuum opened up unprecedented possibilities for medium-sized players, favored by conditions of political and economic stability and endowed with the capacity for diplomatic formulation and initiative, such as Brazil at the time.

The Main Axes of Diplomacy

Inspired by the desire to take advantage of emerging opportunities, especially in the global arena, the Lula administration's foreign policy from the outset unfolded along four main axes.

1) Securing recognition for Brazil as a global political player of the first order within the emerging polycentric international system. This goal was translated into the search for a permanent seat on the UN Security Council and, eventually, avenues such as participation in the newly created G-20, BRICS (originally, Brazil, Russia, India and China, later joined by South Africa)^x and IBSA (India, Brazil, South Africa) groups.

2) The consolidation of international economic conditions that favored development based on Brazil's comparative advantages, concentrated in agriculture. This objective was expressed primarily in the conclusion of the WTO Doha Round.

3) The emphasis on the South–South dimension (i.e. between the underdeveloped or emerging countries of Africa, Latin America, the Caribbean, Asia, and Oceania). Naturally brought about by the strong and visible emergence of China, India, and South Africa and the resumption of African growth, this aim was expressed in the proliferation of contact forums which sometimes overlapped, such as IBAS, partly BRICS, and others such as AFRAS (Africa–South America Summit), ASPA (South America–Arab Countries Summit), the Brazil–CARICOM^{xI} Summit, etc.

4) The construction of a political-strategic and economic-commercial space with an exclusive South American composition (implicitly with Brazilian preponderance in outcome, if not in intention). Based on the

X In January 2024, the expanded BRICS group incorporated Egypt, Ethiopia, Iran, and the United Arab Emirates. Saudi Arabia was invited, but was yet to formalize its entry. Argentina declined to join the group.

xI Caribbean Community and Common Market.

gradual expansion of MERCOSUR, this objective, as we have seen, originated from Fernando Henrique Cardoso's foreign policy.

These diplomatic axes were already visible in the past as general, almost permanent objectives of Brazilian diplomacy, albeit in different forms. But they acquired greater emphasis or a different focus during the Lula administration because of doctrinal innovations in foreign policy or of changing circumstances and emerging opportunities. The priority given to the candidacy to the UN Security Council would have been irrelevant and incomprehensible if the issue of expanding the Council, usually dormant, had not been resurrected and placed in the international agenda with some chance of adoption, thanks to Kofi Annan's ambitious attempt to reform the UN in 2005. Similarly, the centrality given to the Doha Round was very much due to timing: if everything had gone according to plan, the conclusion of the negotiations would have been scheduled to take place within Lula's term.

The Crisis of Diplomatic Consensus

Lula's foreign policy in most cases did not represent a continuation of the previous approach, but in general it was not incompatible with the preceding objectives and practices, which were modified and renewed, sometimes creatively, to take advantage of unprecedented opportunities. Despite a markedly different discourse in emphasis and content, as well as a certain exaggeration in the self-valorization of its novelty, it did not constitute a real break with the diplomatic tradition established since the turnaround effected by the Geisel government. This time, there was no invention of a truly new paradigm, as in fact had happened with the Independent Foreign Policy inaugurated by Jânio Quadros, expanded and perfected by San Tiago Dantas and Araújo Castro and updated by Geisel and Silveira.

If Fernando Henrique Cardoso's diplomacy could be described as "seeking autonomy through participation and integration," the orientation of Lula and Celso Amorim did not seem to fundamentally differ from this objective and approach. Initiatives such as the creation of the BRICS group and the G-20 were undeniably original in the sense that they reflected different approaches to the affirmation of autonomy through participation

and integration, but they did not constitute transformations in essence with regard to the formula.

It is true, however, that the multiparty consensus that prevailed on the eve of the founding of the New Republic ceased to exist in the Lula era. Tancredo Neves referred to this consensus at the end of 1984 in a speech in which he declared that the foreign policy carried out by Itamaraty expressed a point of consensus between all currents of thought. With ups and downs, the diplomatic consensus was maintained throughout the governments of the New Republic until it disappeared during the four terms of the PT in office.

How can we explain the shift from consensus to divergence in foreign policy, when on most of the major issues, such as the United Nations, the World Trade Organization, the liberalization of agricultural trade, the priority of MERCOSUR and South America, and relations with Africa, the positions were compatible and similar?

The explanation comes partly from substantive changes on some relevant issues, almost all of them in Latin American politics or in the Middle East. Many of these were of a more ideological and partisan nature, or came from an intensification of the emphasis on what had been done. Hugo Chávez, for example, already had a friendly relationship with FHC, but with Lula it took on the connotation of a fraternity of ideas and aspirations that did not exist before. The same was the case with Cuba and the Bolivarians and, outside Latin America, with the Palestinians and Iranians; in short, the area that vaguely corresponded to the Third World left, after the end of the Cold War.

The dissolution of the diplomatic consensus resulted not only from these issues of substance, but also from the “domestic politics” of diplomacy; that is, the way it is formulated and presented to public opinion and perceived by politicians and the press. From this perspective, the first point to emphasize is that the main formulators of Lula’s diplomacy showed that they did not believe in multiparty consensus and made no effort to make it possible.

In its realistic race for power, the PT had abandoned its original radicalism and revolutionary ambitions. It had, however, retained nostalgia for the revolution and a certain discomfort with the changes it had made to accommodate itself to the dominant structures and become accepted

as an integral part of the system. Hence the party's indefatigable aversion to recognizing that the economic policy of Lula's early days represented a continuation of the previous administration and the insistence on differentiating itself, on emphasizing everything that had actually changed, such as the abandonment of privatizations. Applying this attitude to foreign policy, the PT period offered a marked preference for behavior that valued differences, to the detriment of any conscious effort to generate a multiparty consensus based on convergences.

One similarity that the PT shared with the Bolivarian "refoundation" movements was the belief in its absolute originality, in its novelty within the fabric of Brazilian history. This stance was mirrored in formulations repeated by Lula and transformed into catchphrases, such as the famous "never before in the history of this country." By favoring innovation and rupture in the international arena, the PT government expressed a lack of interest in approaches that until then had deserved admiration and imitation in Brazilian society. In the economic sphere, Lula never hesitated to launch initiatives to get closer to and compromise with big businessmen, bankers and "agribusiness heroes," who were invited to join government advisory bodies. Nothing similar happened in the foreign policy sector, where such gestures of conciliation and co-optation were absent.

The former prevailing attitude had been expressed in Rio Branco's explanation of why he had withdrawn from domestic politics and had not wanted to take advantage of his immense popularity to run for president. If he had done so, he said:

I would be discussed, attacked, diminished, disallowed [...] and as president I would not have the strength that I have today [...] to direct foreign relations. *By focusing on issues or causes that are unquestionably national, I would feel stronger and would be able to earn the support of all my fellow citizens* [emphasis mine].

One of the implications of Rio Branco's stance had been the tradition of career diplomats refraining from party affiliation and public involvement in electoral campaigns, unless they were on leave from their careers. As servants of the state, rather than of temporary governments, diplomats, like the military, were expected to behave with a greater degree of circumspection than other citizens. Even at a time of enormous radicalization and polarization such as João Goulart's final phase, it is worth remembering

once again that his last minister of foreign affairs, Araújo Castro, invariably refused to take part in any act of a domestic political nature or appearance.

In contrast, in the Lula government, both Minister Celso Amorim and Itamaraty's secretary-general, Ambassador Samuel Pinheiro Guimarães, along with other career diplomats in leadership positions understood that, by duty or right, it was their responsibility as citizens to join the Workers' Party and put foreign policy at the service of the government's political purpose—or, as they used to say, the “country project” of Lula and his party.

The subordination of foreign policy to internal party or ideological objectives makes it impossible to ensure the continuity of state policies that should, in principle, appeal not to factions but to all citizens. On issues that showed continuity with the past, the PT leaders were unable or unwilling to admit and value the greater or lesser part inherited from previous governments. They preferred to attribute the inspiration for their policies to the ideology of the party—a word that, in its etymology, means part, a fragment of the national whole.

Another characteristic of the PT's diplomatic exponents, particularly notable in the president himself, was the lack of sobriety and modesty, the tendency to claim all the credit for any successes they had. Naturally, this was an unsurprising decision, but certainly not ideal in terms of gaining support and sustaining the allegiance of the parties and politicians excluded from recognition. It is not possible to monopolize credit for the government and its party's ideology and, at the same time, expect others to be supportive of that policy.

The PT's “Parallel Diplomacy”—As noted earlier, Lula's foreign policy displayed a dual nature, with one side showing greater continuity with Brazil's diplomatic tradition and the other being more disruptive in its ideological and party inspiration. It soon became clear that global initiatives (the UN Security Council, WTO negotiations), more in line with continuity, were exclusively under the professional direction of Itamaraty. In contrast, the ideological inspiration for regional diplomacy (Chávez's Venezuela, Bolivarian governments, Cuba) seemed to stem from a policy-making and executing body closer to the party and the president.

This differentiation gave rise to the notion of a duality of diplomatic commands, which corresponded to a kind of division of areas of influence

between the Ministry of Foreign Affairs and the International Affairs Advisory of the Presidency. According to this perception, Foreign Minister Ambassador Celso Amorim, a diplomat with direct experience at the UN and the WTO, would oversee major global political issues: Brazil's aspiration to a permanent seat at the Security Council, the Doha Round negotiations, initiatives in the Middle East, the attempt to reach an agreement on Iran's nuclear problem. On the other hand, matters relating to relations with Brazil's neighbors in South America, Cuba and Latin America in general would primarily be the responsibility of the head of the International Affairs Advisory, Marco Aurélio Garcia, a former militant of the Workers' Party.

For many years, tasked with accompanying Lula on trips abroad before his election to the presidency, Marco Aurélio had accumulated a valuable collection of friendships with the most important leaders of parties with an ideology close to that of the PT abroad, particularly in Latin America. As a result, he had gained a certain degree of personal influence over the leaders of these movements. According to the testimony of Minister Amorim himself and of diplomats who worked in the International Affairs Advisory of the Presidency, requests for collaboration often came from the foreign minister and Itamaraty authorities to Marco Aurélio Garcia, who was seen as a privileged interlocutor with direct access to many of the leaders who had come to power in various countries on the continent in those years.

Lula's victory in 2002 and the start of his government in 2003 were not isolated phenomena. A few years earlier, Chávez had won presidential elections in Venezuela (1999). Néstor Kirchner would begin his long domination of Argentine politics, in parallel with the start of the PT government in Brazil (2003). Soon after, Evo Morales in Bolivia and Rafael Correa in Ecuador were victorious in their respective countries. This transformation of the political landscape in Latin America, which favored certain movements with ideas like those of the PT, explains why it became possible to create a parallel channel to the relations officially conducted by the Ministry of Foreign Affairs.

This was unprecedented in the history of the country's international relations and contrasted with the previous presidential advisors, who were career diplomats and in line with the typical Itamaraty orientation. It is therefore worth analyzing to what extent the duality of channels did or

did not have the advantage of producing greater and better results than the traditional approach. In this exercise, it is useful not to lose sight of the fact that the division of spheres of influence, which is clear in some examples, is less noticeable in others.

Analysis of Results

An examination of the actual results achieved by Lula's diplomacy shows that progress varied greatly depending on the issue, as did the gap between Brazil's aspirations and reality. In cases where the objectives were not fully achieved, the frustration was not always due to Brazilian faults or shortcomings. To put it simply, it would not be an exaggeration to say that in the areas of global action most directly subordinated to Itamaraty and the foreign minister—the UN Security Council, the Doha Round negotiations—the Brazilian government made good use of the power at its disposal, but that this proved insufficient to break deadlocks. On the other hand, on the South American axis, the prevalence of the ideological vision and the supremacy of the parallel diplomatic channel brought results that were sometimes perceived as more in tune with PT party and ideological interests than those of the country. One example was the approval of the “nationalization” of Petrobras' investments in Bolivia promoted by Evo Morales, which will be discussed later. From the point of view of Lula and his party, accommodating the violation of the rights of Petrobras was justified on ideological grounds. But can the same be said from the perspective of the company and Brazil itself?

In other words, at the UN and the WTO, even if Brazil had done everything right, its ability to influence events was not and is not enough to resolve deadlocks in the way the country desires. No matter how great and judicious Brazil's diplomatic activism has been, it has not managed to produce a consensus to reform the Security Council or conclude the Doha Round, let alone to do so in line with Brazil's interests. In other words: it is more a question of insufficient power or political will, not just on the part of Brazil but of other countries as well, than a lack of appropriate policy on its part.

Difference with Regard to the UN Security Council—As far as the Security Council is concerned, the emphasis and centrality placed by the Lula administration's policy on the issue clearly set it apart from previous

policies, which tended not to give it as much importance or considered Brazil's possible candidacy with particular caution, so as not to jeopardize the priority relationship with Argentina. Lula's diplomacy put this concern to one side and, thanks to the success and reach of his government, Brazil secured, at least temporarily, a different situation from other Latin American aspirants such as Mexico and Argentina. Brazil positioned itself as the favorite to occupy a seat destined for Latin America had the reform of the Council prospered at that time. Partly due to the world's perception of the country's economic growth and stability, this differentiated position was also a result of the activism and sense of opportunity of the foreign policy of that period.

Intelligent and timely efforts to set up unprecedented diplomatic groupings with Russia, India and China (BRICS) or India and South Africa (IBAS) have offered the advantage of a *fait accompli*: by its own heft, with no need for deliberation from the others, Brazil effectively became Latin America's representative in these groups. Not by chance, these groups bring together the permanent members of the Security Council (China and Russia) and the aspirants that share the common circumstance of not being US allies in the North Atlantic Treaty Organization (NATO). It would be a kind of "natural candidates club" for the recognition of a higher international status on each of the three continents: in Asia, India (with Japan's candidacy in the hands of the Americans); in Africa, South Africa; and in Latin America, Brazil. The South-South forums served to emphasize that Brazil was the most "global" actor among the Latin Americans, many of which were confined to purely regional diplomacy.

The challenge that neither Brazil nor the other members of these groupings were able to overcome was (and is) to formulate a platform for joint action that added value to what was already being done by groupings of advanced and emerging countries such as the G-20. To do this, it would be necessary to effectively unify and coordinate the international action of countries with interests as heterogeneous as those of the BRICS and IBAS around concrete and feasible proposals. Both groups are, like the G-20, expressions of the same phenomenon: a universal demand for institutions and mechanisms for coordination and global governance. The notorious difficulties of promoting major reforms within the United Nations decision-making system for many years have led to a virtual

blockade on the possibility of creating much-needed new global structures or reforming the existing ones in accordance with the UN Charter.

In this context of paralysis, the invention of variable geometry groups outside the Charter process has shown that for countries frustrated by the impasse, like Brazil, there is room for diplomatic ingenuity. So far, however, these groupings, created to overcome deadlocks, have unfortunately not proved capable of going beyond generic declaratory documents, without having a noticeable impact on what would be their natural purpose: to get their members, the BRICS, for example, to act in unison to improve global governance.

This task has virtually been left to the G-20, originally a technical forum of finance ministers and central bank presidents within the IMF and World Bank without any greater political influence. The group's transformation into the supreme forum for macroeconomic coordination, driven by the George W. Bush administration and confirmed by his successor, resulted from the global spread of the financial crisis. Brazil played an important role in this transformative process, which began in São Paulo at a meeting still at the level of finance ministers, when the rotating presidency was held by Brazilian Minister Guido Mantega. Subsequently, Brazilian policymakers, especially in the Ministry of Finance, had significant influence in institutionalizing the functioning of the group at the level of heads of state, with a permanent character and devoted to promoting reforms to the Bretton Woods institutions and in financial regulation.

Continuity in the World Trade Organization—There were, therefore, important differences between the FHC and LULA administrations in the emphasis they placed on the Security Council issue, as well as in taking advantage of opportunities to form new groupings. As for negotiations on trade issues, there was much more continuity than change in the negotiating line of the Brazilian governments over many years, first in the GATT and later in its successor, the WTO. Even the occasional changes that did take place were almost always the result of natural developments imposed by new phases of the Doha Round or by Brazil's evolution into a major agricultural exporter. Many of the positions and alliances used in the WTO under the Lula government originated in past governments.

The recourse to exemplary disputes, such as on cotton subsidies against the United States (and later against the European Union's sugar subsidies),

was initiated by the government of President Fernando Henrique Cardoso and offers a good illustration of the continuity of state policy. It is also a rare example in Brazil of coordination between competent agencies in substantive matters, such as the Ministry of Agriculture, and private entities representing producers—whose collaboration, including the financing of the Brazilian case, proved to be decisive in the WTO cotton panel.

The decision to establish within Itamaraty a specialized litigation department also dates back to Minister Celso Lafer's term in office. This department was equipped with the human resources capable of undertaking actions of extraordinary technical and legal complexity, as was the case with the undeniable victory for Brazilian commercial diplomacy on the cotton issue. Another example of the basic continuity of Brazilian policy in multilateral trade negotiations is the creation of the Group of Twenty (G-20) within the WTO. A tactical innovation, this initiative, welcomed by Foreign Minister Celso Amorim, was proposed by Brazil's then-ambassador to the WTO, Luiz Felipe de Seixas Corrêa, who had been secretary-general of Itamaraty with Minister Lafer.

On the other hand, it was Minister Amorim's leadership and diplomatic ability to formulate and execute a policy line that led him to take the bold initiative of seeking a compromise with the European Union on a bone of contention in agricultural negotiations, with a view to paving the way for the conclusion of the Doha Round. The unexpected understanding that emerged between the opposing sides in the agricultural negotiation surprised the other participants and would have allowed the World Trade Organization to achieve appreciable success at the ministerial meeting in July 2008. This may have been the last opportunity for the Doha Round conclusion with meaningful results. Unfortunately, the United States on one side and India on the other—both of which had until that date been hiding behind those accused of causing the agricultural impasse—were forced to drop their masks and publicly adopt positions that led to the failure of the meeting. Although the attempt was not sufficient, Brazil and Brazilian diplomacy emerged strengthened from this episode, which had stressed the value of the multilateral approach to major problems of world trade.

Increasing Heterogeneity and Divergence in South America—In the first decade of the 21st century, South America experienced an accentuation

of the trend in opposition to the post-communist convergence of values and political and economic organization models that had taken place in Europe and the world. Throughout the region, political and economic integration and, in some cases, even friendly coexistence between neighbors (Venezuela-Colombia, Ecuador-Colombia, Bolivia-Chile, Argentina-Uruguay) were hampered by developments that would bring to power, in Venezuela, Bolivia, Ecuador, and Argentina, leaders that polarized internal tensions and exacerbated external conflicts. Except for Argentina, always a unique case, a process of radicalization unfolded in the other three countries, partly inspired, initially, by the strong personality of Hugo Chávez.

This historical process took the name of “Refundación,” an expression full of meaning in itself. It was as if, on the eve of the bicentennial of the Hispanic countries’ independence, there was a suggestion that sovereign power, usurped by the oligarchies, should be returned to the people through a “refoundation” of the nation. In other words, it was time to start over from scratch. These refounders operated under the conviction that traditional constitutions should be abandoned or dismantled through radical reforms that would break the electoral, legislative, and judicial mechanisms responsible for perpetuating the oligarchies in power. Only in this way would it be possible to change economies towards a redistribution of wealth and natural resources in favor of the poorest sectors, coinciding in many countries with the *mestizo* or indigenous masses.

Despite coming to power through elections, the leaders of these countries set up constituent processes with frequent use of referendums and plebiscites to consult citizens directly, bypassing parties and other mediating institutions. Instead of classic parties, the refounders relied on movement politics, and sought to remain in government indefinitely by allowing for repeated reelections, eliminating or greatly reducing the possibility of real alternation in power. These characteristics differ significantly from representative democracy and tend to concentrate powers in the hands of the Executive, eliminating the system of checks and balances inherited from the US constitution.

The refounders had an authentic and powerful social base. In all the examples in which they were victorious, there was enormous frustration with the persistent inability of parties and/or institutions to offer a majority of the population the possibility of achieving satisfactory levels of

economic and social fulfillment. This disenchantment compromised both military governments and economic formulas such as the Washington Consensus, which at one point had been presented as the solution to poverty and unemployment. The repeated failure of traditional parties, their apparent lack of sensitivity to the suffering of the poor and their almost genetic difficulty in communicating culturally with vast segments of the population gave rise to the emergence of movements determined to make exclusive representation of the vulnerable masses their reason for being and acting.

Historical processes of this type do not, in principle, favor integration. This is true both internally and, even more so, in the international arena. Like revolutions, refounding regimes represent watershed events, elements of deep division and polarization among citizens, separated into antagonistic sectors. Such was the case in Venezuela. Refounding leaders generally have the temperament suited for the role they have chosen to play: mobilizing, aggressive users of belligerent rhetoric, symbols of contradiction and division, both internally and externally. Anti-imperialist, anti-American, anti-Western, sometimes anti-European, nationalists, they do not feel bound by the principle of non-interference when it comes to expressing opinions or acting in favor of similar groups, even of a guerrilla nature, in neighboring nations.

It should come as no surprise that at the height of this trend, which coincided with Lula's terms in office, the relationship of conflict between Colombia, on one hand, and Venezuela and Ecuador on the other nearly turned into open warfare. There was also acute tension between Peru and Bolivia, provoked by statements made by President Evo Morales. Acts by the Bolivian and Ecuadorian governments against Brazilian companies caused serious problems with Brazil. What is more, the hostile climate created by Néstor Kirchner towards Uruguay as a result of paper mills built on the banks of the River Uruguay (which were seen as a source of pollution by the Argentines), as well as countless other minor incidents that would be tiresome to list, equally contributed to regional instability.

Consequences for the South American Integration Policy—The refoundation regimes were well aware of their own particularities, which separated them from and even opposed them to their neighbors. To give logical expression to these differences in ideology, conceptions of

democracy, and political and economic objectives, they set up the so-called Bolivarian Alliance for the Americas (ALBA), initiated by Chávez and comprising Venezuela, Bolivia, Ecuador, Nicaragua, Cuba and a few others. At the opposite end of the ideological spectrum were countries with a traditional representative democratic regime, bans on presidential reelection, liberal market economies, and agreements or plans for free trade agreements with the United States. At the time still lacking formal organization, some of them would form the future Pacific Alliance: Chile, Peru, Colombia, Mexico, and Costa Rica.

Brazil, like Kirchner's Argentina, was more or less halfway between those two groups, closer in objective terms to Mexico and Chile due to the degree of complexity and diversification of its economy, as well as its market economic policy and the moderation of its domestic and foreign policy. The simple enunciation of the opposing characteristics, which became more pronounced each day, and the emergence of different and antithetical groups and subgroups corroborate what has been stated above. In contrast to the convergence of values and types of organization that allowed the European Union to expand to include former communist countries, in Latin America the increasing divergence of values and political-economic dispositions made it impossible to advance integration or even strengthen cooperation.

It was evident that Chile (or Mexico), with its ultra-liberal economy, could not be integrated with the Venezuela of "21st century socialism." The project of using MERCOSUR as a starting point for expansion to cover the whole of South America within a unified economic-commercial integration scheme had become an impossible dream, both on the left and the right. In practice, Lula's foreign policy makers discarded these unattainable economic and commercial objectives and replaced them with a purely political association, the Union of South American Nations (UNASUR), born from the transfiguration of the previous South American Community of Nations (CASA).

However, the plan to expand MERCOSUR was not abandoned, as Venezuela was added to the group—an example of a decision with extremely serious implications for the future of the customs union, which seems to have been motivated much more by ideological affinities than commercial interests. The invitation to Caracas was issued by Néstor Kirchner when

Argentina held the presidency of the bloc, and it is hard to imagine that it was preceded by a careful assessment of the consequences. An impartial and unbiased analysis would probably have shown the pointlessness of promoting the entry of a country that could only increase the acute problems from which the group suffered at the time, and from which it continues to suffer from in terms of internal coherence and difficulties in negotiating trade agreements with third parties. In addition to the complications arising from Kirchner's Argentina, the inclusion of a regime like Venezuela's, which was at odds with countless others on the continent and beyond, would virtually eliminate any possibility of resolving the deadlocks that paralyzed MERCOSUR.

As the member with the greatest specific weight within the grouping, it would have been natural for Brazil to argue that accession to highly ambitious trade agreements, such as MERCOSUR customs union, would require a lengthy process of technical and commercial negotiation, as is the case even for mere entry into the WTO, a much less complex arrangement. It would not have been necessary to antagonize the Chávez regime, nor to invoke ideological arguments, but simply to recall and enforce a fundamental principle of trade negotiation. The Brazilian government could have taken this approach, but chose not to, probably for political-ideological reasons. This omission or conscious choice would prove to be a mistake with consequences that would involve other members in the future.

The Diplomacy of Ideological Dominance in Latin America: The Case of Bolivia—Brazil cannot do everything in South America, but it can always do something. In theory, Brazilian diplomacy could have been employed to greater effect or differently than it had been.

The clearest illustration of the tension between national and ideological-partisan interests in Lula's foreign policy in South America came in the stance adopted in relation to Petrobras' investments in Bolivia. On May 1, 2006, a date chosen for its symbolism, the Bolivian government decreed the nationalization of these investments and the military was instructed to occupy the company's natural gas extraction facilities and refineries in the country. In "response," the statement issued by the Palácio do Planalto recognized Bolivia's sovereign right over its natural resources and made no mention of the unnecessary use of troops against a public company from a supposedly friendly country and political ally.

By mentioning Bolivian sovereignty, the statement failed to note that the presence of Brazilian investment on Bolivian soil was the result of the exercise of that very same sovereignty. The initiative to invest in the neighboring country had not come from Petrobras or Brazil. On the contrary, previous Bolivian governments had insisted on negotiating and signing various international treaties with Brazil for the extraction, sale and transportation of gas. Without going back to the Roboré agreements (1958) or earlier ones in the 1930s, the most recent phase of the issue dated back to the agreement signed by presidents Geisel and Banzer (1974), revised at the time of President Collor (1992) and finally made manifest with the construction and inauguration of a gas pipeline from Santa Cruz de la Sierra to São Paulo under the government of Fernando Henrique Cardoso.

On several occasions, the government in La Paz had sent high-level envoys to Brasília to reiterate in dramatic colors its appeal for Brazilian solidarity. With the prospect of Argentine self-sufficiency in gas supplies, the Brazilian market was virtually the only viable option for the Bolivian export economy. Throughout the long process of negotiation and implementation, Petrobras had always been reticent or opposed to the operation because in supplying São Paulo's industry, Bolivian gas would compete with highly polluting fuel oil, a byproduct of the refining system used by the company and for which there was no alternative market. Therefore, it was unreasonable to attribute imperialist intentions to Petrobras or Brazil regarding the domination over Bolivia's natural resources—a senseless association between a cooperative activity, born of the concurrence of sovereign wills, and the actions of American or British oil multinationals in other countries.

Following the events, Lula agreed to take part in a meeting of four presidents. In addition to the two with a direct interest in the issue (the heads of state of Brazil and Bolivia), two strangers to the issue, both unsympathetic to Brazilian interests, were invited: Kirchner and Chávez, the latter of whom was the clear source of inspiration for the Bolivian action. It was a departure from Brazil's tradition of refusing to accept the intrusion of third parties into problems of national interest. As discussed earlier, Rio Branco, in the Acre dispute, had rejected Peru's claim to a three-way negotiation. First, he resolved the dispute with Bolivia and only then did he agree to negotiate with Peru, even though the Peruvians had claimed

the territory for a long time. With regard to the Bolivian action against Petrobras, it was always obvious that the meddling of Chávez and Kirchner could only further unbalance the discussions against Brazil.

The federal government also chose to ignore the fact that the Bolivians had not followed procedures for adjusting the price of gas set out in article 15 of the contract between Petrobras and the Bolivian company, Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), signed on August 17, 1993. Nor did the Brazilian government allow Petrobras to activate the arbitration mechanism stipulated in article 17 for cases of disagreement. It resigned itself to negotiating under pressure, with the Petrobras premises occupied by Bolivian workers, and amid ultimatums and the threat of expulsion in the event of a refusal to increase prices, which had already been publicly announced by La Paz in percentage and amount. In the end, Brazil accepted Bolivia's imposition of the price increase and the migration of contracts to a format more favorable to the holder of the reserves.

Despite the seriousness of the episode, it never merited more from the Brazilian press than a superficial analysis of its characteristics and implications. For this reason, I take the liberty of transcribing below a comment sent to the author by one of the Brazilian diplomats with the greatest responsibility for relations with Bolivia at the time, whose identity I do not reveal solely for reasons of professional regulations.

By deploying troops to simulate a military occupation, Morales consciously fed the anti-foreign rhetoric that would be the hallmark of his government. He correctly bet on Brazil's acquiescence in the face of a gesture demonizing the Brazilian company, as if it could be mischaracterized as a vector of the strategic interests of the Brazilian state. If the aim of the Brazilian government's accommodating stance was to safeguard Brazilian interests and preserve a certain ascendancy over Evo Morales, this gesture of detachment had the opposite effect. By not imposing any cost on the Bolivarian stunt, Brazil legitimized Morales' aggressive anti-business and anti-Brazilian discourse.

The biggest result was to indefinitely undermine what had been the main goal of Brazilian diplomacy: to ensure the maintenance of Bolivia's capacity to supply Brazilian demand on a regular basis.

Brazil's complacent stance on the gas issue ignored the fundamental dynamics of Bolivian society under MAS (Movimiento hacia el Socialismo, the movement led by Evo Morales), driven by a resurgent and resentful nationalism, which targets Brazil, along with the United States, as its main enemy. It is no coincidence that, following the nationalization, there was an escalation of a series of arbitrary measures against Brazilian companies operating in Bolivia.^{xii}

Until recently, one could speculate about the motives behind the Brazilian government's behavior in this incident. What was unknown at the time was that Lula had been consulted by Evo Morales about the potential Brazilian reaction. At the "Bolívia Dez Anos" seminar, held in São Paulo (October 5, 2015), the former Brazilian president, alongside Bolivian vice-president Álvaro García Linera, recounted the inquiry: "Evo asked me: 'How would you react if we nationalized Petrobras?' I replied: 'The gas is yours; the oil is yours.' And that is how we behaved, respecting Bolivia's sovereign right over its soil."⁹ After that response, it is no wonder that the Bolivian president felt entitled to act as he did, certain of finding understanding and support from his Brazilian counterpart.

This attitude extended beyond the nationalization episode itself. In 2007, a year after the nationalization, Evo Morales visited Brasília, where he obtained approval from his colleague for an additional \$434 million for the allegedly "rich" content (in terms of petrochemical potential, which was not utilized) of gas that had been supplied in previous years. Once again, Petrobras resisted the demand, which was not included in its contract, but was forced to comply with orders from the Palácio do Planalto. The decision was later questioned by the Federal Court of Accounts (TCU or Tribunal de Contas da União).

As can be seen from the comings and goings of this turbulent relationship with Bolivia, respect for contracts, a commitment made by Lula in his Letter to the Brazilian People, apparently did not apply to YPFB's contracts with Petrobras or to the various existing treaties and agreements negotiated and signed between Brazil and Bolivia. It could even be argued that, for people with the worldview of Lula and his comrades, solidarity with Morales took precedence over defending the interests of

xii Private communication to the author from a high-ranking Brazilian diplomat with direct knowledge of Brazil-Bolivia relations during the Lula era.

the Brazilian state, Petrobras and its shareholders. In that case, however, it would be appropriate to describe the behavior of the Lula administration's foreign policy in the episode with a label other than the "active and proud diplomacy" with which it has designated itself.^{XIII}

Other Examples of the Diplomacy in Latin America—Relations with La Paz continued to deteriorate. The Brazilian government's "strategic patience" did not prevent the bilateral relationship from becoming a laundry list of disagreements and missed opportunities during the remainder of Lula's presidency, and then under Dilma Rousseff. In fact, the most frequent controversies and criticisms of the PT government's diplomatic orientation largely coincided within the domain of Latin American politics.

Additional examples include Brazil's inability to resolve ongoing friction and disputes with Argentina over trade issues. Throughout these years, Argentina's unilateral measures in defense of its "reindustrialization" policy multiplied, without Brazil being able to obtain compliance with existing commitments. For 13 years, the PT government repeated the contradiction, inherited from the FHC government, between the rhetoric exalting MERCOSUR and the failure of Brazilian diplomacy to propose and defend positions capable of correcting the bloc's deviations and recapturing its lost dynamism.

Interference in the internal political affairs of foreign countries for reasons of ideological sympathy, in some cases through the personal participation of Lula himself, became almost routine in the elections in Bolivia, Paraguay, Argentina, and Peru. The government did not bother to hide its bias in favor of Venezuela in its disagreements with Colombia. At the end of Lula's second term, interference in favor of the deposed president of Honduras was characterized by a lack of balance and judgment. Uncompromising severity in the face of the "constitutional coup" in tiny Honduras contrasted with the complacency shown towards one-party regimes like Cuba's or with Lula's well-known statement that there was "democracy to spare" in Venezuela under Chávez.

One striking contrast, given the activism of Brazilian diplomacy in Iran or between Israel and the Palestinians, was Brazil's timidity in helping Uruguay and Argentina, two priority neighbors, to overcome the conflict over the installation of paper mills on Uruguayan soil. Uruguay and the

XIII The expression "*diplomacia ativa e altiva*" was coined by Foreign Minister Celso Amorim.

River Plate region are undeniably the areas of the world in which Brazil has the longest tradition of involvement, the best direct knowledge of conditions and the most numerous and legitimate reasons for wanting peaceful development, including as a result of the Preliminary Peace Convention of 1828, which enshrined Uruguay's independence. It is at the very least inconsistent that a government active in the Middle East would be unable to play a constructive role in bringing together its two closest neighbors.

It is likely that, in this case, the Lula administration refrained from taking a public stance like the one it had adopted in other regions precisely because it was aware of President Néstor Kirchner's unpredictable and unapproachable personality. Thus, it may have acted out of prudence, as the Brazilian Foreign Ministry might have done in the past when the principle of non-interference could serve as a pretext to hide the fear of making a mistake and aggravating a problem. In those times, the perhaps exaggerated interpretation of non-interference in the internal and external affairs of third parties had, at the very least, the merit of being consistent and invariable. Had this been the permanent policy of the Lula government, there would have been nothing more to say on the matter. Under the conditions, however, of a diplomacy that prided itself on the ability to take initiatives even in areas far from direct national interests, it must be acknowledged that, in the example of Uruguay, Brazil's passivity and silence seem difficult to reconcile with the "active and proud" diplomatic discourse.

These contradictions illustrate the contrast between the effective and prestigious results achieved by Brazilian diplomacy in the global arena of the United Nations, the WTO and the BRICS, and the significantly less impressive performance in the area of direct Brazilian influence, the immediate surroundings of Latin and South America. The issue was not so much a lack of power, but a lack of will to exercise that power in the most appropriate way to defend Brazil's rights and promote its interests. In other words, using its power differential to the country's advantage. Since this is the region of the world where Brazilian influence, past and present, has always been felt most strongly and immediately, it is only natural that the greatest achievements of diplomacy should be concentrated there, or that it should reflect a superior capacity to overcome obstacles, persuade dissenters and build concrete achievements.

Paradoxically, however, most of the flaws and mistakes pointed out in Lula's foreign policy relate to South or Latin American affairs. It is precisely in these areas that the PT's "parallel diplomacy," inspired by close ideological identification with external parties, was most vigorously exercised. Such affinities or sympathies did not prove effective or useful in finding satisfactory solutions when thorny issues such as those between Brazil and Bolivia arose. Parallel diplomacy thus gave the impression of serving more to unnecessarily contaminate foreign policy with ideological suspicions than for any practical purpose.

In South America, three middle-income countries with a more liberal economic orientation and a more centrist or conservative political orientation received less attention and interest from the parallel diplomacy, presumably because they did not fit the ideological criteria of Venezuela or Bolivia. Chile, Peru, and Colombia opted to sign free trade agreements with the United States and in the future would form the Pacific Alliance with Mexico. Whether or not the constitution of this group was intended to counterbalance the influence of the Bolivarian countries, together with Brazil and Argentina, in practice this was its effect. If, in fact, it would be undesirable to introduce a new Tordesillas line on the continent, as former minister Celso Lafer said, it cannot be denied that the PT's parallel diplomacy contributed to an approximation of this result by marginalizing the centrist countries.

The Difficult Relationship with the United States—The FTAA negotiations unfortunately failed to produce a level playing field. Washington's expectations continued to be too ambitious and out of all proportion to the meager offers made to Brazil and MERCOSUR, especially on agricultural issues. There was no noteworthy change in the substance of the negotiations compared to the Fernando Henrique period. There was, however, a certain hardening of the disposition on both sides, which eventually led to the definitive abandonment of the project. Since it was impossible to achieve the broad objective of a free trade agreement between all the countries in the hemisphere, it was a pity that MERCOSUR and the United States did not try to come up with some alternative arrangement focused on the main obstacles to trade, which would at least allow progress to be made on topical issues such as technical or sanitary barriers to exports.

The truth is that, during the eight years of the Lula administration, the exceptional commodities boom and the emergence of China as the main market for Brazilian raw materials exports reduced or eliminated any pressure to forge a relationship of growing mutual advantage in trade and complementary production and export chains with the United States. Attempts were made during George W. Bush's administration to revitalize bilateral relations by overcoming the FTAA impasse through collaboration on ethanol. As well as being obviously too narrow to form the basis for a broader relationship, the effort was unable to overcome Brazilian trade barriers in relation to American corn-based ethanol, whose notorious environmental shortcomings even contaminated, by association, the reputation of Brazilian ethanol. Years later, pre-salt discoveries and the ethanol crisis in Brazil condemned this approach to gradual abandonment.

A positive development was expected with the replacement of George W. Bush by Barack Obama. Paradoxically, it was precisely during the Obama administration that the relationship began to accumulate divergences in an increasingly negative agenda: the discrepant positions of the United States and Brazil on the coup in Honduras and, subsequently, the post-electoral situation in that country; Brazilian criticism of Colombia's military cooperation agreement with the United States; American responsibilities for the impasse in the Doha Round; and, finally, the complex of issues relating to Iran, its nuclear program and the way to deal with the Iranian regime. On several of these items, Brazil's positions had reasonable grounds. Unfortunately, the leaders in Brasília did not always proceed in a professional and sober manner; criticism of the United States by senior Brazilian leaders, outside of diplomatic dialogue, in public and in the press, generated a climate of tension and disagreement in the last months of Lula's second term.

The Evolution of Foreign Policy in Lula's Last Two Years—The Lula government was not monolithic, with substantive and stylistic differences between the years of economic orthodoxy, under the influence of Minister Palocci in the economy and José Dirceu in political-administrative leadership, and the heterodox phase of growth, alongside alliance with the PMDB and Dilma Rousseff's assertion of power as chief of staff. Just like the government, diplomacy varied according to the evolution of the Lula regime and accompanied its transformations, from the uncertain beginnings of the first term to the triumphalist apotheosis of the second.

Even the differences in approach that were perceived between the actions of the International Advisory to the President, which was more in tune with the party, and Itamaraty faded over time.

The politically conciliatory and economically orthodox phase, which many outside and inside the country wrongly took to be the government's definitive position, gave way to the self-confidence brought about by the success and persistence of the president's high levels of popularity. The awareness of success led to an increasingly assertive government, no longer resigned to living in the shadow of policies enshrined by the previous administration. The government's impatience became palpable in the face of ambiguous praise that only lauded it insofar as it had the docility to continue the policies of rival Fernando Henrique Cardoso and the PSDB. The consequence of these factors was expressed in a set of decisions that at first seemed independent of each other, but gradually outlined the silhouette of an autonomous project, distinct from the government's first, uncertain attempts. The central feature of this project's macroeconomic policy, in contrast to the times of Minister Palocci, was the stimulus to mass consumption and the expansion of spending, then justified by the world crisis, as a lever for growth.

In addition to this distinctive characteristic, the project was set apart by significant changes, including an abandonment of privatization, a key idea of the FHC government, and a return of the interventionist state. A new state-controlled company was created for the exploitation of the pre-salt oil fields, despite the existence of the Ministry of Mines and Energy, the National Petroleum Council and Petrobras. The pre-salt reserves also served as an opportunity to annul the previous government's policy of auctions and concessions for oil exploitation. Eletrobras and Telebras were brought back from limbo. Public-private partnerships, the star of the government's early days in 2003, disappeared from the agenda. Other examples of the strengthening of the state were seen in its interference in regulatory agencies, the use of pension funds as an auxiliary arm of the government in hydroelectric auctions and interference in the management of even privatized companies (the case of Vale).

The president and the Workers' Party put aside the historic struggle against the corporatist structure inherited from the Vargas regime and, instead of reforming trade union legislation, preferred to consolidate their

alliance with the trade unions federations and their political corollaries: the PDT and the PTB. In the second government, coalitional presidentialism came to be dominated by the PT-PMDB association, reminiscent in more than one respect of Getúlio Vargas' PTB-PSD alliance. In fact, Vargas became a conscious and explicit reference in Lula's discourse and a model to be emulated. The president declared that he wanted to go down in history as the "second Vargas." In its early days, the PT did not resemble the PTB so much, but as it became part of the establishment, the similarities became increasingly undeniable, in both virtues and flaws.

The Relative Return of Brazil as a Power—There was also the allure of the military establishment through massive rearmament projects, such as the purchase of a nuclear submarine for the Navy and fighter jets for the Air Force, evocative of some of the grandiose and unsuccessful initiatives of the military regime's "Brazil, great power" policy. The cult of military might was not unrelated to an indirect repudiation of adherence to the Nuclear Non-Proliferation Treaty, as evidenced by unofficial but repeated statements by high-ranking officials, including ministers of state, and above all by resistance to signing the Additional Protocol to the NPT. It was equally noticeable in the exaggerated scale of the program to restart nuclear power plants and in the steamroller that crushed the environmental concerns of Marina Silva and IBAMA in the licensing of megaprojects in the Amazon.

The social base that sustained the party coalition at the end of the Lula era was rooted in the return of the traditional alliance between union leaders, who had become pension fund managers, technocrats from direct administration or state-owned companies like Petrobras, the military, industrialists, and "agribusiness heroes"; in short, a good part of the national bourgeoisie, updated with the adhesion of cadres who prospered within the financial system. It was a Brazilian product with no relation to Bolivarianism, much less to 21st century socialism, and with no attraction to the traumatic refoundation experiences in Venezuela, Bolivia and Ecuador.

The Declaration on Iran's Nuclear Program: Culminating Moment of the Lula/Amorim Diplomacy—Reached almost at the twilight of the second Lula administration, the declaration mediated by Brazil and Turkey on Iran's uranium enrichment program symbolized perhaps the highest point

of Brazilian foreign policy activism during the Lula era, encapsulating both its virtues and its shortcomings.

Condemned and subject to international sanctions by the UN Security Council, Iran insisted on continuing with its nuclear program, claiming it had peaceful purposes. In an effort to continue the program and get the sanctions lifted, Tehran had almost reached an agreement whereby it would agree to send the uranium it claimed to need for its reactors to be enriched abroad. Based on this precedent and encouraged by Obama in his letters, Lula and Turkish Prime Minister Recep Erdogan brokered a declaration that appeared to improve upon the previous formula: the uranium would be enriched outside the country, which according to the two mediators and the Iranians would remove the danger of it being used to make weapons.

In simplified terms, this was the framework of the document announced in Tehran by the leaders of Iran, Brazil and Turkey in an atmosphere of jubilation and enthusiasm (May 17, 2010). The Brazilians and Turks claimed that the commitments met the demands laid out by the P5+1, the informal group consisting of the five permanent members of the Security Council plus Germany, which to that point had led negotiations with the Iranians. This was not the understanding of the Americans, who, 24 hours later, announced through Secretary of State Hillary Clinton the decision of the members of the P5+1 to propose additional sanctions against Iran. The sanctions were voted on by the Security Council with the unanimous support of its permanent members and the opposition or abstention of Brazil, Turkey and Lebanon. The declaration was short-lived, and the stalemate remained for several more years until, in 2015, after Hilary Clinton's replacement at the State Department and as Obama's second term drew to a close, the P5+1 countries signed an extraordinarily detailed agreement with Iran, packed with technical safeguards.

The episode reveals both the potential and the limits of the much-vaunted polycentrism that was believed (with some exaggeration) to be emerging in the international system. On the one hand, it was the most expressive manifestation of the affirmation of two medium-sized players in a sensitive area—that of Iran's nuclear program—which until then had been reserved exclusively for the action and decision of the major powers. On the other hand, the rejection of the declaration demonstrated the perhaps

still insurmountable limits to the ideal of building the international order through diplomacy based on reason and law, without decisive recourse to the instruments of power.

In one of his most insightful writings, Celso Lafer analyzed the contemporary phenomenon of an apparent dissociation between power and order. He referred to situations in which those in power, for lack of consensus among themselves or for other reasons, are unable to produce or impose an international order. The space generated by this decision-making void was what stimulated the initiatives of middle actors without strategic power, exactly as had happened in the impasse over Iran's nuclear program. It is possible that the Brazilian-Turkish mediation effort had the merit of serving as an example and stimulus for the future resumption of the negotiation process. Even so, considerable obstacles remained, such as significant internal opposition in the United States, the resistance of Israel and the need to preserve the interests of the Chinese and Russians.

On Iran's side, the willingness to grant additional concessions to make the comprehensive 2015 agreement viable was probably due to the unbearable effect of several more years of sanctions, which had gradually strangled its economy and softened any intransigence. The agreement turned out to be an example of a situation in which, despite years of paralysis, those in power finally found an understanding that reconciled different interests (the United States, Russia, China, and even France, reluctant almost to the end) in order to use the force of sanctions to impose a kind of order. The Tehran declaration brokered by Brazil and Turkey could have been the historic milestone of a new era; by not obtaining the endorsement of the major powers, it showed how premature it was to hail the birth of a multipolar system that would effectively allow the autonomous contribution of medium-sized players in building the world order.

The two middle players nonetheless deserve credit for their boldness in testing the possibility of an autonomous solution vis-à-vis the major powers. The result, however, did not confirm expectations that the powerful would be willing to make room for the emerging players. In this sense, it is significant that Russia and China, Brazil's fellow members of the BRICS, did not hesitate to approve additional sanctions, effectively a repudiation of the Brazilian-Turkish initiative. They did so because the Americans had catered to their own power interests: in the Chinese case, to exclude

oil supplies from the sanctions, and in the Russian case, to comply with contracts to supply material for nuclear power plants to Iran. One of the lessons of Brazil's failed diplomatic effort concerns the limitations of the BRICS group, in which the Russians and Chinese evidently did not consider themselves equal to the other members, at least in strategic matters.

Despite all these reservations and the final frustration, the performance of Lula, Celso Amorim (and the Turks) generally impressed analysts and world opinion in a positive way. It is not easy to find similar initiatives by middle-ranking Latin American players that have had such an impact outside the region and on a crucial issue for world peace. I have already written elsewhere, and I repeat here, that there are defeats that are more fruitful than some victories. Certainly, the defeated Tehran declaration was one of the main factors behind the diplomatic prestige Brazil achieved during this period.

The Moment when Brazil Seemed to Have Done Well—Brazil's international prestige, which had already been on the rise, reached its highest level in 2009 and 2010. The upward curve started with the stabilization of the economy in 1994, gained momentum with the consolidation of stability in the eight years of Fernando Henrique Cardoso, and reached its highest point with the acceleration of growth and the social progress of Lula's two terms in office.

Among the reasons for the favorable perception of the country, some tended to be considered (perhaps prematurely) as almost structural, even though they all dated back less than 20 years: macroeconomic stability; the expansion of market potential; democratic consolidation; the peaceful alternation in power of distinct but generally centrist party currents; the moderation and pluralism of party-political life; awareness of the need for social reforms; the disappearance of the threat of military coups and the subordination of the armed forces to civil power; the absence of ethnic, religious or cultural violence or tensions.

Other causes were of a cyclical or personal nature. Fernando Henrique Cardoso was already admired for his intellectual work and for the relationship he established with statesmen like Bill Clinton and Tony Blair. During the Lula administration, there were new positive factors or the accentuation of previous ones. The discovery of pre-salt layer oil certainly increased Brazil's economic and strategic importance at that time. The acceleration

of economic growth, the relatively limited impact of the financial crisis, the reduction of poverty and inequality, and the worldwide dissemination of programs such as Bolsa Família all acted in the same direction.

The unusual nature of the election of a worker to the presidency and his extraordinary success and popularity after two consecutive terms in office left such a strongly personal imprint on Brazil's international image that it is difficult to separate what was due to the president himself and what corresponded more to the country's intrinsic success. On the one hand, there was the biography, the fascinating life story of the poor and excluded man who made it on his own, reaching the top of the world; on the other, Lula's charismatic personality, talent for negotiation and ease of communication, effectively assisted by an experienced and bold diplomat like Minister Celso Amorim, made him an outstanding figure. The world stage proved to be as sensitive to charisma as did populist or Latin American regimes.

Shadows of Lula's Presidential Diplomacy—Alongside many positive aspects such as these, there were also undeniable characteristics of this phase of Brazilian politics that gave the impression of a country increasingly dependent on its supreme leader's performance qualities. These included an excess of protagonism, self-sufficiency and personalistic glorification. These flaws do not usually contribute to internal or external consensus in diplomacy. Just think of a contrary example: that of US President Harry Truman's massive aid program for Europeans, launched not under his own name, but under the tutelage of the former chief of staff during the war and later secretary of state, General Marshall, who was then regarded as "the greatest living American."

As for self-sufficiency, evident in the fact that many of Brazil's most talented and experienced diplomats were excluded from important decisions and their implementation, it also manifested itself in the insulation from influential sectors of Brazilian society. Dialogue on foreign trade with business and economic leaders proved to be ineffective and insufficient. On the crucial issue of climate change, where Brazilian diplomacy might have played a decisive role had it left behind an obsolete defensive discourse, there was a clear lack of alignment with the national scientific and environmental community. In mature democracies, diplomacy has always aimed to be open to the effective participation of the opposition. In

the United States, for example, the ideal model still nostalgically referenced today is the “bipartisan consensus” between Democratic governments like Truman’s and the opposition of the Republicans at the start of the Cold War. In the Brazil of Lula’s regime, it would be difficult to find an example of this healthy tendency.

Such shortcomings, which would be accentuated in Dilma Rousseff’s consecutive terms, were not just the result of personality and character traits. They stemmed from a confusion of values or the deliberate choice of contrary values. This is where many of the contradictions in Lula and Dilma’s foreign policy were concentrated. Brazil, the only one of the four original BRICS countries that is neither a nuclear power nor a conventional military power, had nonetheless accumulated, as we have seen, an appreciable amount of international prestige in previous governments and even more so during this period. Prestige is a fundamental component of power—soft power, the kind of power that comes not from weapons or economic blockades but from example, and from moral and cultural leadership. In the case of Lula’s administration, from the moment it felt more valued internationally the government began to turn its back on what had earned it that prestige, preferring instead to imitate the pursuit of traditional power that it had always denounced in the great powers.

Thus, the administration compromised its moral prestige by replacing positive examples with counter-examples: in its insensitivity to human rights, for example in a shocking case after the death of a political prisoner on hunger strike in Cuba or in Iran in the face of the hangings of dissidents. The government also undertook systematically regressive actions in the UN Human Rights Council. Beyond this contradiction with its own stance on domestic policy, Lula’s administration aligned itself with the defensive positions of China and India on global warming, the other great cause of the contemporary world. In this period, Brazil wasted the chance to play a leading role in forging a decisive consensus between rich and poor countries, since progress on this issue ended up hostage to the possibility that the Chinese themselves would finally evolve and change.

In terms of values in Latin America, the Lula government failed to defend the strengthening of democracy against the tendency to regress towards caudillo-style, authoritarian and plebiscitary power. In this regard, as well as in the protection of violated human rights, Lula was

consistent in the opportunistic approach toward China and Cuba, Iran and Venezuela, regardless of geographic location. In addition to the interest of not contradicting important economic or political partners, such as the Chinese and Iranians, the only criterion that can be glimpsed at the root of such a stance is the left-wing ideological character of the favored governments. Like an inverted mirror image, the Lula government acted in the same way as his predecessors had during the Cold War: judging situations through an ideological prism, only this time in favor of leftist regimes. This is the only way to understand the disparity in position between the vehement condemnation of the “constitutional coup” in Honduras, and the endorsement or leniency in relation to repressive measures in Venezuela.

The unprecedented prestige that Brazil enjoyed at this time was due to positive international perceptions that were correct in substance, but exaggerated or illusory in significant aspects. It was accurate to acknowledge Lula’s historic role in promoting the inclusion of the marginalized as a priority, in the achievements in his fight against extreme poverty and inequality, and in the abundance and success of social income transfer programs. The exaggeration laid in the notion of the irreversibility and even durability of many of these achievements. Finally, by the end of the period, no special insight was needed to realize that the commitment to fiscal responsibility and the solidity of the foundations of economic growth had been abandoned, and that the excess of political-electoral pragmatism had degraded the very soul of the ruling party.

For many reasons that go beyond the qualities and defects of Brazilian diplomacy, prestige and voluntarism were not enough for Brazil to become a permanent member of the UN Security Council, to conclude the Doha Round with gains for agriculture, to bring about the reform of the IMF and the World Bank in line with Brazilian interests, to revitalize MERCOSUR, pacify relations between South American countries and bring them back to a convergence of values and aspirations, eliminate the constant friction with Argentina once and for all, or pave the way for significant trade agreements on the continent and in the world; in other words, for Brazil to translate its prestige into concrete and measurable results.

When dissociated from fundamental ethical values and sustainable governance criteria, prestige becomes an end in itself and is exhausted

in self-gratification. As sometimes happens in elections, it turns into a glamorous mirage created by political marketing. Like charisma, it deteriorates with the contradictions and confusions regarding ethical and democratic values—and, above all, it does not withstand the relentless test of reality. Throughout Lula's considerable historical period in power, no achievement, not even the investment-grade rating given to the Brazilian economy by credit agencies, symbolized Brazil's emergence as much as being chosen to host the 2014 World Cup and the 2016 Olympic Games.

The fate of these three achievements reflects what was to become of much of the foreign and domestic policy of the time. Each of them contained an important international dimension. Reinforcing each other, they all contributed to increasing Brazil's prestige in the beginning but failed to demonstrate long-term sustainability. Reached in 2008–2009, at the highest point for Lula and the PT, they were short-lived because they lacked solid foundations. Investment grade was lost because of excessive public spending. During the World Cup, the building of an excessive number of stadiums left many of them, located in cities with insufficient audiences, running chronic deficits. All this came alongside the abandoned ruin of the symbolic Maracanã soccer arena—not to mention the Brazilian national team's particularly painful humiliation in a match against Germany, given the special place of soccer in the country's self-image. The Olympic Games fared better, bringing joy and urban improvement, but the corruption in construction contracts and the financial collapse of the state of Rio de Janeiro raise questions about whether there might be more rational priorities than hosting an exorbitant international event. All three were achieved amidst celebrations and lost amidst tears. The difference is that the celebrations were for Lula, and the tears were for his unfortunate successor.

Dilma Government: Economic Disaster and Routine Diplomacy (2010–2016)

It would have been better for Lula and the PT if the clock of history had stopped in 2010. The market panic over the 2002 election and the 2003 inauguration was a distant memory, and the “mensalão” scandal was behind them, leaving some PT leaders destroyed without directly affecting the irreplaceable leader. It did not prevent his reelection in 2006 or the victory of his chosen successor after eight years in office. Lula seemed

invincible, able to defy all the predictions of conventional wisdom. He had even refuted the tendency towards natural wear and tear caused by time. His second term had surpassed his first in almost every way: economic success, social progress, international prestige, domestic support close to an unthinkable consensus, uniting bankers with the marginalized.

What was needed to keep the dream alive? The PT needed to remain in power for at least several decades, the time required to irreversibly consolidate social change. This is what happened in the United States between 1933 and 1968, more than 30 years earlier, in André Singer's thought-provoking interpretation of "*lulismo*" compared with Franklin D. Roosevelt's New Deal.¹⁰ Roosevelt was reelected three times (for this reason, the American Constitution was amended to allow only one reelection) and ruled for 12 years (1933–1945), succeeded by his Vice President Truman (1945–1953). Even the Republican governments of Eisenhower (1953–1961) and Nixon/Ford (1969–1977) did not dare to fundamentally alter the achievements of the Rooseveltian welfare state.

How could one ensure a similar process in Brazil if, unlike in some Bolivarian regimes, the Constitution did not allow for Lula's unlimited reelection? His natural successors, party veterans like José Dirceu and Antonio Palocci, had been eliminated by the "mensalão" scandal. The lack of viable alternatives in the traditional PT ranks threatened the continuity of the project, despite his unique moment of popularity. Lula explained how he resolved the succession issue in a 2013 interview, in which he presented the choice of Dilma Rousseff, who had only joined the PT in 2000. It was his intention, he said, to "gift" Brazil with its first woman president, after having been the first president to come from the working class.

In these accounts, he complained about the strong resistance he had faced from his closest collaborators:

That was another very difficult thing to do. I know what I endured from friends of mine, real friends, not opponents, saying: "Lula, this will not work. She has no experience; she is not in the business. Lula, for God's sake." And I said: "Comrades, we need to surprise the nation with something new. Everyone does the same thing. Now, let us surprise Brazil with something new."¹¹

The Dream is Over: Economic Disintegration and Political Failure

Surprising the country is what Rousseff did, but not in the way the former president had hoped; the only ones not surprised were the unnamed friends, who had accurately anticipated her unsuitability for the task and the fiasco that ensued.

It is likely that even the candidate's patron had his doubts, since he placed the experienced figure of Antonio Palocci by her side during the election campaign. Palocci would become chief of staff and the president's guarantor with business leaders, parties and Congress. But Palocci would leave power before the end of the first half of 2011, brought down by a new personal scandal. His fall deprived the government of the only political operator of recognized competence and prestige with Lula and the majority of the party. Those who stayed or came after—Gleisi Hoffmann, José Eduardo Cardozo, Aloizio Mercadante—were either lightweights or belonged to minority currents in the PT and did not have Lula's trust.

In the Lula administration, Henrique Meirelles, as head of the Central Bank, played the role of relative counterweight and moderator to the expansionary fiscal policy of Mantega, who was appointed first to the Ministry of Planning and then to Finance. Under Rousseff, the Bank would be headed by Alexandre Tombini, a career civil servant without the strength to resist the president's authoritarian personality. After the fall of Palocci, who was averse to monetary and fiscal adventurism, and without a figure like Meirelles, the door was wide open for economic experimentation by Finance Minister Guido Mantega and the adherents of the "New Economic Matrix." Thus, from the very start, Dilma Rousseff's presidency found itself without any shields against the storm that was brewing in the economy and political life.

It is justifiable to hold the head of government accountable for many of the mistakes that led to her traumatic ousting. Nevertheless, it must be acknowledged that the deep flaws of a political strategy already on the verge of exhaustion and the deterioration of the external context would likely have tested the competence of any figure in charge at the approaching moment of truth. Rousseff's negative contribution lay, above all, in decisions that precipitated the outbreak of the inevitable crisis and then aggravated its scale and severity. The outcome would have occurred regardless, but it would have taken longer had it not been for the acceleration of the erratic

pace imposed from 2011 onwards on a government project that had clearly become unsustainable long before.

The First Tremors in Party Politics—Except for a few appointments reflecting the president's personal preference (such as Cardozo as minister of justice), Dilma's first cabinet largely mirrored the coalitional presidentialism that had taken shape during the Lula administration. The cabinet, which observers claimed corresponded mainly to the choices of her predecessor, would be dismantled in less than a year, after the ousting of seven ministers, starting with Antonio Palocci (June 2011). In quick succession, the president dismissed the minister of transport (July), thus alienating the Party of the Republic (PR), which then had 40 deputies and seven senators. Soon after that was the minister of agriculture (August) from the Brazilian Democratic Movement (PMDB) in São Paulo, linked to Vice President Michel Temer; the minister of tourism (September) from the PMDB in Maranhão, of José Sarney's wing; the minister of sports (October) from the Communist Party of Brazil (PCdoB); the minister of labor (December) from the Democratic Labor Party (PDT); and the minister of cities (February 2012) from the Progressive Party (PP).

In each case, the dismissals were due to corruption accusations and collectively became known as the "ethical cleanup" to purge the government's stables. At first, they boosted Rousseff's popularity, as she appeared to have acted independently from her mentor. However, they affected the government's congressional support base, sparking the dissatisfaction of parties and lawmakers who were already displeased with the president's personal style and lack of inclination or willingness to meet with politicians and address their demands.

The "cleanup" episode had exposed the physiological underbelly of coalition presidentialism just a few months before the Supreme Federal Court began its trial of the 39 defendants in Criminal Action 470, popularly known as the "mensalão," which would unfold before the eyes of millions of spectators between August and December 2012. The illicit acts of the future convicts had been committed several years before the cleanup of ministers, evidence that, even after the mensalão was discovered and apparently dismantled, nothing had changed in the ways by which the Executive made up and nurtured its majority in Congress. The impossibility of any president achieving a parliamentary majority with their own party

and the increasing pulverization of political parties weighed much more heavily than the fear of being arrested and convicted. Systemic pressure, on the one hand, and a deep-seated belief in personal impunity, on the other, combined to lend credence to the convenient doctrine that governing was only possible with a systematic violation of the Penal Code.

Thus, once the cleanup was completed and the “*mensaleiros*” convicted, the methods for guaranteeing governability, according to the formula used to justify the unjustifiable, remained unchanged. The looting of Petrobras, which had begun before the trial, survived everything and continued uninterrupted almost until the moment the Federal Police arrested the culprits. Although the cost became increasingly unbearable, the perverse system of diverting public funds to political parties and the private pockets of politicians and operators continued unabated, as would be revealed with the start of Operation Car Wash (March 2014).

Voluntarism in Economic Policy—In the same way, members of Rousseff’s government, at least at the beginning, did not see the possibility or necessity for a truly sustainable economic policy different from the previous one. The fiscal stimuli that were overused to generate GDP expansion of 7.5% served the purpose of securing victory in the year of the presidential succession, but accelerated inflation from 4.3% (2009) to 5.9% (2010). It was time to slow down the economy; instead, the government set out to reduce growth to “only” 5% or 6% a year! It was perhaps unrealistic to expect that, when elected president, Dilma Rousseff would change the economic policy she had largely commanded as Lula’s chief of staff.

Rogério Werneck rightly recalls that Rousseff had proved decisive in two crucial economic shifts during the Lula government: rejecting the fiscal adjustment proposed by Palocci in 2005, and relaxing fiscal discipline with public accounting gimmicks in the 2008–2009 crisis. “In the conduct of economic policy, therefore, the new government was fated to be a natural extension of the previous administration’s second term.”¹² This time, helped by the docility of the Central Bank, voluntarism went much further in the monetary area, imposing a reduction in the SELIC rate^{XIV} from 12.5% (August 2011) to 7.25% (April 2013). The reduction came at a time when annual inflation was reaching 6.59%, well above the target, offering a real interest rate of 0.62% per year. In her speech prepared

XIV The SELIC rate is the reference interest rate for the Brazilian economy.

for May 1, 2012, the president attacked the banks and demanded they reduce the loan spread, a campaign that would be aggressively pursued by her finance minister.

Voluntarism would spread to the energy sector as well, an area of Rousseff's particular interest and previous experience. In September 2012, she issued Provisional Measure 579 to reduce electricity bills by 20%. The decision changed the rules of the game as embodied in the electricity sector's regulatory framework. It brought forward the expiration of concession contracts due to expire in 2015 and 2017, with the aim of deducting already amortized investments from electricity tariffs. Poorly prepared and imposed from the top down, the changes proved disastrous, causing deep and persistent financial imbalances in most companies within the sector. Aggravated by subsequent water issues and other factors, the initial relief on electricity tariffs would be more than offset in 2015 by bill increases of up to 50%!

In the oil sector, price controls on the main oil derivatives (gasoline, diesel and LPG), which had been in place since Rousseff's time as chief of staff in 2007, imposed accumulated losses on Petrobras of an almost unbelievable \$56.5 billion by October 2014—more than half of the company's net debt! With the late correction made in November 2014 and the subsequent maintenance of prices above those of the world market, the losses were reduced to \$49 billion in December 2015, still an enormous sum. In other words, consumers began to pay the astronomical costs generated by the government.¹³

The artificial containment of gasoline prices would have the additional effect of undermining the sugarcane ethanol sector, which had briefly been the centerpiece of the Lula government's energy policy and a showcase for international promotion. By the end of October 2014, the technical director of the Brazilian Sugarcane Industry Association (UNICA), Antônio de Pádua Rodrigues, estimated that 60 to 70 of the country's 375 sugar and ethanol mills had ceased operations in the previous six years due to excessive debt, and that another 70 were in judicial recovery. He estimated that 100,000 direct jobs (out of 1,500,000) and 250,000 indirect jobs (out of 2.5 million) had been lost.

Gradual and Steady Economic Deterioration—The results of the economic policy would be reflected in the increasingly discouraging GDP

and inflation figures. As early as the first year of Rousseff's term (2011), there were signs that the measures used since the Lula government to generate growth were beginning to produce diminishing returns and increasing costs. After the exceptional result of 7.5% growth in the election year, the following year's expansion fell short of official expectations of 5% to 6% of GDP, slowing to just 3.9%. Despite the sharp reduction, inflation remained stubbornly anchored at 6.5%. The following year (2012), GDP grew by just 1.9%, but inflation of 5.8% again barely budged, despite the further contraction in economic activity and the control of tariffs. The ghost of stagflation was once again haunting the Brazilian economy.

Alarmed by the loss of dynamism, the economic team and the president made the fateful decision to intensify the use of Treasury resources with the purpose of stimulating investment. This was to be done through BNDES-subsidized loans and household consumption, boosted by an expansion of credit. The policy of granting tax breaks to specific sectors, those most affected or with the greatest capacity for pressure, was also used. This measure did not work as expected and, at best, only served to delay a rise in unemployment. The hope of inducing an increase in investment was dashed, although the government paid the price of forgoing a portion of its tax revenue, to the further detriment of the public accounts.

The effect of the stimulus package was not commensurate with its high cost: GDP expansion returned to 3% with inflation of 5.9%, despite the repression of administered prices (2013). In the last year of Rousseff's first term (2014), all the indices had worsened, and the stagflation picture took shape in an undeniable way: growth evaporated definitively (0.1%), inflation jumped to 6.4%, and the country had its first primary fiscal deficit since the adoption of the targets (−0.3%).

The Dilma Rousseff administration did not invent the practice of granting favors and subsidies to big capital, but it took this vice to an unprecedented level. Financial subsidies for the “national champions” program, loans for ruinous infrastructure projects like the Belo Monte power plant, subsidized concessions for public services and other favors for companies multiplied tenfold. The billion-dollar losses on failed projects, added to the total weight of the subsidies, far exceeded the cost of Bolsa Família, Brazil's best income transfer project.

Ironically, a leftist government wasted public money on businesspeople capable of financing themselves in the market—money that might have been better spent on projects to benefit unprotected sectors, the government’s declared priority. The justification was that it would accelerate growth to continue creating jobs, increase wages, and expand social programs. Instead of prioritizing the latter in the allocation of scarce resources, Rousseff wanted to do both at the same time, always spending well above revenue. She ended up generating such a fiscal imbalance that it destroyed the economy’s growth potential and even jeopardized the social programs she had created.

Until shortly after the 2014 presidential elections, the cumulative effect of years of rapid expansion had managed to sustain high employment levels, accompanied by a real increase in the minimum wage and an improvement in average income and household consumption. The economy had already plunged into a phase of long and constant deceleration; nevertheless, the unemployment rate seemed to be stuck at a record low of 4.8% to 5%. The feeling of well-being had become widespread, and no one was aware of the sudden and violent storm that was about to break out in a serene and cloudless sky.

The Great Popular Demonstrations of 2013—Suddenly, demonstrations promoted by high school students against a small increase in public transport fares (city buses, subways, urban trains) in São Paulo, Rio de Janeiro and other cities spread throughout the country. After police repression of the June 13 demonstration in the capital of São Paulo, more than a million people gathered nationwide. Occasionally, groups such as the Movimento Passe Livre (MPL)^{xv} played an important role in the initial attempt to articulate the demands. However, in general, the protests multiplied and grew spontaneously, reproducing the methods of convening and mobilizing through the internet and social networks inaugurated by the Arab Spring, Occupy Wall Street and similar movements.

These unexpected outbursts of dissatisfaction were nothing like those of Diretas Já (1984) or Fora Collor ([Collor Must Go], 1992), demonstrations that were framed and directed by political leaders and

xv Movimento Passe Livre (in English, Free Fare Movement) is a social movement that advocates the adoption of free fares in mass transit in Brazil.

parties, with a single, well-defined objective: the end of the dictatorship, or the downfall of a president.

Gradually, as the demonstrations gained the support of groups or individuals from different age groups, the protests began to express discontent with the problems of urban mobility, the poor quality of public services, excessive spending on the construction of “FIFA-standard” soccer arenas in a country lacking even basic health care, corruption, and the inefficiency of the political system.

The Brazilian demonstrators were not lacking in admirable virtues. They reinstated the direct exercise of citizenship, showed that the sea of corruption had not drowned the moral conscience of the youth, and revealed a sense of hierarchy of values and priorities superior to that of a government committed to numbing citizens with the circus-like waste of the World Cup.

The Brazilian movement of 2013 was yet another expression of the global crisis of representative democracy, perhaps even something more serious: a deep discontent with the low quality of life produced by the country’s unbridled development. At all levels—federal, state, and municipal—the government demonstrated that it had not grasped the real meaning of the protests and, through its short-sighted behavior, confirmed the protesters’ worst expectations. Cornered by a phenomenon it did not understand, the government at all levels had only one short-term objective: to empty the streets and squares, to buy a return to normalcy by any means.

The best way to restore a semblance of normalcy was to suspend the increase in fares, the lowest common denominator of the demonstrations. This was the only demand that was met and, predictably, nothing was solved in the long term. After a while, the fare increases would be imposed again without any improvement in public transport. For the rest of the movement’s concerns, instead of simple and immediate measures, the president proposed unattainable utopias: five national pacts on mobility, public services, health, education, fiscal responsibility, a plebiscite to convene a constituent assembly, reform the political system, and other impractical ideas. The plebiscite was an escape route, in other words, a way to avoid dealing with the immediate issues by diluting the challenge in the *mélange* of remote and impossible tasks.

It did not take long for government concessions and, in particular, the infiltration of so-called black blocs—violent and masked anarchists—to drive away most of the protest participants, cooling down and discouraging the demonstrations. As they dwindled, so too did the sense of urgency of the governments and Congress. Months after the 2014 elections and the start of Rousseff's second term, however, the demonstrations would return with renewed vigor, this time with a more precise objective: either in favor of impeachment, for the most part, or in defense of the government.

The Emergence of the China Factor^{xvi}—Still under Lula, an external development—the sudden acceleration of China's economic rise—had created exceptionally favorable internal conditions for the PT administrations. This widespread feeling of success and well-being mainly benefited the second Lula administration and, although to a declining degree, Dilma Rousseff's years in office.

The moment when China's economic impact was felt most strongly in Brazilian external relations came in 2009, the penultimate year of the Lula administration. It was then that China became, for the first time, Brazil's largest trading partner, surpassing the United States, which had held the position since around 1870, the year the Triple Alliance War Against Paraguay ended. Changes of this kind only occur at century-long intervals, as I have noted elsewhere in this book. They are the consequences of tectonic shifts in the configuration of world power, generally caused by the emergence of a new economic giant, which soon gains recognition as a major political and military power. In the past 150 years, such occurrences can be counted on one hand: the United States, the German Empire, the Soviet Union, Japan, China.

Since the mid-1990s, the weight of Chinese-Brazilian trade has continued to grow. The most notable leap, however, took place over a 10-year period, when it skyrocketed from \$9 billion (2005) to \$66 billion (2015), with a peak of \$83 billion (2013). During this 10-year period, China played the role of the main driving force behind Brazilian foreign trade and accounted for an average of 11% of its annual growth, followed by MERCOSUR (10%) and the United States (5%).

xvi Practically all the data in this section on China was provided to the author by André Soares de Oliveira, economist, advisor to the Board of Executive Directors for Brazil and Suriname of the Inter-American Development Bank (IDB) and former economist of the Brazil-China Business Council.

At the beginning of the decade, China's share in the total flow of Brazilian trade with the world, considering exports and imports together, was 6%, compared to 20% for the United States and 10% for MERCOSUR (2004). The first Lula government was taking its first steps at that time. By the final years of the Dilma government, China's share of Brazil's trade had reached 17% (2014) and 18% (2015), while that of the United States had fallen to 14% and that of MERCOSUR to 8%. There has probably never been such a huge transformation in such a short space of time in Brazil's economic history.

The performance of Brazilian exports to the Chinese market was even more spectacular: they jumped from 5% (2005) to an incredible 46% (2013) before declining to 41% (2014) and 36% (2015). Imports followed a similar path, varying from 4% (2004) to 37% (2013–2014) and 31% (2015). The balance, almost always favorable to Brazil, fluctuated from a 2% surplus (2004) to a peak of 12% (2011) and decreased to 9% (2013), 3% (2014) and 5% (2015). Although trade between Brazil and China has expanded steadily, with rare pauses and declines, the sudden acceleration occurred above all from 2008–2009, when the Beijing government unleashed a formidable public spending package to neutralize the negative impact of the global financial crisis. It was this spending that drove the extraordinary rise in the value of raw materials, which became known as the commodities “supercycle” or “superboom.”

For Brazil, this phenomenon was a decisive factor in obtaining successive trade surpluses and, at the beginning of the period, even a rare and fleeting current account surplus. It strengthened the balance of payments not only through an increase in export volumes but also due to the exceptional appreciation of the terms of trade thanks to a rise in the prices on Brazilian exports and lower prices on many manufactured imports. It contributed significantly to the appreciation of the national currency, stimulated travel and spending abroad, and strengthened the sense of personal enrichment derived from an appreciated currency. On the negative side, the exchange rate discouraged manufacturing exports, weighed heavily in worsening the industrial crisis and, in due course, eventually compromised the external sector, weakened by growing current account deficits.

The positive economic and, by extension social policy outcomes of these years were not solely down to the commodities super boom and exports to the Chinese market, but the phenomenon certainly was a decisive factor in their success. The euphoria peaked with the confirmation of the fantastic discovery of pre-salt oil reserves. It was believed that the rise in the value of commodities would last indefinitely; and even if it did not, oil would forever eliminate Brazil's longstanding limitation of a stranglehold on the balance of payments.

This led to the country's excessive indulgence in the expansion of spending without it taking advantage of the abundance to create a fund of resources that would allow for a counter-cyclical stimulus policy when difficult times arrived. The only prudent exception was the accumulation of foreign reserves, which amounted to around \$350 billion. The cost of maintaining these reserves has been high in terms of worsening the fiscal problem. However, it is easy to imagine the acute vulnerability the economy would have found itself in without this cushion of protection at the moment when the crisis hit hardest. Another less favorable aspect of the trade dependency on China was the enormous concentration of exports in raw materials. More than 80% of sales to the Chinese market are of soybeans, iron ore, oil and meat, while this type of product represents only 43% of Brazilian exports to the rest of the world.

Despite these caveats, the benefits of China's emergence for the Brazilian economy largely outweighed the disadvantages. The peak of bilateral trade occurred in 2013, and appreciation of the terms of trade hit its high a couple of years earlier; both declined as Chinese economic growth slowed and the Brazilian crisis worsened. The Rousseff administration blamed this decline for its domestic difficulties. The exaggeration of the accusation is evident: even after the peak, Brazil exported \$36 billion (2015) to the Chinese market, well above its sales to the United States (\$24 billion) and double its exports to MERCOSUR (\$18 billion). As for trade relations and the price of commodities, despite the fall in recent years, they have still remained significantly above pre-boom levels.

In the financial sector, Chinese financing and investments advanced more gradually than trade. The trend has been to concentrate in the oil and electricity sectors, and much less in areas that could help increase the country's export potential, such as industry. In this respect, they are

no different from investments from other sources, which have grown significantly in recent years, preferably in the service sectors or in leveraging the domestic market. It would have been unrealistic to expect investments aimed at using Brazil as an export platform to Latin America, in a prolonged phase of appreciation of the national currency, which severely affected the industry and made it unable to compete with foreign products even in the domestic market.

Unprestigious and Routine Diplomacy—Compared to this profound transformation in the foreign trade profile and to Lula's diplomacy, Rousseff's foreign policy appeared modest. It revealed, earlier than in other sectors, the anticlimactic nature of the fourth PT term. In domestic policy and the economy, many of the achievements the president had inherited began to gradually fall apart as the crisis deepened, some of which, it must be said, were nothing more than mirages or precarious, unsustainable gains. In the case of diplomacy, the change in form and style was immediate, and thus perceived by public opinion, although never explicitly admitted in official discourse for obvious reasons. The gap between perception and discourse fueled an identity crisis that Rousseff's foreign policy never managed to resolve satisfactorily.

There were several early signs that Rousseff intended to differentiate herself from her patron in those areas where she asserted her preference by personally choosing the minister, such as Justice, the Central Bank, and Foreign Affairs. Just as the retention of Guido Mantega and the replacement of Henrique Meirelles signaled an intention to change economic policy, so did the non-confirmation of Celso Amorim signal a change in diplomacy. In his place, Rousseff selected a person with a contrasting profile to his predecessor, at least in terms of emphasis and activism, if not ideological inspiration. Antonio Patriota, a protégé of Amorim, was a competent and respected official, with a discreet personality, lacking the internal influence, bold sense of initiative and prestige with the president and the PT that Amorim had enjoyed.

Moreover, Patriota came from the embassy in Washington, where he had managed things positively and without friction; it was assumed that he had the necessary contacts in the American capital to rebuild a bilateral relationship frayed by an atmosphere of mutual antipathy between Amorim and Hillary Clinton. Normally, the effort would have culminated

in the state visit that the president was scheduled to make to the United States in 2013, and for which preparations had begun shortly after the inauguration. The new government's most original diplomatic contribution could have been the establishment of a mutually beneficial relationship with the Americans, uncontaminated by prejudice and based on the role of rapprochement between extremes that Brazil could theoretically play in Latin America.

The effort to rectify what critics perceived as excesses, exaggerations or deviations in Lula's diplomacy, especially in his final phase, was expected to extend beyond cooperation with Washington. In principle, it was imagined, perhaps with a healthy dose of wishful thinking, that it would encompass distortions in human rights, the correction of sectarianism in favor of Bolivarian regimes, the frustrated "strategic partnership" with Iran, and activism in the Middle East. None of the intentions attributed to the president could be clearly stated, as it would then have clashed with the previous foreign policy, considered the "crown jewel" of the former president.

Instead, these intentions had to be guessed, hinted at, through gestures that would often translate not so much into initiatives as into omissions. This was the case in relation to the Arab Spring, in the retraction regarding Iran's nuclear program after the Security Council decreed additional sanctions, in an identical retreat regarding the Palestinian-Israeli conflict, and in the relative reduction of cordial closeness with Chávez's Venezuela. In some examples, such as a vote condemning human rights violations in Iran, Rousseff's diplomacy acted affirmatively; however, more often than not, she preferred to adopt a discreet and reserved profile, which opened the door to being criticized by Lula as timid.

The disconnect was inevitable due to the contrast between the former president and his successor in their approach to foreign policy. With his remarkable political intelligence, coupled with an intuitive sensitivity to the big issues, Lula always valued and maximized the immense potential of foreign policy, even as a tool for domestic success. Like any self-assured and important leader, he was never intimidated in dealing with the powerful, nor did he hesitate in seeking from Amorim and other professional diplomats the information and guidance he needed to shine on the international stage.

Rousseff, on the other hand, concealed beneath her self-sufficiency and rough treatment of diplomats a poorly disguised insecurity, born from a lack of linguistic proficiency and serious deficiencies in international culture, sensitivity, and interpersonal skills. One has to look far back in Brazil's history to find leaders so little inclined to the international dimension, which is inseparable from the presidential role. Even in tumultuous moments in Brazilian history, there is practically no record of comparable behavior in deliberate disregard for the basic rules of civilized international relations.

These are not mere formalities or protocol issues. One example is the respect with which a foreign ambassador, the personal representative of the head of state, should be received. Before officially presenting their credentials, ambassadors are not "accredited," as the technical term goes, meaning they cannot carry out any demarches with the authorities of the receiving country. For reasons that are difficult to fathom, Rousseff allowed dozens of ambassadors to wait months before they could perform the simple ceremony of presenting their credentials.

Even the minimal financial resources necessary for the Brazilian diplomatic service to fulfill its functions were shaken to a degree far beyond what the country's economic difficulties would justify. After the overexpansion of posts and the creation of embassies during the golden Lula/Amorim era, Itamaraty almost abruptly found itself without funds to cover the rent and utility bills for its embassies and consulates, the housing allowance for diplomatic and administrative staff, and its contributions to international organizations, starting with the UN and groups of which the country had been one of the founding members almost the day before. Testimony from diplomats who brought these problems to the attention of ministers and budget authorities describe the indifference, at best, and the prejudiced ill will, at worst, with which the demands were received.

Thus, the devaluation of diplomatic activity and its executive body, the fear of presidential wrath experienced by career officers, and the demoralization caused by the bread-and-water regime to which the Ministry of Foreign Affairs was condemned left no room or incentive for taking noteworthy foreign policy initiatives. At most, what was accomplished was to carry out the day-to-day routine of the diplomatic agenda dictated by the calendar of periodic meetings of international organizations, visits

by foreign dignitaries, and trips by the president and ministers. Beyond that, what new developments occurred were almost always the result of unforeseen events. Two of these, both in the sphere of neighboring countries, deserve to be highlighted for what they reveal about the quality of decision-making in foreign affairs.

The first took place in June 2012, shortly after the impeachment process that removed President Fernando Lugo of Paraguay from power. The interactions behind the scenes of the episode were revealed in the memoirs of former Uruguayan President José “Pepe” Mujica, who was serving as the rotating coordinator of MERCOSUR at the time.¹⁴ On the eve of the bloc’s presidential meeting in Mendoza, Argentina, the Uruguayan government reportedly received a telephone request from advisor Marco Aurélio Garcia to send an emissary to Brasília, on board a plane made available by the Brazilian government. The subject was deliberately avoided in written or telephone communications, and even the notes taken by the Uruguayan emissary in his conversation with President Rousseff had to be destroyed at her insistence.

Shrouded in secrecy, the purpose of the secret trip was Brazil and Argentina’s intention to suspend Paraguay from MERCOSUR as punishment for Lugo’s impeachment. Mujica recounts that he tried to resist the idea, which was also rejected by his foreign minister. At the meeting in Mendoza, Rousseff and Argentina’s President Cristina Kirchner successfully pressured the Uruguayan to give in, with a view to unanimously approving the illegal measure, taken without allowing Paraguay’s president and foreign minister to be heard. Once the government in Asunción was suspended, the path was cleared to announce the admission of Venezuela as a full member, a decision that had been blocked by the Paraguayan Congress—possibly one of the motivations behind the actions of the two presidents.¹⁵

In one fell swoop, a founding member of MERCOSUR was punished without any legal basis—a country that, for historical reasons, Brazil should treat with redoubled care—while a candidate that had not even completed the obligation to negotiate the group’s trade requirements was promoted to full membership. To his credit, both personally and professionally, Minister Patriota attempted a discussion on the legality of the measure but was reduced to silence by the president. The minister would not withstand another, also stressful challenge that played out at

around the same time: the asylum request of Bolivian Senator Roger Pinto, who sought protection at the Brazilian embassy in La Paz (May 28, 2012).

Thus began an endless soap opera that would last 455 days, conducted with astonishing ineptitude at the Itamaraty headquarters in Brasília and with tortuous ideological partisanship by the president and her party advisor. Asylum was granted as soon as the case was presented by Itamaraty (June 8, 2012), as is customary in Latin American international tradition and in accordance with the Caracas Convention on the Right of Asylum (March 28, 1954). The Bolivian government refused to comply with the obligation derived from Article XII (“the territorial State is under obligation to grant immediately [...] the necessary guarantees [...] as well as the corresponding safe-conduct”). It claimed, as authoritarian governments often do, that the individual was accused of common crimes, an unacceptable argument considering Article IV of the Convention (“It shall rest with the State granting asylum to determine the nature of the offense or the motives for the persecution”).

Nothing could therefore be clearer. The La Paz government’s refusal to fulfill its international obligations opened a dispute reminiscent of a distant precedent: the asylum granted to deposed President Hernando Siles Reyes at the Brazilian Legation in Bolivia in 1930. On that occasion, the local government also refused to authorize the former president’s departure and encouraged a popular siege of the Brazilian diplomatic residence where, for weeks, a crowd threatened to invade the premises. In that episode, Itamaraty behaved in an exemplary manner by ordering the Brazilian representative to resist the harassment and demand safe-conduct, which was eventually granted. In the 2012 incident, the roles were reversed: while Brazil’s ambassador, Marcel Biato, and his colleagues were firmly committed to defending asylum, the headquarters in Brasília acted in a less than honorable manner from the moment President Rousseff changed her position.

The cause of the turnaround once again lay in the tendency to interpret a case that should never have strayed from its legal framework instead through the distorting lens of ideology. Almost six months had passed since Brazil granted asylum when, in early 2013, on the sidelines of an Africa-Latin America summit in Equatorial Guinea, Rousseff was confronted and criticized by Bolivian President Evo Morales, to whom

she practically apologized by saying: “I almost regret having granted the asylum.” After such a confession of weakness, the Bolivian side felt encouraged to toughen up. The ambassador in La Paz was even branded a “spokesperson for the coup-plotting right” by one of the local government ministers. At one point, on the pretext of a vacation, the ambassador was removed from his post and left to watch from Brasília as the sad spectacle of a fearful foreign ministry unable to adopt a coherent and effective guideline unfolded.

Abandoned and ultimately betrayed by his superiors, left without instructions in an untenable situation that deteriorated by the day, and confronted with the desperation and worsening health of the embassy’s prisoner, Brazil’s *chargé d’affaires* in La Paz, Minister Eduardo Saboia, decided to remove the asylum-seeker from Bolivia in an official vehicle and drive him to Brazilian territory in Corumbá (August 23, 2013). The episode, unprecedented in the annals of Brazilian diplomacy, led to the fall of Minister Antonio Patriota. In the months and years that followed, the government’s sectarian intolerance unleashed persecution against Biato, Saboia and their companions in misfortune.

The scandal attracted the attention of Senators Ricardo Ferraço and Aloysio Nunes Ferreira, who mobilized the Senate’s Committee on Foreign Affairs in a campaign to clarify the facts and ascertain responsibility. The Bolivian politician who sought the protection of Brazilian sovereignty was relegated to a kind of limbo, while the government in Brasília resisted granting him the status of political refugee (compare this to the different treatment offered to the Italian Cesare Battisti, convicted by his country’s justice system of four homicides). Only in September 2015 was the government forced to yield, as a condition for the Committee on Foreign Affairs to approve Ambassador Biato’s successor, more than two years after his removal from Bolivia.¹⁶

I commented on the episode in an article in *Folha de S.Paulo*:

Cases like Eduardo Saboia’s are very rare in the Itamaraty and Brazil, of officials who risk everything for reasons of conscience [...] That is why acts of courage in defense of principles deserve medals, not punishments. It would be a very serious mistake to equate Saboia’s actions with insubordination. He did not act against government orders. In fact, there were no orders, and he had to

act in the calculated vacuum of instructions left at the embassy [...] for this government and the previous one, democracy, human rights and asylum must be filtered through an ideological prism. They only apply if the beneficiary belongs to the same ideological family [...] the decision to remove [...] the senator [...] was made as an extreme measure, after it became clear that Brazil's commitment to his release was make-believe [...]. By showing the courage that his superiors lacked, Saboia honored the values of the Constitution and the Brazilian people.¹⁷

In these and other examples, foreign policy lacked discernment, balance, resolve and wisdom. As for the frustration of the big state trip to Washington, scheduled for October 2013, what lacked was luck. Everything seemed to be conducive for a positive new phase in the relations with the United States. Obama had visited Brazil in mid-March 2011, at the very beginning of Rousseff's first term. Since then, preparations had progressed satisfactorily to arrange a prestigious visit for the president, as had not been seen in a long time, with a speech before both houses of Congress, a White House banquet and all the trimmings of such symbolic events.

As bad fortune would have it, the period immediately before the visit coincided with the height of the excitement caused by revelations from defector Edward Snowden about espionage conducted by the National Security Agency (NSA) against heads of state and politicians from nations supposedly "friendly" to the United States. The proximity of Rousseff's visit made it irresistible for a scoop on the alleged violations of Brazilian presidential communications by US agents. The scandal exploded on September 1 and forced the suspension of the trip.

A few days earlier, Patriota had been succeeded at Itamaraty by Luiz Alberto Figueiredo Machado, a professional diplomat specializing in environmental negotiations, who would remain in office until the end of Rousseff's first term. After her reelection, he would be replaced by Mauro Iecker Vieira, ambassador in Washington and former ambassador in Buenos Aires, also an efficient professional and respected for his competence. It was up to Iecker Vieira to continue the damage repair efforts started by his predecessors and to facilitate the postponed visit of President Rousseff to the United States, which was to take place in mid-2015. By then, times had changed, and the espionage incident, never fully absorbed, cast a

shadow over the visit and the relationship in general. Brazil-US relations relived a kind of curse they had suffered for decades: every time a phase of brilliant achievements was announced, it was not long before everything fell back into frustration and mutual disappointment.

In Brazil, times were also different and for the worse, marked by the deteriorating political and economic conditions of Rousseff's second term. The new foreign minister could do little more than attempt the thankless task of rebuilding the damaged morale of Brazil's diplomats and addressing the dire state of Itamaraty, where he had the remarkable assistance of the secretary-general, Ambassador Sérgio França Danese. The work was far from complete when the precipitous end of the agonizing Rousseff administration transferred the unfinished work to other hands.

The Final Act: Fiscal Collapse, Reelection, Impeachment—Partly a result of having loosened spending to win the 2010 election, the Rousseff administration had become addicted to the practice, continuing it even after international conditions worsened and resorting to it again during the reelection campaign. Between 2011 and 2015, primary spending (excluding interest) by the federal government, not including state-owned enterprises, rose from 16.6% of GDP to 19.5%, against net revenue that fell from 18.7% to 17.4%. As a result, the nominal public sector deficit (Union, states, and municipalities), including interest, soared from 3% of GDP (December 2013) to 10% (within 12 months, by June 2016). In less than three years, the accounts had truly collapsed: seven percentage points worse!

The government ruined public finances and compromised the country's future to win the elections. Unfortunately, once again, the ploy worked for a while, just long enough to reach election day with employment, wages and income at high levels. Dramatic events and surprising volatility marked the 2014 presidential election. A plane crash took the life of one of the very few, almost unique examples of political rejuvenation in the country, the former governor of Pernambuco Eduardo Campos. The day before, he had improvised the most beautiful phrase of the campaign in a TV interview: "We will not give up on Brazil!"

At first, it seemed that Campos' sacrifice would be reflected in the meteoric rise in the polls of his running mate, Marina Silva, a rare example of political renewal with moral integrity. It did not take long, however,

for the campaign machinery to grind down the candidate's reputation, pushing her out of the second round in favor of the former governor of Minas Gerais, Aécio Neves, the PSDB candidate. As Operation Car Wash in Curitiba looked into the political and electoral crimes of the recent past, the campaign continued to siphon millions of reais using the same illicit methods then under investigation, which were never interrupted, not even for the fear of jail time, if not simple virtue.

Rousseff achieved a narrow and difficult victory against Aécio Neves in the second round of the presidential election (51.64% against 48.36%). The result suggested that the time had come when, even for the PT, alternating power would have been better than prolonging beyond reason the wear and tear of 12 uninterrupted years in government. Brazil nearly experienced what would happen in Argentina's elections the following year: a desirable change through the ballot. Rousseff's reelection instead practically split the country in half, and came at such a high political and moral price that it justified Marina Silva's remark: "Dilma won by losing" or, rather, Dilma Rousseff retained the government but lost the ability to govern.

At that time, governing required facing an almost hopeless economic crisis, the existence of which the winning candidate had categorically denied until election day. How could she now suddenly impose a painful fiscal adjustment on voters when she had just convinced them this was the perverse agenda of her opponents? What chance would there be of persuading Congress to support unpopular but necessary measures when, during the presidential campaign, she had denounced those defending these very measures as enemies of social progress?

Simply stating these dilemmas suggests that the challenge was practically impossible. Everything suggests that Dilma's fate had been irreversibly compromised by the decisions to loosen fiscal rules and make use of creative accounting starting in the second half of 2013, and even more so during the election year. If there had been any hope of repairing the damage by appealing to national unity, the possibility was lost by radicalizing and polarizing the electoral competition. The result of the campaign was to divide the population into irreconcilable factions fueled by low feelings that would surface in the later impeachment demonstrations. Hovering over this potential for violence was Operation Car Wash, an inexhaustible source of revelations that fed revolt and indignation.

In an attempt to neutralize so much negativity, there was no way to rely on the sense of imminent economic disaster to justify a turnaround. The sense of urgency and even the need for adjustment measures could not have arisen among PT militants, who had been assured that all such claims were false and the product of the opponents' bad faith. It is hard to interpret otherwise the obstinacy of minimizing the primary responsibility of the PT's economic mistakes in Dilma Rousseff's downfall and insisting on attributing it to the right-wing's resistance to social progress. For the followers of this one-sided view, the final collapse only began when the reelected president handed over command of the economy to the financial market's favorite, Joaquim Levy (November 27, 2014, a month after her second-round victory), entrusting him with an austerity program, the "austericide" that she had denounced during the campaign.

This version forgets that austerity was already deemed indispensable by the PT's best economic adviser, Nelson Barbosa, who would become Rousseff's last finance minister and would try, also unsuccessfully, to carry out an identical spending cut policy. Before the reelection, during the brief period he was out of government, the former deputy minister under Mantega declared in São Paulo:

The recent increase in the government's fiscal constraint means that it will be necessary to adjust our fiscal policy in the coming years. There is no fiscal space to increase fiscal and financial incentives to the productive sector [...] and continue expanding the social protection network and universal public services [...] there is also no fiscal space for the government to continue absorbing the growing cost of smoothing monitored prices [...] without compromising fiscal stability.¹⁸

As one can see, Barbosa was echoing in toned-down terms what the critics of the economic policy were saying at the time.

It was, however, an isolated opinion within the PT. Unable to count on the support of her own party and even less on that of the defeated opposition, Dilma Rousseff was left to follow the advice of her close circle. Their recommendation was to encourage the formation of a parliamentary bloc that would weaken her dependence on the insatiable PMDB. The maneuver aimed to take advantage of the formation of new parties, such as the Social Democratic Party (PSD) of the former mayor of São Paulo,

Gilberto Kassab, to attract defectors from the old centrist party. Sensing that its survival as the majority party was threatened, the PMDB responded with a swift offensive to secure its control of both houses of Congress. At the heart of this reaction, Eduardo Cunha was elected leader of the PMDB caucus in the Chamber of Deputies and began laying the groundwork for his future election as Speaker of the House. He confronted and defeated the government and, in February 2015, was sworn in as Speaker.

The rest of the story unfolded predictably: exposed by Operation Car Wash, the Petrobras scandal caused the government's approval ratings to plummet to just over 10% in a few months. On March 15, 2015, less than six months after her reelection, mass demonstrations against Rousseff and Lula filled streets and squares; in smaller numbers, those defending the government faced, at first, the contradiction of backing the president while simultaneously demanding that she abandon her economic policy. On December 2, 2015, the Speaker of the House, who had personally lost the support of the government and the PT in the corruption investigations against him, accepted one of the impeachment requests against Rousseff, setting the process in motion. A few days later, Finance Minister Joaquim Levy resigned and was replaced by Planning Minister Nelson Barbosa (December 18, 2015).

The impeachment procedure in the House culminated in a vote of 367 to 137 in favor of starting the process, with the consequent temporary removal of the president (April 17, 2016). The Federal Senate accepted the opening of the trial by 55 votes to 22. Presided over by Supreme Federal Court Justice Ricardo Lewandowski, the trial ended in Rousseff's definitive removal by 61 votes to 20 but spared her the additional penalty of the loss of political rights and disqualification from holding public office (August 31, 2016).

Reflections on a Disaster

The trial and conviction focused solely on accusations of violations of the Fiscal Responsibility Law, specifically the so-called *pedaladas fiscais* [fiscal pedaling], a practice by the National Treasury of intentionally delaying the transfer of funds to banks and public institutions such as the National Institute of Social Security (INSS) to artificially improve public accounts. The widespread perception that these actions were nothing

more than a venial sin, with no major consequences, highlighted how far Brazil was from the convictions of other nations regarding the value of financial solidity.

The impeachment process mirrored the collapse of the government, reflecting it step by step. By December 2015, when the proceedings began, it was already clear that the economy had plummeted from zero growth to nearly four percentage points in the negative (–3.85%), inflation was paradoxically rising to 10.67% and there was a primary deficit of 1.98%. From late 2015 to February 2016, all three major credit agencies stripped the Brazilian economy of its investment-grade rating, one after the other. As the impeachment process advanced, all these indicators continued to worsen; the unemployment rate exceeded 11% and more than 11 million Brazilians were out of work. In a short time, many of the social gains of the previous phase had disappeared.

A dispassionate assessment of the 13 years of the Lula and Rousseff period will have to wait until enough time has passed to soften emotions and cool animosities. In terms of what has always been the PT's *raison d'être* and distinguishing hallmark—the expansion of the welfare state—the balance will certainly be favorable. It will not always be easy to distinguish in this balance what was due to the original initiatives of the PT governments from what was the result of general trends and forces, such as the external context or the effect of the application of the 1988 Constitution. In his analysis of a much broader period (1991 to 2015), Mansueto de Almeida showed that 65% of the increase in the federal government's primary expenditure was the result of income transfers: social security, benefits to the elderly or individuals with disabilities, unemployment insurance, wage supplementation (*abono salarial*), and Bolsa Família.

Over this quarter-century that spanned the administrations of Collor de Mello, Itamar Franco, Fernando Henrique Cardoso, Lula, and Dilma Rousseff, primary spending grew by 8.7% of GDP. Income transfers accounted for 5.6% of this growth, with the remainder being spent on civil servants, health and education, subsidies and other sectors. According to data provided by Nelson Barbosa, during the (incomplete) period of the PT administrations (2003–July 2014), out of the total increase in primary spending (3.3% of GDP), income transfers accounted for 2.7%, divided into social security benefits (1.4%) and the expansion of other programs

(1.3%), especially social assistance for the elderly (LOAS) and the poorest (Bolsa Família).¹⁹

The proportion of income transfers in relation to the overall increase in spending was undoubtedly higher in the PT governments, but the difference was not drastic in the context of the broader period. Additionally, the percentages relating to meager public sector investments, spending on civil servants, health and education, subsidies and others were practically the same in both the larger and smaller phases. Two conclusions seem to emerge when considering the longer period, which practically coincided with the 1988 Constitution. The first is that the constitutional text established automatic mechanisms that compelled governments to constantly increase public spending, leaving little room for adjusting expenditure according to revenue fluctuations.

The second is that these mechanisms channeled the increases in question towards social spending; as a result, all post-1988 governments had to follow the same trend of not only increasing public spending, but concentrating the increases on income transfers rather than on investments or other sectors. The PT governments represented neither an exception nor a break from these general trends, though they did amplify them significantly. It therefore seems an exaggeration to say that the fall of the last PT government was the result of resistance to social change. While it is true that the Lula and Rousseff governments put more emphasis on the creation of social programs and spent more in these areas, their undisputed merit in this regard cannot be attributed solely to programmatic coherence and loyalty to the most vulnerable sectors.

Part of the results stemmed from the exceptionally favorable external conditions that facilitated these policies, as the president herself acknowledged when she blamed the international crisis for her subsequent problems. Another portion of the merit must be attributed to the work of rebuilding the economy undertaken, above all, by the Plano Real, which allowed the Lula government to dedicate itself to distributive measures, instead of devoting all its efforts to fighting hyperinflation. Finally, the remainder of the explanation boils down to the simple error of insisting on increasing expenditures beyond what revenues could support; in other words, abandoning fiscal responsibility is an illusory method of social promotion, due to its inherent unsustainability.

In the medium and long term, financial indiscipline is incompatible with the promotion of the poor and social integration. Without spending discipline, social achievements cannot be sustained, the economy does not grow, and social regression becomes inevitable. Other countries in Latin America have achieved social indicators equal to or better than Brazil's without undermining their economies, and continued to improve where Brazil started to fall backwards. The voluntarism of accelerating income transfers without the corresponding availability of resources failed twice: it did not speed up the transfer process and, on top of that, it destroyed much of what had been previously achieved.

Dilma Rousseff handed over a country considerably worse off than the one she had received. She did the opposite of what the concept of sustainable development advocates: the ability of each generation (or government) to achieve its goals without compromising the capacity of its successors to do the same. While she did not make it impossible forever, she unnecessarily made it more difficult to build a prosperous, just and balanced society.

A Retrospective View—Short-term factors and deep, long-cycle forces, which are less obvious, collided in Rousseff's administration. From the fall of Vargas and the Estado Novo (October 1945) to the present day, Brazil has experienced three political regimes in just over 71 years: the 1946 Constitution, the military regime (1964–1985) and the 1988 Constitution. In the first, which lasted 18 years, five presidents were elected and only two (Dutra and Kubitschek) began and ended their terms on the scheduled dates. Of the other three, one died by suicide (Vargas, 1954), the second resigned (Quadros, August 1961), and the third was deposed (Goulart, March/April 1964).

Let us skip over the almost 21 years of the military regime, which does not count for our purposes due to its anti-democratic nature, but which did not lack for turbulence and internal conflict. At the time of writing, the current system has lasted over 32 years, almost twice as long as the first (now, in 2025, it is 40 years). Of the seven presidents, one reached the end of his term God only knows how (Sarney, 1990); two were impeached (Collor, October 1992; Rousseff, August 2016); two served two terms (Cardoso and Lula); one completed his predecessor Collor's term (Franco); and the other (Temer) is trying to do the same for

Rousseff. The first and inescapable conclusion is that political regimes have not become more stable over time. The rate of instability and disruption remains intolerably high, although there has been an important change: now, governments are not removed by military coups, but through the application of constitutional mechanisms, albeit exceptional ones such as impeachment. The degree of institutionalization has therefore increased, although instability remains the norm.

Underneath the political volatility, the economy's fortunes have fluctuated enormously. Since the oil shocks and, above all, the external debt crisis of the 1980s, the ability to sustain high growth rates for relatively long periods has been lost. The slowdown was at first attributed to cyclical causes, but today it is clear that structural factors linked to the demographic transition and international transformations are also acting to reduce growth. With immense sacrifice, the poisoned legacy of the military in the tendency towards hyperinflation and in the foreign debt crisis has been overcome.

It has not been possible, however, to simultaneously guarantee price stability, reasonable growth and a balanced budget and balance of payments. When progress has been made on one of these objectives, there has almost always been an imbalance in the others, culminating at the beginning of 2015 in the worst of all possible worlds: recession, inflation, and alarming deficits both in the budget and in transactions with the rest of the world. There is, however, one difference with the past: even in the most difficult times, control of inflation was not entirely lost and this time external strangulation, the cause of most of the past unraveling, was avoided.

The greatest progress made during this period was increased awareness about the social debt and the adoption of the first effective public policies to eliminate indigence, substantially reduce poverty, decrease inequality, improve health, education and the environment, empower women, combat prejudice against differences in sexuality, recognize and promote the rights of Black and Indigenous people with affirmative and corrective action, facilitate access to land, and establish respect for human rights; in short, to integrate those living on the margins into society. The challenge for the future will be to maintain and expand progress, so that a virtuous cycle is established in which progress in democracy, prosperity, and social improvement reinforce each other, instead of weakening each other.

So far, therefore, the provisional balance sheet might not seem so unfavorable, were it not for the disturbing fact that the trend in recent years has been negative, with gains concentrated before 2010 and losses since then. The reversal in the curve suggests that the system established by the Constitution may have already reached the peak of its gains and begun an inescapable decline, unless it proves capable of identifying and rectifying the causes of the decline.

Some political scientists often claim that there is nothing essentially wrong with the Brazilian political system, arguing that it fulfills its main function of producing decisions. Neither coalition presidentialism nor party fragmentation and other vices would prevent the Executive from obtaining the necessary decisions from the legislative and judicial branches in order to govern the country. On the surface, this may seem true. After all, the 1988 Constitution records (as of September 26, 2016) no less than 93 amendments in the 28 years since its promulgation (October 5, 1988), while the United States Constitution boasts only 27 in 226 years (since March 4, 1789). In less than 15% of the time that the mother of written constitutions has been in force, Brazil has produced three times as many amendments as the Americans! Our leadership in decision-making productivity is assured.

What this numeric analysis does not show is the quality and price of those decisions. One of the flaws in downplaying the system's problems lies in its supposed neutrality in terms of values. Another lies in the shortsightedness that leads us to see only what is immediate, what is close to us; in other words, the decision itself, without looking further ahead to consider the consequences. Or rather, the indulgence towards the system comes partly from a static approach. The system is photographed at a given moment, when it seems to be spawning decisions at a reasonable cost, without pointing out that the system is dynamic, and its costs, which are increasingly high in ethical and economic terms, ultimately render it dysfunctional.

The dynamics of the regime are the same as those of cancer: it grows through the proliferation of cells until it causes death. The aspect that best illustrates this (by no means the only one) is the formation of the parties. In the Geisel/Figueiredo era, they were two, which grew to five or six during the years of political opening. This number has since ballooned

to 35 today, plus 125 pending applications for approval from the Electoral Court! Outside Brazil, anyone who heard these figures would think we were a country of madmen. And yet, the sensible members of the Federal Supreme Court have ruled that the establishment of a barrier clause by Congress is unconstitutional, as if freedom of party organization were an absolute principle, rather than a goal to be balanced and moderated by other equally important values.

A party is created to gain access to Party Fund resources, a circus clown, a TV star or a soccer star is invited to lead the slate of candidates and, with the celebrity's votes, three, four or five more elected representatives are swept in thanks to the party quotient. A small bloc is then formed in the Chamber or in the assemblies, ready for the "business of governability": votes are exchanged for funds, appointments, and bribes. If negotiating with six parties was already costly, imagine doing so with 30! And it is not just a matter of a single negotiation. In the days of scandalous political corruption in the United States, in the Tammany Hall Democratic machine^{XVII} that dominated New York municipal politics from 1854 to 1934, the concept of an "honorable politician" was someone who "once bought will stay bought." The problem is that today, some politicians no longer sell themselves, they rent themselves out for every vote at the highest price...

If you add this to party fragmentation and the impossibility of a single party acquiring its own majority and to the astronomical rise in sophisticated campaigns, there simply is not enough money to go around. The political system has turned into an insatiable mechanism for transferring resources from the economy to parties, politicians and a multitude of intermediaries. Even immensely wealthy companies like Petrobras have been nearly destroyed by the scale of the extortion. Achievements that, under normal circumstances, would have strengthened the company, such as the pre-salt discoveries, served to amplify the scale of corruption, which jumped from millions to billions of dollars. Operation Car Wash is, in essence, a healthy reaction from what remains of the nation's immune system to the damage perpetrated by the funding mechanism, demonstrating that most citizens do not accept the intolerable ethical cost of operating an irredeemably corrupt political regime.

XVII A civil society formed by members of the Democratic Party in New York City that became a political-electoral machine.

Can such a regime survive the clear signs of exhaustion? Only if it is capable of cutting into its own flesh and pushing forward a significant reform of the distortions laid bare by the impeachment crisis and Operation Car Wash. The system's vices and ailments have been diagnosed and there is no mystery about the cure. The indispensable reforms have been exhaustively debated and have only failed to be adopted due to resistance from vested interests, not because of the insurmountable (and false) complexity of the solutions. Without these crucial reforms, a rupture will sooner or later become inevitable, as in Luther's Protestant Reformation, whose fifth centenary was commemorated in 2017, or in the American Civil War, the end of the Brazilian monarchy and, later, the First Republic in Brazil. All this in line with the Chilean motto: *Por la razón o por la fuerza* [By reason or by force]!

Countries that succeed are those where institutions have proved capable of self-reform to the necessary degree and at the right time. Is Brazil among them? The answer will depend not on fate or the stars, but on what happens over the coming years. Nothing, neither success nor failure, is predetermined or guaranteed.

Notes

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Part XII

Sequence 2016–2023

Explanatory Note

This Sequence to the original edition of *Diplomacy in the Construction of Brazil* aims to update the narrative and analysis of the political, economic and diplomatic events that characterized Brazilian history following the impeachment of President Dilma Rousseff, covering the years 2016 to 2022, i.e. Michel Temer (2016-2019) and Jair Bolsonaro (2019-2022) administrations.

This separate treatment is justified because the period presents marked contrasts in political and economic orientation compared to previous phases of Brazilian diplomatic history and reflects a clear drift towards different ideological positions. It does not, however, amount to an irreversible institutional break with the regime established by the 1988 Constitution, as was the case with the 1964 military coup in relation to the 1946 Constitution.

This is evident in the fact that the 2022 elections once again brought victory at the polls to Luís Inácio Lula da Silva, who, in his third term starting in 2023, has resumed many of his previous political inspirations and initiatives.

Temer Administration (2016–2019): A Transition that Ended Badly

Introduction—Similarly to the Itamar Franco administration, the Michel Temer government was the result of a presidential impeachment. While it lasted a little longer, its overall outcome was markedly more negative. In two years and three months in office (October 2, 1992, to January 1, 1995), Itamar Franco laid the groundwork for the transformative success of the Plano Real, ensured the election of his successor, Fernando Henrique Cardoso, in the first round, and paved the way for the most productive era of redemocratization since 1985: the 16 years of FHC and Lula. In contrast, Temer led a two-year, seven-and-a-half-month government

(May 12, 2016 to January 1, 2019), marred by scandal and corruption accusations, culminating in the election of Jair Bolsonaro, a far-right candidate who nearly destroyed the democratic regime established by the 1988 Constitution.

Why this contrast between the two transition periods? Separated by approximately 24 years, at first glance there are more similarities than differences between the two. Both faced the same dual challenge: first, to reestablish conditions of political normalcy to overcome the trauma of impeachment, and second, to enable economic recovery through stability and growth. In principle, Temer seemed better equipped than Franco to achieve these goals, having led the PMDB, chaired the Chamber of Deputies three times and been regarded as one of the most influential parliamentarians at the time. Franco never enjoyed comparable political and parliamentary prestige.

It is true that Itamar Franco's task had been made easier by the consensual nature of Fernando Collor de Mello's impeachment, which did not divide the country or leave a bitter trail of nonconformist supporters, as was the case with Dilma Rousseff and the PT. Another key difference was the further deterioration suffered by the Brazilian political system in the latter case. In the generation that separated the two impeachment episodes, the ethical and financial cost of governance steadily increased due to the severe flaws of party fragmentation and coalitional presidentialism. With each new institutional crisis, the consequences became more serious in terms of violence, polarization, and radicalization.

In the midst of the worst recession in Brazilian economic history and facing unprecedented unemployment rates, Temer assumed the presidency in a country bruised by impeachment, against the backdrop of the massive demonstrations of 2013 and the frustration that ensued. The most serious threat came from the political climate dominated by Operation Car Wash, which was on the rise and about to reach the peak of its influence after two years of advancement. In an atmosphere of outrage at the almost daily revelations of corruption that exacerbated the backlash against politicians, what was needed was a president beyond reproach, capable of restoring confidence in democracy and neutralizing the damaging effect of Operation Car Wash. From this point of view, Temer represented the worst possible choice due to the accusations against him and his well-known links with

the PMDB group that was one of the primary targets of the investigations. As if that were not enough, the president, despite his reputation for prudence and skill, became involved in a scandal that exacerbated the situation. This confirmed existing concerns and significantly undermined his remaining authority, effectively leading, in practical terms if not in formal ones, to the early conclusion of his government after just one year in office.

A Government Besieged, yet Shielded by Congress—As a result of the conflict between the Executive and Congress, the Temer government mirrored, for better or worse, the victorious parliamentary majority from which it emerged. Temer’s association with controversial figures within the inner circle of the Palácio do Planalto, such as Geddel Vieira Lima and Rodrigo Loures, heightened his vulnerabilities. Loures became known as “the suitcase man” after he was caught on camera running down the street with a suitcase that, according to the police, contained 500,000 reais in bribes. The president’s affiliation with the PMDB group, which was seen as truly representative of the majority of Congress and the backward national political sector, was evident in his lack of sensitivity to issues such as gender equality (no women in the cabinet), race (no Black representatives), environmental concerns, human rights, and culture, areas often treated with insufficient regard.

On the other hand, Temer’s first cabinet included representation from all of the 11 parties that effectively occupied the center-right space of the political spectrum. At various times, the government included unquestionably significant figures from Brazil’s political and economic life, such as Blairo Maggi (Agriculture), Gilberto Kassab (Science and Technology), Roberto Freire (Culture), Mendonça Filho (Education), Raul Jungmann (Defense), Helder Barbalho (Integration), Alexandre de Moraes (Justice), Sarney Filho (Environment), Moreira Franco (Mines and Energy), Romero Jucá (for a few days minister of Planning), José Serra (Foreign Affairs), Aloysio Nunes (Foreign Affairs), as well as Henrique Meirelles (Finance) and Ilan Goldfajn (Central Bank). These ministers were unable to realize their potential, however, due to the multiple scandals that soon paralyzed Temer’s presidency.

Administration in the Shadow of Recession—The most pressing threat at the time of Temer’s inauguration came from Brazil’s severe economic recession, the worst recorded in the historical series. Considering the

total duration of the recession, from the second quarter of 2014 to the fourth quarter of 2016, the accumulated loss in GDP reached 8.1%. In 2015 (Rousseff's government), real GDP fell by 3.5%, followed by negative 3.3% in 2016 (half Rousseff, half Temer). This contraction produced devastating unemployment rates: 8.3% (2015) and 12% (2016), which continued to rise under Temer to 12.7% (2017) and finished at the end of his term at 12.3% (2018). In addition to the more than 13 million people unemployed, there were enormous increases in informality and precarious working conditions.

Other economic indicators painted a similarly grim picture: high inflation, with the IPCA at 10.67% (2015) and 6.26% (2016); an explosion in subsidies; and a worsening primary and nominal deficit, the immediate cause of the “fiscal pedaling” at the root of the impeachment. Finance Minister Henrique Meirelles focused on controlling public accounts, pushing through Congress a constitutional amendment imposing a ceiling on public spending for 20 years. He achieved a significant reduction in both the nominal budget deficit (from 10% to 7.5% of GDP) and in the primary deficit, which fell from 2.5% to 1.3% in the 12-month period between May 2016 and August 2017.

It was the finance minister who gave the government and its economic policy a liberal tone favorable to the markets. This was evident in the programmatic document “Uma ponte para o futuro” (“A Bridge to the Future”), proposed in October 2015 by the Ulysses Guimarães Institute of the PMDB. Alongside the Spending Ceiling Constitutional Amendment (PEC 55), the government's Labor Reform bill and Outsourcing Law reflected the same approach. The political fallout from the JBS scandal prevented the approval of the most ambitious of the legislative projects—pension reform—which Temer left in an advanced stage, ready to be picked up by the next government. In a different domain, the administration adopted through a provisional measure the High School Reform, which had been stalled for years in Congress, as well as the establishment of the National Common Curriculum Base, the work of Education Minister Mendonça Filho.

Thanks to these and other measures, the Temer administration managed to return the economy to a modest growth of 1.3% of GDP (2017), accelerating to 1.8% (2018). The IPCA,¹ which measures inflation,

¹ The Extended National Consumer Price Index (IPCA) is designed to measure the inflation rate for a selected basket of goods and services purchased by households (source: ibge.gov.br)

fell to 2.95% (2017) and reached 3.75% (2018). The basic interest rate was gradually reduced from 14.25% (2016) to 6.50% (end of 2018). The improvement in economic indicators was not, however, able to positively bring down the extremely high unemployment rate.

Political Scene Dominated by Scandals—The support that the Temer administration found in Congress had aspects of a virtual semi-parliamentarianism. In the Chamber of Deputies, the government had the support and collaboration of around 75% of the members, giving it a comfortable majority, even for the approval of constitutional amendments. Legislative reforms such as the Spending Ceiling and the Labor Reform were the result of this close cooperation between the executive and legislative branches. However, as the corruption scandals and accusations multiplied, the government had to use almost all its legislative force to avoid its downfall, eliminating the possibility of continuing a reform agenda.

The Joesley Batista Episode—The culminating incident took place on the night of March 3, 2017, when, outside of his official agenda, Temer met with businessman Joesley Batista, one of the brothers that controlled the meat and food company JBS. The visitor, admitted to the Palácio do Jaburu^{II} through the garage, secretly recorded the conversation, which was highly compromising for the president despite interpretive controversies regarding the meaning of some of the recorded expressions. This recording would later be used in May for Joesley’s plea deal, in which he labeled Temer as “head of the most dangerous gang in Brazil, PMDB.”

In June, Attorney General Rodrigo Janot indicted Temer for common crimes revealed by Operation Car Wash, and in September he filed a new, more serious accusation, this time based on Batista’s recording. In both cases, the Chamber of Deputies rejected the charges, the first ever against a sitting president. Although the government managed to hold on to power through increasingly tight votes, after the two incidents of rejecting charges against Temer, its parliamentary base became a mechanism to ensure the president’s survival, with no capacity to push forward controversial legislative initiatives such as pension reform.

Foreign Policy Affected by the Domestic Crisis—The deleterious climate of accusations and criminalization of political life clearly hindered the development of an affirmative foreign policy, capable of projecting

II The Palácio do Jaburu is the official residence of the Vice President of Brazil, located in Brasília.

prestige and prosperity abroad—both of which were of course totally absent domestically.

International Panorama—The international scene from mid-2016 to late 2018 was shaken by events that would continue to resonate in the following years. Among the most significant were the election and inauguration of Donald Trump in the United States and its profoundly destabilizing impact on global relations, the tumultuous withdrawal of the United Kingdom from the European Union (Brexit), the return of protectionism and trade wars, and the ever-worsening threat of global warming. Trump’s decision to abandon the Paris Climate Agreement symbolized the international community’s failure to rise to the challenge of climate change.

Underlying some of these events, deeper, long-term trends reflected societies’ reactions to the most harmful aspects of economic and financial globalization. The 2008 crisis at the heart of the financial system laid bare widespread social dissatisfaction expressed in occupations, radical demonstrations, and spontaneous revolts such as that of the “yellow vests” in France. Support for far-right parties spread once again, and new, aggressive forms of nationalism and populism surfaced, converging to exacerbate the crisis of representative democracy.

Better than traditional parties, these new forces skillfully exploited mass social media to channel the discontent ignored or underestimated by those in power in favor of demagogic figures such as Trump. These years marked an inflection point in diffuse, festering social dissatisfaction over a series of changes that have affected the most vulnerable: growing inequality, the disappearance of good industrial jobs due to corporate outsourcing, fear of competition from immigrants from poor countries, and anxiety over the dissolution of identity in the face of waves of migrants and refugees with different cultures and religions.

Latin American Scenario—In Latin America, the death of Fidel Castro in late 2016 marked the end of an era in a different way. After the demonstrations in Brazil that paved the way for Rousseff’s impeachment, other protests erupted across the continent. Those in Chile in November 2019, shortly after Temer left office, were particularly shocking due to their violence, scale and surprise effect in a country that was believed to be a success in economic policy, immune to the chronic instability of the rest of

Latin America. Right-wing or center-right governments ideologically close to Temer's came to power in Santiago (businessman Sebastián Piñera), in Colombia, which was in the midst of negotiations with the guerrillas (Juan Manuel Santos), and most notably, given its importance for Brazil, in Argentina (Mauricio Macri).

Throughout this period, the most impactful phenomenon within and beyond the region was the sudden deterioration of Venezuela, shaken by massive street protests and the acceleration of the largest population exodus in Latin American history. Although in a different way to the Cuban question in the 1960s and 1970s, the challenges posed by the Venezuelan collapse began to test the capacity of South American countries to address difficulties they were unaccustomed to facing, such as the influx of large waves of refugees.

Foreign Policy in the Face of New Challenges—José Serra's Term— During the Temer administration, the Foreign Affairs Ministry was led by two ministers. The first, José Serra, served in the role for only nine months (May 12, 2016 to February 22, 2017). He was followed by Aloysio Nunes Ferreira, who served for nearly two years (March 7, 2017 to January 1, 2019). These two tenures can be treated as a period of continuity and considerable alignment in their approaches. Both ministers were senators from the PSDB, came from São Paulo, and had the same secretary-general of Itamaraty, Ambassador Marcos Galvão, throughout their administrations, which ensured professionalism in the conduct of foreign policy and further solidified the sense of unity in terms of inspiration and objectives.

The differences in achievements between the two came down to their personalities, the time available for action, and the challenges that arose. Serra dedicated himself from the outset to resolving the financial crisis in the Ministry of Foreign Affairs, which had been neglected for much of the Dilma Rousseff administration. The functioning of the foreign service had nearly reached the point of collapse. For months on end, embassies and consulates experienced severe shortages, without the resources to pay rent, electricity and water bills. Brazil's voting rights were on the verge of being suspended due to overdue debts with the UN and other international organizations. With energy and persistence, the minister quickly restored the ministry's finances and paid off half of the debts owed to multilateral organizations.

Another area that mobilized his efforts, foreshadowed in his inaugural speech, was the issue of border security and the fight against drug trafficking, smuggling, and cross-border criminal activities. This crucial issue, which is generally neglected by governments, received special attention through the establishment of contact and cooperation mechanisms between domestic and foreign security forces. In 2016, Brazil hosted the first Southern Cone meeting on border security, with a focus on combating human trafficking, arms trafficking, and the sexual exploitation of minors. Foreign ministers and security ministers participated in the event.

Aloysio Nunes Ferreira—Citing personal health reasons, Serra left the ministry in less than a year. To replace him, Temer invited Senator Aloysio Nunes Ferreira, who had already shown particular interest and sensitivity to international issues as the chairman of the Senate Committee on Foreign Affairs and National Defense.

Challenging Legitimacy—A persistent challenge throughout both tenures, acting as an obstacle to the country's projection abroad, was a campaign led by the PT to contest the legitimacy of the Temer government. While it found no traction within Brazil's legislative and judiciary branches, the PT's "parliamentary coup" thesis gained some international attention. The argument found relative acceptance in certain Latin American and Western European countries governed by socialist or social-democratic parties.

The most immediate and strongest reactions to Rousseff's impeachment came from Ecuador and Bolivia, which withdrew their ambassadors—a situation that was gradually normalized through Brazilian initiative. The Cuban ambassador left the country and never returned. Havana showed no interest or willingness in overcoming the issue, which was eventually managed through ambassador-level *chargés d'affaires*. Relations with Venezuela proved even more tumultuous and permanently tense. Ambassador Ruy Pereira, sent by the Brazilian government without reciprocation, was eventually declared *persona non grata* (due to accusations of ties with the opposition) and had to return to Brazil.

The secretary-general of the Union of South American Nations (UNASUR), former Colombian President Ernesto Samper, threatened to invoke the democratic clause against the Brazilian government. In the end, as a result of the election victories of new conservative governments

in several countries, including Colombia, it was UNASUR itself that was progressively abandoned by the majority of its members, starting with Colombia in 2018, followed by Argentina, Brazil, Chile, and Paraguay in April 2019, by which time Jair Bolsonaro was already in government in Brazil.

Relations with the European Union also cooled significantly. It took almost 10 years for an EU president to visit Brazil again after the Temer and Bolsonaro periods.

Relations with China proceeded normally. President Temer visited the country in 2017, when several agreements were signed. The same panorama of normalcy characterized relations with the United States, with Vice President Mike Pence visiting Brazil.

International Initiatives—Undeterred by the lukewarm reception from the international community, Minister Nunes Ferreira engaged in extensive diplomatic activity through contacts and initiatives. He made three tours of Africa and visited Asia extensively, covering more than 50 countries in total. Author of the government's Migration Law, the minister played a leading role in the adoption of the UN Global Compact on Migration.

Venezuela—In foreign policy, perhaps the most visible difference between Temer and Dilma Rousseff was their handling of relations with Venezuela, which continued to deteriorate as the situation there worsened. Back when he was chairman of the Senate Committee on Foreign Affairs and National Defense, Aloysio Nunes Ferreira had been the protagonist of a hectic trip by senators to Caracas to visit imprisoned opposition figures. The Maduro government reacted with hostility, frustrating the purpose of the visit and creating a diplomatic incident between the two countries.

Following in the footsteps of his predecessor, the new foreign minister harshly criticized the dictatorial Venezuelan regime in his inaugural speech at Itamaraty. Disagreements multiplied as the country's crisis worsened, culminating in the decision by MERCOSUR countries to suspend Venezuela's membership by invoking the Ushuaia Democratic Clause (August 2017).

The sudden pressure at the Brazilian-Venezuelan border in Roraima due to the mass influx of Venezuelan refugees, especially starting in 2017, presented an unprecedented challenge for Brazil. Operação Acolhida [Operation Welcome] was launched at the time, becoming the largest

refugee and migrant reception operation Brazil had ever undertaken. Temer received the UN High Commissioner for Refugees, Filippo Grandi, in Brasília to discuss the operation.

MERCOSUR and Trade Agreements—The government made efforts to revive multilateral negotiations at the WTO, an objective that unfortunately proved beyond its reach. At the time, the United States was beginning to make clear its disinterest in the future of the organization. More successfully, some progress was made in the effort to reactivate MERCOSUR, most notably through an agreement signed with Colombia that, among other things, facilitated the export of automobiles and auto parts from Brazil. An attempt was finally made to conclude negotiations that had been dragging on for more than 10 years with the European Union. Despite progress, the Temer government ended without obtaining the desired prize, either because of European reluctance driven by political reasons or because the EU had not yet won the concessions it wanted.

OECD Membership Application—This was possibly the only example of a significant departure from Brazil's previous foreign policy under Temer's presidency, reflecting his administration's more liberal and market-sensitive orientation. In the past, Brazil had always been actively involved in many of the OECD committees, the organization of advanced economies. However, Brazilian officials did not believe the country would benefit from full membership, as it would require countless changes to Brazilian laws and legal regimes, administrative practices, and public policies in sensitive sectors of the economy. There has never been a consensus among the country's main political currents on a decision that would significantly reduce the government's autonomy in making strategic development decisions, the so-called policy space.

Moreover, joining the OECD, as Mexico and Chile have done, would inevitably mean moving away from multilateral groupings such as the Group of 77, which would have harmful consequences for the country's parliamentary situation in multilateral forums and for its foreign strategy. The groups on which Brazil would be forced to turn its back are, in fact, those most committed, as Brazil has always been, to obtaining more favorable conditions for developing countries in a wide range of confrontational issues with the advanced economies. Examples abound in the asymmetry of trade negotiations, in attracting investments according to national

priorities, in less expensive access to technology, and in controlling the speculative and unrestricted freedom of capital.

Those who have traditionally pushed for Brazil to join the OECD have been the financial sectors, both in government and the private sector, with an eye on short-term gains such as reducing loan spreads (a result that is, in fact, questionable). Temer's decision was due to pressure from these sectors, channeled through the Ministry of Finance and the Central Bank. Resisted by Serra, it was eventually accepted by Nunes Ferreira, who officially forwarded the request. Since then, as predicted by Itamaraty, the process has dragged on for years with no foreseeable happy outcome for the supporters of accession.

Overall Assessment of Foreign Policy—Despite unfavorable domestic or international conditions, the Temer government's diplomacy was one area in which it managed to produce reasonable results, within the limitations and circumstances of the time. Temer's two foreign ministers, who were not career diplomats, showed a taste and appreciation for diplomacy and its main instrument, Itamaraty, which was once again valued and provided with the minimal necessary budgetary resources to fulfill its mission. This was especially true of Nunes Ferreira.

The previous administrations' tendency to overlook human rights violations and attacks on democracy by dictatorships on the continent or elsewhere was corrected. The administration gave its support to multilateral initiatives such as the Treaty on the Prohibition of Nuclear Weapons, the Global Compact for Migration and the ratification and deposit of the Paris Agreement on Climate Change. After the exaggerated personal protagonism and ideological missteps of previous governments, this period, even without memorable achievements, represented a time of normalization and professionalism in diplomacy. Unfortunately, shortly afterwards, Bolsonaro's four-year term would usher in an unprecedented phase of destruction of values and internal and international demoralization at the Foreign Ministry and in foreign policy.

Agony and a Melancholic End to the Government—By the end of his term, some 82% of the population disapproved of the Temer government, according to a Datafolha poll. Comparative international evaluations also indicated that the president of Brazil had one of the lowest popularity ratings in the world. The aforementioned allegations of corruption, as well as new

factors such as the revelations of Operação Carne Fraca against health inspectors from the Ministry of Agriculture and the federal intervention decreed in Rio de Janeiro, which was placed under the command of an Army general, contributed to the collapse of the government's prestige.

The government's approval rate also suffered from a truck drivers' strike, which almost brought the country to a standstill in late May 2018, with 53 blockades erected across 23 states and the Federal District. On that occasion too, the government had to call in the armed forces to ensure public order, resorting to a constitutional provision named the Guarantee of Law and Order (GLO).

Among the population, the combined effects of corruption, a widespread lack of security and the government's loss of control were devastating. On the one hand, there was the bringing to light of the most sordid acts of corruption within the government (Congressman Loures running with a suitcase, an apartment room linked to Geddel Vieira filled with bags of cash, the conversation at the Palácio do Jaburu with Joesley Batista). On the other hand, there was a sense that state institutions were beginning to lose control, as evidenced by the panic over the truckers' strike and the intervention in the country's former capital. It was in this climate of democratic discredit and the decline of moderate politicians that the October 2018 elections were held, marking the onset of the rule of darkness in Brazil.

The Bolsonaro Administration (2019–2022): Rupture, Regression, and Destruction

Introduction—It is probably no exaggeration to consider the Bolsonaro administration as one of the worst in the history of the Republic or Brazil. However, this alone does not capture its essence: how do you characterize an anomalous government, one that deviates from the norm and is difficult to compare to its predecessors because it belongs to a completely different category? This is why religious and biblical vocabulary is often employed to describe Bolsonaro's administration as a government of darkness. Although for different reasons, the administration also viewed itself as being totally apart of those that had come before it. On the contrary, Bolsonaro's government made it clear that all the others, whatever their orientation, had left a nefarious mark on Brazilian society. Bolsonaro

saw it as his job to destroy their legacy. The only historical lineage the government admitted was aligned with the worst aspects of the military regime: arbitrariness, repression, torture, assassinations—and even this was deemed insufficient.

In comparative terms, the only real parallel is with the Trump administration. Other governments, such as those in Hungary, Poland, and Israel under Benjamin Netanyahu, occasionally shared traits with Bolsonaro's government. Their circumstances, however, differed greatly from those in Brazil. Only Trump should be considered a forerunner, inspiration, mentor, and source of support. He paved the way for someone with shared characteristics to come to power: far-right populists; erratic in ideology; demanding absolute loyalty, more to themselves than to ideas; adept at posing as political outsiders and channeling dissatisfaction with the ruling system; astute in recognizing trends in public opinion and knowing how to manipulate social media better and earlier than their opponents.

The unexpected success of one and the other cannot be explained solely by their personalities and behavior. Both have become interpreters and beneficiaries of an underlying wave driven by significant social factors. The crisis of representative democracy has been a growing phenomenon in practically every country with a Western political culture, even in the long-standing social democracies of Northern Europe that were once considered exemplary. Its complex causes continue to play out, prompting surprising political realignments. One of the strangest has been the turnaround in which far-right candidates have won over former communist voters, orphaned by the collapse of Marxism-Leninism. Even moderates contributed to this trend as they became disillusioned by social democracy, which they see as unable to deliver its promised changes and having lost touch with new phenomena like the decline of the industrial working class, the growing precariousness of employment, rising inequality and unemployment, and frustration with traditional parties and formulas.

Also fueling this dynamic are feelings of misunderstanding and revolt against systemic corruption (more so in Brazil), the mass arrival of immigrants and refugees (more so in the United States and Western Europe), unease and confusion in the face of radical transformations in sexual morality, abortion issues, family structures, and identity politics for minorities of all kinds. For these and countless other reasons, it might be

premature to bet that figures like Trump or Bolsonaro are just one-term, “incidental presidents” who will quickly fade away.

What may be true of both of them, however, does not guarantee that the forces behind them are going anywhere. Even after their electoral defeats, both continued to maintain stable support rates. Not even successive scandals, criminal accusations, or convictions have so far been able to dent the passion they inspire in their followers. Indeed, Trump’s return is the latest sign that his rise to power in Washington, and Bolsonaro’s in Brasília, should not be dismissed as mere blips on the radar of universal history.

Bolsonaro’s Electoral Victory—A series of problems had accumulated in Brazil since 2013, gradually creating the conditions for the rise of the far right. Protests that year left a legacy of frustration. Those who had mobilized became even more radicalized during the polarization that preceded and accompanied Rousseff’s impeachment. This climate was accentuated by the objective suffering and losses stemming from Brazil’s worst recession in history. Unemployment soared, causing a return to extreme poverty, hunger and worsening inequality. Adding explosive power to this dangerous mix was the factor that has always driven Brazil’s angry middle classes to the streets: corruption allegations, which were transformed by Operation Car Wash into an element of discredit for all politicians and parties.

The Temer administration had stoked the fire. It contributed to the situation by engaging in acts of corruption and impunity that tarnished the president and his close associates. Unable to handle public safety crises in several states, it also became responsible for the fateful reintroduction of the military onto the political scene as the ultimate guarantors of law and order. The straw that broke the camel’s back came in early April 2018, the day before the Supreme Federal Court was due to hear a habeas corpus case in favor of Lula, who had been convicted in the Car Wash investigation.

On April 3, the commander-in-chief of the Army, General Villas Bôas, made public a tweet in which he expressed that the Army assured “[...] to share the desire of all good citizens for the rejection of impunity and respect for the Constitution.” The following day, the Supreme Federal Court denied the habeas corpus by a vote of 6 to 5. Days later, on April 8, the former president was arrested and transferred to Curitiba. It will never be known whether, at the lowest point of his political prestige, Lula

would have been able to run and win that year's election. His removal from the race, however, undoubtedly made Bolsonaro's victory extraordinarily easier. The PT still tried to nominate Lula as its candidate, but the decision was rejected by the Superior Electoral Court. Fernando Haddad, the vice-presidential candidate, assumed leadership of the ticket.

2018 Elections—There were 13 candidates in the first round, including Bolsonaro (PSL), Haddad, Geraldo Alckmin, Marina Silva and Ciro Gomes. In September, a knife attack against candidate Bolsonaro had a strong effect on public opinion. The first round, held a month after the attack on October 7, ended with Bolsonaro leading with 46.03% of the vote against Fernando Haddad with 29.28%. In the second round, on October 28, Bolsonaro emerged victorious with 55.13% of the vote, while Fernando Haddad received 44.87%; the result could have been different if almost a third of voters had not refused to choose any candidate: abstentions (21.30%) and blank and null votes (9.57%) reached 30.87% of Brazilians eligible to vote.

Who was Jair Messias Bolsonaro—From the near anonymity of 27 years as an ineffective and disregarded federal deputy of the very lowest ranks—those who practiced "*rachadinhas*," a scheme involving the exploitation of staffers by pocketing part of their salaries—Bolsonaro rose to national prominence seemingly out of nowhere. Close to militias composed of former police officers who turned areas of Rio de Janeiro into the domain of the "lumpen" electorate, he resembled them in the cult of firearms, in the use of violence to fight criminal groups, in the coarse manners and speech, in his contempt for women, Black and LGBTQ+ individuals.

Born in the interior of São Paulo and an undistinguished graduate of the Military Academy of Agulhas Negras, Jair Bolsonaro had been expelled from the Army as a captain after an episode of insubordination that was hushed up for corporate convenience. Unable to get any legislation of collective interest passed, he became notorious for shocking statements: the military regime should have exterminated at least 30,000 people, he said, and former president FHC deserved to be shot.^{III} Bolsonaro praised

III Excerpt from an interview given by the then Federal Deputy Jair Bolsonaro to the program *Câmera Aberta*, on the TV channel Band, in 1999. He declared at the time: "Voting will not change anything in Brazil." "Unfortunately, it will only change when we start a civil war, doing a job that the military regime failed to do. Killing some 30,000 people, starting with FHC, we are not going to let him off the hook," he said. The video is available in its entirety on the internet.

and offered apology for notorious torturers and monstrosities. For the most part, he was not taken seriously.

Nevertheless, perhaps because he did not belong to the category of the decayed and routine “powers that be” of traditional Brazilian politics, Bolsonaro was astute enough to recognize, more sharply than they did, two social changes of untapped potential. The first was substantial: the persistence and depth of rejection of the establishment by emerging social forces. These included some evangelical denominations and populations in the South, the interior of São Paulo and the Central-West, where a deep-rooted neoconservatism had taken hold, expressed in the renewed *sertanejo*^{IV} culture and supported by the triumph of agribusiness in cattle ranching and soybean farming. The second was instrumental: the limitless possibilities for communication and mobilization opened up by social media and networks to right-wing populists and demagogues.

Phases of the Bolsonaro Government—An infamous cabinet meeting on April 22, 2020, the recording of which shocked the nation when it was released in May, in a way signaled the beginning of the end of the government’s first phase, inaugurated in January 2019. Of its two dominant figures, the super-minister of the Economy Paulo Guedes, who was the guarantor of the new administration’s alleged neoliberalism, would remain until the end as a guarantee of the financial market’s confidence. The guarantor of the fight against corruption, Justice Minister Sérgio Moro, would resign just days after the meeting, a casualty of the president’s use of the Federal Police to protect his family.

The initial phase dragged on for a few more months, until the successive dismissal of three ministers who embodied the worst of the government’s ideological approaches: Education Minister Abraham Weintraub, Foreign Minister Ernesto Araújo, and Environment Minister Ricardo Salles. This first half of Bolsonaro’s government (actually a little longer) displayed characteristics quite different from those that would dominate the second. Politically, it corresponded to the illusion that Bolsonaro could govern without making concessions to coalitional presidentialism. It was claimed that his ministers would be chosen according to criteria of technical competence and that support would come naturally from congressional

IV The term “sertanejo” is derived from “sertão,” which refers to the rural backlands in Brazil, away from coastal metropolitan areas. It is used to describe people from the countryside and also denotes a genre of Brazilian folk or “country” music, the most popular across the country.—Trans.

caucuses, not from parties but from interest groups: “boi, Bíblia e balas” [cattle, Bible, and bullets], he said. Rural Brazil, evangelicals, and security.

As expected, Bolsonaro’s scheme did not work. The government accumulated defeats in Congress that hindered the implementation of its legislative agenda in areas such as the liberalization of access to firearms. At the same time, impeachment requests piled up, only to be buried in the drawer of the Speaker of the Chamber of Deputies. Feeling threatened, the president organized repeated demonstrations in front of the Palácio do Planalto against the Supreme Federal Court and Congress, involving military personnel, ministers, and slogans calling for the closure of institutions and the return of the military dictatorship. This phase also coincided with the rise of regressive ideology inspired by the self-proclaimed philosopher Olavo de Carvalho, opposed to modernity in culture, ideas, and values. This ideological imprint was felt most strongly in the Ministry of Education, Itamaraty, and the Ministry of Women, Family and Human Rights, entrusted to the fundamentalist pastor Damares Alves, and in the domains of Culture and the Palmares Foundation, all led by ineffective and ultraconservative individuals.

From March 2021 onward, concerns about reelection became predominant, marking the final phase of the government. Bolsonaro abandoned any pretense of morality, engaging in extensive political patronage with Congress, particularly with the Chamber of Deputies. He negotiated immunity from impeachment and secured minimal support by passively accepting mandatory and, at a certain point, secret amendments. Congress happily allowed itself to be co-opted, as many of its major inclinations aligned with those of Bolsonaro. The ideological ministers were replaced by nondescript, almost invisible interim figures. They only emerged from anonymity when involved in scandals, such as in the Ministry of Education, where the existence of hefty funds attracted self-styled religious leaders involved in dealings where bribes were made with gold-dust payments.^V

^V Press reports on the arrest of former Education Minister Milton Ribeiro, who was involved in a corruption scandal between March and September 2023, can be accessed online. Minister Milton Ribeiro, the fourth to occupy the portfolio, served from July 16, 2020, until March 28, 2022. Shortly after his departure from the Ministry of Education (MEC), in June 2022, Ribeiro was arrested on charges of passive corruption, malfeasance, administrative advocacy and influence peddling, allegedly organizing a “parallel cabinet” made up of evangelical pastors, who gave opinions on the distribution of federal funds earmarked for education and brokered meetings with authorities. The scandal became known as the “Bolsolão do MEC.” After the case came to light, 10 mayors denounced pastors’ schemes at the MEC.

The COVID-19 Pandemic: An Unforgivable Crime Against the Population—The COVID-19 pandemic began in 2020 in the second year of Bolsonaro's government and lasted nearly until its end. It stands as the most serious example of Bolsonaro's failure, showcasing his ignorance, primitivism, anti-scientific attitude, cruelty, and absolute lack of compassion and human solidarity. Four health ministers came and went during the pandemic, in descending order of competence and effectiveness. The first of them, Congressman Luís Henrique Mandetta, along with a competent team of public health experts, recognized the seriousness of the disease from the outset and took appropriate steps to try to address it. This put him at odds with the president, who downplayed the problem and criticized the use of social distancing measures due to their negative impact on the economy.

Mandetta was forced to leave and was briefly replaced by researcher Nelson Teich, who soon resigned for the same reason. Bolsonaro then appointed a person with no medical knowledge or expertise in the health system, General Eduardo Pazuelo, who soon became a source of inexhaustible criticism and derision. From March 2021, it was Marcelo Queiroga's turn, a cardiologist who stood out for the servile docility he put at the service of the disastrous presidential approach.

In addition to underestimating the pandemic throughout its duration, Bolsonaro tried to impose ineffective and contraindicated medication, the most notable being chloroquine, which he forced the Army Pharmaceutical Laboratory to manufacture in massive and unnecessary quantities. He tried to actively oppose governors and mayors who made efforts to take the measures recommended by the World Health Organization (WHO): social distancing, reorganizing transportation, reducing workloads, special holidays to minimize contact—although the most effective and radical initiative, total lockdown, was never adopted, in contrast to other countries. Bolsonaro only failed to prevent the action of governors and mayors due to a decision by the Supreme Federal Court, which acknowledged the existence of complementary jurisdiction in the matter. Even so, he distorted the decision, presenting it as a prohibition of federal government action!

Bolsonaro also resisted as long as he could in authorizing the production and/or procurement of vaccines. It was Governor João Doria of São Paulo who was responsible for the timely decision to strike an agreement

with Chinese government entities for the production of the CoronaVac vaccine by the Butantan Institute. This initiative was followed by Fiocruz importing and manufacturing the Oxford AstraZeneca vaccine. After an unjustifiable delay, the federal government was forced to import the two most advanced vaccines, from Pfizer and Janssen. Instead of spearheading the vaccination campaign, the president worked to discredit the vaccines, fueling misinformation and the spread of fake news.

In view of the campaign run by Bolsonaro and his collaborators, it is almost a miracle that the devastation of COVID-19 was not even greater than it was. The damage was mitigated thanks to the active resistance of governors, mayors, sectors of the judiciary and legislative and, above all, organized civil society, the press at all levels, doctors and scientists who educated and enlightened the population through the media. Television and the press in general even had to create a parallel system to report on the numbers of infected and deceased to avoid the manipulation of official statistics. Even so, Brazil officially had more than 700,000 deaths out of a total of almost 38 million cases. Unofficially, based on excess mortality statistics, estimates suggest that the toll could have been as high as one million. Epidemiologist Pedro Hallal, from the Federal University of Pelotas, estimates that if Brazil had matched the global average death rate, four out of every five deaths recorded could have been avoided.

Such appalling facts allow us to gauge the magnitude of the president's mismanagement. No other can compare, in terms of the irreparable cost in human lives, to the disaster that was the policy against COVID-19. It is a presidential and personal responsibility that cannot be mitigated, transferred or shared with others. Despite the recommendations of the Parliamentary Commission of Inquiry, it is concerning and puzzling that, to this day, Bolsonaro has not been held accountable or punished for his actions and omissions.

The Economic Policy of Paulo Guedes—A perpetual candidate for a ministerial post, Guedes insisted on repeating a mistake made during the Collor government, with negative consequences. He insisted on being a super-minister by merging the Finance, Planning, Industry and part of the Labor portfolios into the Ministry of Economy, creating an unmanageable behemoth. The same grandiosity and lack of realism were reflected in his proposals to zero the budget deficit through two oversized

programs: privatization and the sale of government properties, each supposedly capable of generating one trillion reais. The meager concrete results demonstrated the minister's lack of understanding of the realities and limitations of the public sector.

Guedes capitalized on more or less advanced legislative initiatives that Temer had left behind. In addition to the framework for sanitation and the operational autonomy of the Central Bank, his third significant measure was pension reform. Its approval was largely due to the president of the Chamber of Deputies, Rodrigo Maia. Guedes, on the contrary, delayed the process by insisting on adopting the Chilean system of individual capitalization, which was rejected by Brazilian parliamentarians. His privatization program only notched one major accomplishment: the sale of Eletrobras at the end of the government's term in a controversial and criticized operation. He missed the opportunity to push through tax reform in a favorable environment due to his adamancy in reintroducing a tax on financial transactions.

The contrast between Guedes' ambition to bring about a liberal evolution in the Brazilian economy and the reality of his actions is striking. For political and electoral reasons, he was complicit in some of the worst attacks ever committed against the ideals of liberalism. One that stands out for the scale and persistence of its harmful effects was the "PEC dos Precatórios,"^{VI} a constitutional amendment proposal on the default on payments owed to those benefiting from court decisions, a time bomb set to explode in 2027. Of equal or greater severity was his acquiescence to the so-called "secret budget,"^{VII} which former Minister Máílson da Nóbrega defined as "the greatest aberration in public finances in Brazil and in the civilized world."

Guedes pushed for countless changes to the Spending Ceiling legal provisions to accommodate expenditures in the election year, culminating in the approval of the so-called Kamikaze constitutional amendment proposal^{VIII} less than three months before the elections. Invoking an imaginary "state of national emergency" at a time when the pandemic was

VI *Precatórios* are formal requests for payment of a specific amount due to a beneficiary by the Public Treasury, resulting from a final or unappealable judicial ruling.

VII A government fund with minimal oversight regarding the allocation of resources once they are distributed to lawmakers.

VIII A constitutional amendment proposal approved by Congress during Jair Bolsonaro's presidency aimed to enhance social benefits in the lead-up to the 2022 elections.

nearing its end, the measure allowed the government to violate electoral law and spend more than 41 billion reais on social benefits: increasing the Auxílio Brasil (formerly Bolsa Família) subsidy from 400 to 600 reais, instituting a “trucker’s allowance” and a “taxi driver’s allowance” and doubling the gas cylinder subsidy, among other measures.

This process of undermining spending limits was initially facilitated and justified by the necessary increase in spending caused by the pandemic. At that stage, a gigantic “emergency aid” program was approved, along with an employment protection initiative, funds for vaccine purchases, and compensation to states and municipalities due to revenue loss. Adopted in a timely and rapid manner, this set of measures proved decisive in alleviating the terrible social impact of the pandemic. Unfortunately, it also served to enable excesses and pave the way for the financial abuses committed in the 2022 election campaign.

The pandemic undoubtedly left a deep mark on the economic performance figures for the period. GDP growth had been 1.2% in the first year of the government, plummeting with the arrival of the pandemic to a contraction of minus 3.3% in 2020. The economy bounced back in 2021 with a 5% increase, followed by 2.9% in 2022. Continuing its decline since 2013, the Brazilian economy fell out of the world’s top ten. Inflation, as measured by the IPCA, fluctuated from 4.31% (2019) to 4.52% (2020), skyrocketing due to pandemic-related spending to 10.6% (2021) and ending at 5.78% (2022). The unemployment rate, which reached 13.8% in 2020 and 13.2% in 2021, fell to 9.3% in 2022.

Unfortunately, in terms of social welfare, the Bolsonaro government was marked by a decline in real wages, with per capita income, inequality and poverty indicators sinking to their worst levels since 2012. According to data from the Institute of Applied Economic Research (IPEA), by June 2022, around 58% of the population experienced some degree of food insecurity, while over 33 million people were going hungry.^{IX}

Environmental Setbacks, Amazon Devastation, Hostility Toward Indigenous Peoples—In no other sector was the damage and ruin caused directly by the government as serious and difficult to remedy as in the environment and the defense of Indigenous peoples. Even before his transition into office, Bolsonaro had said that he intended to dismantle

IX Data from the Brazilian Research Network on Food and Nutrition Sovereignty and Security, as of June 2022.

the Ministry of the Environment, radically change the enforcement of environmental fines and abandon the protection of ecosystems. He had also pledged not to demarcate a single centimeter more of Indigenous land. He kept these promises made to the most regressive segments of Brazil's rural stakeholders, which are committed to stripping Indigenous peoples of the ancestral lands that guarantee their survival. Both Bolsonaro and his supporters, alongside many in the military, embody the most backward and obscurantist views in Brazilian society. As climate change deniers, they reject the idea that human activity is responsible for worsening global warming.

Public backlash prevented Bolsonaro from implementing some of his worst announcements, including the abolition of the Ministry of the Environment or the transfer of its duties to the Ministry of Agriculture. He also refrained from withdrawing from the Paris Climate Agreement. In practice, however, the results were not much better. He dismantled the ministry responsible for protecting nature and the climate, taking away the National Water Agency, the Forestry Service and the National Climate Coordination. He handed the ministry over to “anti-minister” Ricardo Salles, who carried out a systematic program to dismantle environmental structures and policies dating back to 1981, still under the military regime. Among other steps, Salles is credited with eliminating the Coordination against Deforestation and its mechanisms for monitoring and enforcement on the ground, previously overseen by the ministry, IBAMA, and ICMBio.

Sidestepping trained personnel with years of experience, he tasked the armed forces, particularly the Army, with combating deforestation, through the reactivated Amazon Council led by Vice President General Hamilton Mourão. Lacking the necessary technical expertise, specialized knowledge and experience, the military operations, at a far higher cost than that of qualified personnel, proved extremely ineffective.

With no budget, thousands of unfilled vacancies for inspectors and analysts, and no renewal of human resources, council's remaining staff came under the command of crude officers from the state-level military police. The president himself publicly intimidated law enforcement officials responsible for the destruction of machinery and equipment belonging to illegal miners and loggers. He banned the practice, in violation of the law,

and allowed the accumulated fines, which decreased by 37% compared to the previous administration, to go unpaid.

Bolsonaro further welcomed and encouraged miners, loggers and deforesters, and stimulated the industry of “land grabbers” who plundered federal lands for devastation and speculative profits. He abstained from leaving the Paris Agreement, but his collaborators diluted Brazil’s environmental commitments by “pedaling” and manipulating starting dates for measuring emissions reductions. In addition to these overt offenses, Ricardo Salles became infamous for preaching that the government should take advantage of the distraction caused by the pandemic to “run the cattle herd,” a reference to dismantling or weakening legal provisions for environmental protection through non-transparent rulings and regulations.

The results were devastating: deforestation averaged 11,400 km² per year, 57% higher than during the Temer administration, which had already seen a significant increase. The total deforested or burned during the government was 45,600 km², equivalent to the size of the state of Rio de Janeiro. Not to mention the damage to environmental institutions: more than 4,000 positions left vacant, 3.3 billion reais from the Amazon Fund sitting unspent at a time of shortage of official funds, the dissolution of dozens of councils and mechanisms for civil society participation.^x

Indigenous peoples fared no better. Bolsonaro’s government saw record numbers of invasions of indigenous lands and illegal exploitation of natural resources, including mining, with overwhelming environmental and human consequences. In 2021 alone, there were 305 such incidents, almost triple the number in 2018.^{xi} Indigenous groups lost another four years in the already-delayed land demarcation process. In addition, they

X “Under the Bolsonaro government, deforestation rates hit record highs; deforestation in the Amazon grew by 56.6%. The levels in 2021 were the highest since 2006, and between 2019 and 2021 the country lost 42,517 km² of forest. He promised in his campaign to end a supposed “industry of environmental fines,” but in his government the application of fines was almost completely paralyzed. According to a survey by the Fiscalization Monitor, from January 2019 to March 2022, 98% of deforestation alerts registered in Brazil were not enforced. Bolsonaro also spread distrust about the satellite data on deforestation collected by the National Institute for Space Research, which is universally recognized as accurate. Most of the deforestation took place to enable agricultural expansion. Land grabbing, logging, mining, gold mining and invasions of indigenous lands were also important causes. Deforestation is closely associated with the large increase in the rate of violence in the countryside, including organized crime, with threats, attacks and murders against workers, journalists, environmental activists, indigenous peoples and traditional communities.” Excerpt translated from the article in Portuguese “Jair Bolsonaro” on Wikipedia, in which the sources of these data are listed.

XI Report released on August 17, 2022, by the Indigenous Missionary Council (CIMI). There has been a boom of invasions under the Bolsonaro government: the average was 275 cases per year since 2019, 212% more than the annual average of 88 in the period 2016–2018. The survey has been carried out since 2003.

were abandoned during the COVID-19 pandemic. The National Indigenous Peoples Foundation (FUNAI), incapacitated in terms of funds and faculties, was handed over to corrupt and incompetent leaders who failed to properly monitor the misuse of funds intended for medicine and healthcare. By the end of the government, the situation among the Yanomami had deteriorated so badly that a wave of deaths from starvation and disease prompted President Lula himself to travel to Roraima in the first days of his new administration to organize an emergency relief operation.

Brazil, World Pariah, the Balance of Foreign Policy—The almost immediate result of Bolsonaro and his foreign policy was the liquidation of the heritage of prestige, influence and soft power accumulated by Brazilian diplomacy over two centuries. Two phases can be distinguished in this area, just as in the government as a whole. The first, which lasted just over half of his term, stretched from the inauguration until the fall of Minister Ernesto Araújo in March 2021; in the second phase, until the end of Bolsonaro's mandate, there was an effort to correct the worst excesses of the initial period. During the electoral campaign and the transitional phase until inauguration, the president had already announced measures that, fortunately, did not materialize: offering military bases to the United States, relocating the Brazilian embassy in Israel to Jerusalem, withdrawing from the Paris Climate Agreement. These proposals, though frustrated due to resistance from the military, agricultural exporters, and elements of the administration itself, revealed an alarming tendency to prematurely publicize initiatives that damaged the government's image before it began.

Bolsonaro's chosen foreign minister, Ernesto Araújo, recently promoted to first class minister, had never headed a foreign mission or distinguished himself in his career. Relatively unknown and without much clout, he owed his appointment to a last-minute conversion to the doctrines of Olavo de Carvalho, a far-right guru. Shortly before taking office, he took part in a hasty reform imposed on Itamaraty by the transition team, which changed the organizational structure for the worse and altered the hierarchy by handing over central functions to less experienced and unqualified staff. This failed to solve the ministry's real problems and created new ones.

Far-Right Ideology Dictates the Course—Elements of Bolsonaro and Araújo's speeches and messages to Congress suggest the general lines of a policy that was never systematically laid out in programmatic documents.

Inspired by far-right theses, some of which incorporated post-fascist tendencies, the worldview they reflected saw the Western world as a battleground where “Judeo-Christian civilization” was under threat from “cultural Marxism” and its hegemony in universities and intellectual circles, the “real Marxism” of China and similar countries, and the “globalism” of the UN, multilateral organizations, and NGOs. To counter the supposed erosion of the Judeo-Christian culture that had already advanced in Western countries, certain forces were positioned as defenders: Trump, first and foremost, followed by, to a lesser extent, Benjamin Netanyahu’s Israel, Viktor Orban’s Hungary, the far right in Poland, and parties like Matteo Salvini’s Lega in Italy. In line with these beliefs, Bolsonaro’s diplomacy established the priorities and actions outlined below.

Close Relationship of Subordinate Alignment with the Trump Administration—Bolsonaro’s closeness and solidarity with Trump had a personalized and ideological character, and ceased to exist the moment Trump was voted out of power in Washington (late 2020). The honeymoon with the Trump administration lasted only the first two years of Bolsonaro’s administration, in which both governments coincided. Its high point was Bolsonaro’s working visit to the American capital in March 2019, early in his presidency. This visit did not yield any major results, economic or otherwise. It did, however, serve as a public demonstration of the political affinities between the two governments. The Americans supported Brazil’s aspiration to join the OECD. They also accepted Brazil’s request to be included in the category of “major non-NATO ally,” which had little practical impact.

On the downside, Brazil’s acts of subordination and unreciprocated friendship included the announcement that the Brazilian government would waive its designation as a developing country in the WTO. Despite this, Brazil did not manage to escape the measures imposed by Trump on aluminum and steel imports. The visit set a pattern that would repeat itself: unilateral exemption from tariffs on American ethanol, support for harsh deportation measures against undocumented Brazilian immigrants, and acquiescence to poorly planned and executed US initiatives against Venezuela.

Significant Deterioration in Relations with China—Anachronistically, for Bolsonaro and his followers, China continued to represent the threat of

communism, in contrast to the universal trend of pragmatic engagement with the Asian economic and commercial giant. As a result of this ideological perspective, relations with China deteriorated almost continuously in the first phase of the government, due to gratuitously hostile remarks towards the Chinese by the president, his son Congressman Eduardo Bolsonaro, and Foreign Minister Ernesto Araújo. These repeated incidents occasionally provoked harsh public responses from the Chinese ambassador to Brazil. The only reason tensions did not escalate further was the onset of the pandemic, which highlighted Brazil's dependence on Chinese pharmaceutical supplies and equipment. China even significantly delayed the delivery of raw materials and vaccines, perhaps with the intention of expressing displeasure at the verbal attacks.

After Ernesto Araújo's dismissal, the relationship underwent a process of relative normalization, although always against a background of mutual distrust and antipathy. The vital importance of Chinese markets and investment also helped neutralize irrational ideological impulses. The government avoided taking a step that would probably have caused irreparable damage: excluding the company Huawei from participating in the 5G telecommunications system soon to be deployed in the country. Instead, the administration only excluded Huawei's participation in a separate system that would be reserved for defense, security, and government matters.

Antagonism and Confrontation with UN Environmental and Human Rights Causes—According to Ernesto Araújo, the threat of “globalism” came from the imposition by UN bureaucracy and multilateral organizations of behavioral and sexual morality standards that would put Western societies at risk. He claimed these ideas would lead to the destruction of the family through abortion, feminism, gender equality and the rights of LGBT+ people (Lesbians, Gays, Bisexuals, Trans and others). At the Human Rights Council and similar bodies, the Brazilian government became part of a coalition of countries opposed to these causes and identity politics. With equal or greater force, the government opposed efforts to combat global warming, an unfounded “Marxist dogma,” according to the foreign minister. Similarly, it opposed international initiatives to defend the rights of Indigenous peoples.

Even more than its marginal positions in multilateral forums, the concrete activities of deforestation, environmental devastation and attacks on Indigenous peoples were decisive in branding Brazil as an international pariah, a country whose outlook ran counter to global efforts to advance the causes of moral and humanitarian progress. In a speech at the Rio Branco Institute in 2020, Araújo went so far as to say that “it is good to be a pariah” if this was the price to pay to defend freedom. In that case, he said, “let us be pariahs,” acknowledging the near-unanimous international condemnation of Brazil’s foreign policy. In a move reminiscent of Trump, but with different motivations, the Bolsonaro government withdrew from the Global Compact for Migration, disregarding the interests of millions of Brazilians living abroad and leaving them without protection.

Collision Course with the European Union—The Bolsonaro government’s positions on these issues and, above all, its involvement or complicity in some of the worst environmental offenses, naturally prompted criticism and concern from European countries, where public opinion is highly sensitive to the issue. In some cases, this led to incidents and an exchange of accusations. The most serious occurred in relation to French President Emmanuel Macron, who along with his wife was treated in a grossly offensive personal manner by Bolsonaro. Relations with the European Union cooled to an unprecedented degree during this period. Largely because of these clashes, the proposed free trade agreement between MERCOSUR and the European Union entered a frozen phase, from which it did not emerge until the end of Bolsonaro’s term. The negotiations, stretching many years, had been concluded in June, primarily due to the efforts of President Macri of Argentina, whose term was coming to an end, rather than any contribution from the Brazilian government.

Ideological Isolation in South America and Confrontation with Venezuela—In South America, the only area where Brazilian diplomacy has direct influence, the government’s shortcomings and ideological biases were even more evident. Although Brazil was in a position to articulate an autonomous initiative with the other countries in the region when it came to the Venezuelan crisis, which dominated the period, Bolsonaro chose instead to align himself with Trump’s strategy of confrontation and empty threats. Brazil recognized opposition leader Juan Guaidó, who held no power or internal control, as the country’s legitimate president. Brazil also took part in an attempt to force a humanitarian aid convoy

into Venezuelan territory, perhaps with the intention of provoking the regime's downfall. When this maneuver failed, a meeting held in Lima, at which Brazil was represented not by the foreign minister but by Vice President General Mourão, made it clear that the military was unwilling to intervene by force. The Brazilian government aggravated the situation by severing all relations with Venezuela, including consular ties, leaving Brazil without representation in a neighboring country with which it shares an extensive border, and where many people need consular services for support and protection. Throughout the duration of the Bolsonaro government, there was no change in this impasse. By the time the inevitable was finally accepted—the realization that recognizing Guaidó had been a mistake and a return to dealing with the authorities with effective power in Caracas—Bolsonaro was out of office.

Throughout the Bolsonaro administration, the determining criterion for relations with other countries was always dictated by ideology, with little consideration for concrete national interests. This worsened already difficult relations with Cuba, and Bolsonaro's stance led to the inevitable removal of Cuban doctors from the Mais Médicos program,^{xii} without the government being able to adequately replace those who left. During a visit to Santiago, even Chile's right-wing president, Sebastián Piñera, had to publicly object to Bolsonaro's praise of former Chilean dictator Augusto Pinochet, who had been convicted in Chile for crimes against humanity. The election in Argentina of Peronist candidate Alberto Fernández (October 2019) prompted offensive statements from Bolsonaro while the campaign was still underway, setting the tone of mutual ill will and antipathy that characterized relations with both Buenos Aires and MERCOSUR throughout the period. With the rise to power in Chile of left-wing candidate Gabriel Boric, the Bolsonaro government ended its term in almost total isolation in Latin America, without any interlocutors or sympathies.

Damage Control Diplomacy—Ernesto Araújo's successor, the discreet career diplomat Carlos Alberto França, tried his best to rectify the worst excesses of his predecessor, without fundamentally distancing himself from the government's far-right base. He managed, to a certain extent,

xii Launched in 2013 by Dilma Rousseff's government, the Mais Médicos [More Doctors] program aimed to address the shortage of doctors in rural municipalities and the outskirts of large Brazilian cities. It resulted in the deployment of 15,000 physicians to areas with insufficient medical professionals, some "imported" from other countries, including Cuba.

to stabilize Itamaraty internally, eliminating initiatives such as a series of bizarre seminars held at the Alexandre de Gusmão Foundation (FUNAG), discredited by the participation of flat-earthers and other representatives of the so-called “lunatic fringe” of the far right. França left no achievements worth mentioning, limiting himself to damage control—at least, as far as the president, his son Eduardo and their advisors allowed.

Two major international events in the second half of Bolsonaro’s term highlighted the inconsistency and erratic nature of his foreign policy. The first, in January 2021, was the inauguration of Joe Biden in Washington and Trump’s refusal to accept his electoral defeat. Loyal to his mentor, the Brazilian president was among the last to congratulate Biden on his victory. He even gave public support to the losing candidate’s unfounded allegations of electoral fraud, a stance he maintained until the end of his own term, as confirmed by official US missions visiting Brazil. Despite this, Biden did not take a hostile approach towards the Brazilian government, striving instead to maintain normal relations. However, with the change of administration in the US, the relationship cooled, confirming that the previous phase of rapprochement was only due to Bolsonaro’s personal and ideological connections to Trump.

This conclusion is reinforced by Bolsonaro’s position towards the second major event of the time, the invasion of Ukraine by Russia on February 24, 2022, starting the largest land war in the heart of Europe since the end of World War II. Just days before the invasion, in a surprising move, Bolsonaro visited Moscow and ambiguously declared that Brazil stood in solidarity with Russia. After the war began, the Brazilian delegation at the UN voted in favor of some resolutions condemning aggression and abstained on others, explaining this stance by saying the texts had not been emphatic enough in calling for peace efforts. The Brazilian government also criticized the supply of arms to Ukraine, revealing an inconsistent position that was ultimately favorable to the aggressor. Brazilian analysts hardly commented on the fact that this episode demonstrated a lack of seriousness and coherence of Bolsonaro’s previous claims of Brazil’s status as “one of the United States’ main allies outside NATO.”

End of Bolsonaro’s Government Marked by Threats to Democracy— Obsessed with the uncertainty of reelection, the president devoted all his efforts in 2021 and 2022 to two main objectives. The first was to use

and abuse the resources of power to maximize his chances of victory. He relied on the political expertise of the *Centrão*,^{XIII} to whose leaders he handed over control of the Office of the Chief of Staff and budgetary funds. The second objective, in preparation for a future dispute, took the form of allegations about the imaginary vulnerabilities of Brazil's electronic voting system and the unsuccessful attempt to modify electoral legislation to enforce a regression to manual voting and tallying. At the same time, Bolsonaro launched a campaign of threats against institutions, especially the Supreme Federal Court (STF) and the Superior Electoral Court (TSE). Mass demonstrations by his supporters mobilized truck and bus caravans during the September 7th celebrations and other occasions. In an unprecedented move in Brazilian history, the commanders of the three branches of the armed forces collectively resigned in reaction to attempts to use the military for electoral purposes. The threats sparked the nation's civic consciousness, leading to a vast resistance movement that culminated in the massive actions and demonstrations of August 11, 2022.

The Intense 2022 Elections and the Backlash—The first round of the presidential election was held on October 2, 2022, in an atmosphere of extraordinary public polarization. Lula received 48.43% of the vote against 43.20% for Bolsonaro. None of the other major candidates, such as Simone Tebet or Ciro Gomes, reached 5% of the vote. The second round, held on October 30, 2022, resulted in a narrower-than-expected victory for Lula (50.90%) against Bolsonaro (49.10%), indicating that the country was almost evenly split. The number of null and blank votes (5.7 million) was more than double the difference between the candidates (2.1 million). It was the first time an incumbent president had failed to win reelection. The division of the electorate followed social lines, with Lula's support concentrated in the Northeast and part of the North, while more conservative regions such as the Midwest, the South and the interior of São Paulo tended to favor Bolsonaro. The result made it clear that Lula's strategy of allying with the former governor of São Paulo, Geraldo Alckmin, as his vice-presidential candidate was decisive in securing the

XIII The term denotes a coalition of political parties lacking a specific or consistent ideological stance. These parties seek proximity to the executive branch to secure advantages and distribute privileges through clientelistic networks. Despite its name, the *Centrão* is not a centrist political group but follows a rather conservative and traditional orientation.—Trans.

narrow victory. Equally important was the support of Marina Silva, from the first round, and Simone Tebet in the second.

Immediately after the election count, a wave of protests and highway blockades broke out in rejection of Lula's victory, with calls for military intervention. Financed and logistically supported by far-right sectors, the protest would persist for weeks in the form of encampments around military barracks, tolerated by the commanders appointed by Bolsonaro.

External Factors Related to the Elections—During the campaign and immediately afterwards, the US government made several public statements in defense of the impartiality of the Brazilian electoral system and its respect for the results of the polls. High-level missions, including from the US secretary of defense and the White House national security advisor, were sent to discourage attempts to reject the outcome. Several governments in Western countries took similar actions. These efforts were, in part, responses to Bolsonaro's ill-fated meeting with foreign ambassadors accredited in Brasília at the Palácio da Alvorada^{XIV} in June 2022. At that meeting, held months before the election, he launched an unprecedented attack on his country's own electoral system, which he tried to delegitimize with statements found to be false or misleading. This meeting would lead, months after the elections (June 2023), to Jair Bolsonaro being declared ineligible for office by the Superior Electoral Court. In another episode also around the same period, the president was accused of having taken possession of luxury jewelry and watches that should have been incorporated into the national patrimony, as they were official gifts from Arab governments during his official visits.

Conclusion—This incident brings to light a trait that was made evident almost daily throughout Bolsonaro's government: the lack of modesty and decorum of a figure who tarnished the office of the nation's highest leader for four interminable years. The number of gestures and offenses to basic decency multiplied so much during this period that one is even tempted to regard the Bolsonaro government as the worst in Brazilian history, were it not for the fact that this dishonorable place belongs to the presidents of the military regime, who sanctioned at the highest levels the abominable crimes of torture and murder against defenseless opponents. Fortunately, democracy's resilience, although threatened at

XIV Official residence of the President of Brazil, located in Brasília.

every turn, has not allowed the country to plunge back into that abyss of ignominy and cruelty.

It is a source of encouragement and hope that democratic resistance was not so much the work of public institutions, often co-opted through intimidation or corruption. Above all, it was due to Brazilian society as a whole, to the capacity shown by civil society to organize itself and oppose the overwhelming power of a government that often had the complicity of broad military sectors, humiliating those who resisted manipulation. Unlike the final years of the military regime, when the Brazilian Democratic Movement Party and its leader Ulysses Guimarães channeled and symbolized collective resistance, a similar dynamic was not at play this time around. The discrediting of parties and politicians tainted by scandals, the sentencing of some to prison, albeit through dubious methods, eliminated the possibility of them leading the fight. It was civil society and its organizations, from the press to professional associations and NGOs, that had to stand against conspiracies aiming to drag Brazil back into dictatorship. Congressmen, prosecutors and generals can be intimidated or bought off. The Brazilian people cannot. This is what gives us confidence that we will be capable of avoiding a relapse into the rule of darkness in the future.

Part XIII

Brazilian Diplomacy in Historical Perspective

Itamaraty and diplomacy, highly praised during the Lula era, were humiliated in the Dilma Rousseff years and carried away by a torrent that swept the good and the bad down the spillway of impeachment. It is worthwhile, at this advanced stage of describing the evolution of Brazilian foreign policy, to briefly recap the journey that brought us to this point. The traits that would draw the profile of Brazilian diplomacy were first sketched out during the two initial phases of our nation-building cycle: the first, from the negotiation of the Treaty of Madrid (1750) to political independence (1822), and the second, from independence to the beginning of the Baron of Rio Branco's tenure (1902).

A Brief Recapitulation

These two phases of our history constitute a kind of Book of Genesis for Brazil; in them, the future contours of the territory and population emerged from the colonial magma, directly linked to the diplomacy of the border treaties, the issues surrounding the slave trade, and the agreements and efforts that ensured the arrival of immigrants. In this book, we witness the collapse of the colonial regime, its replacement by a new model of insertion into the world through the opening of the ports, political independence, the unequal treaties with the United Kingdom on trade, the evolution of slave trafficking, and the development of political affairs.

Diplomacy was initially Portuguese and gradually became Brazilian. Its character was markedly defensive, for lack of a better term. This does not mean that foreign policy lacked offensive moments, such as the occupation of Cayenne and the aggressive intervention in the Banda Oriental,¹ among others. It should be noted that, in both cases, the weakness of the adversaries made the difference. Apart from situations of this kind, Portugal's foreign policy, and later Brazil's, had to operate

¹ See Part II, chapter "The Political Implications of the 1810 Treaties," section "The European Conflict Transferred to Guyana and the River Plate Region."

from a position of inferiority. In some circumstances, the Portuguese compensated for their weakness through British alliance and aid (as in the invasion of Guiana), while in others, ties to the British proved to be an obstacle that frustrated Portuguese plans, as was the case in its initial attempts to occupy the eastern bank of the River Plate.

The great, fundamental parting of ways between Portuguese and Brazilian diplomacy took place precisely in regard to the British alliance, an inseparable element of Lisbon's foreign policy. The abandonment of preferential ties with Great Britain did not immediately follow independence. The dynastic interests of the first emperor forced a transitional hiatus during which England imposed the continuation of commercial privileges and jurisdiction and extracted a new commitment to end the slave trade. Independent Brazil had no strategic need for the protection of the British fleet that would justify such a price, but the monarch's Lusitanian interests prevailed. As mentioned earlier, this is why Brazilians of the past were somewhat justified in believing that true independence began only after the abdication on April 7, 1831. From that date onwards, the country remained weak, even more so than before, due to the upheavals of the Regency. And still, it did not resign itself to tolerating English tutelage, which it gradually dismantled over the following decades, until the shock and rupture of 1863.

I revisit these events to emphasize Brazil's double independence or, perhaps, its independence in two stages; the first from Portugal and the second from England. The commercial privileges, the degrading extraterritorial jurisdiction, the imposition of an end to the slave trade, the long history of humiliations caused by the British Navy's incursions and seizures in Brazilian waters, the odious Aberdeen Act^{II}; all these left deep scars on the young nation. They also contributed to shaping the attitude of detachment and prudent distrust that Brazil adopted in its relations with countries from which it was separated by a great power differential, the domain of the "asymmetric axis," an attitude that would only change much later through the "unwritten alliance" with the United States in the days of the Baron of Rio Branco.

If recent diplomacy can be described as "seeking to assert autonomy," this designation is much more fitting for the foreign policy of the Regency

II See Part IV, chapter "The Final Battle against the Slave Trade," section "Phases of the Process."

period, when Brazil systematically and patiently allowed its treaties from the time of independence to expire, one by one, and then refused to sign new ones with stronger partners. Not only were we then incomparably more vulnerable, but our adversary, truculent as it were, did not hesitate to taunt us, blockade ports, seize ships and threaten to bombard defenseless cities. This painful experience with the dominant power strengthened Brazilians' awareness that only diplomacy and law could mitigate an inequality of means. In the Christie Affair,^{III} for example, Pedro II initially gave in to superior brute force in order to gain time to seek and obtain some (partial) satisfaction through the diplomatic means of breaking off relations, mediation and arbitration.

In relations of relative equality with our southern neighbors, it was not out of pacifism that the Empire's statesmen were long reluctant to use force. The memory of the disastrous Cisplatine War was still fresh in the minds of many, and there was little enthusiasm for repeating the adventure. For this reason, negotiations and diplomatic persuasion were first attempted with Rosas and his Uruguayan allies, with the aim of ensuring the free navigation of the Platine rivers and the safety of the Rio Grande do Sul border. Only after the repeated failure of diplomatic overtures, and the patient preparation of a superior naval force supported by a network of alliances with Rosas and Oribe's internal Argentine and Uruguayan enemies, was the policy of intervention and armed struggle adopted.

It would therefore be inappropriate to describe a policy that employed offensive means—albeit not for territorial conquest but to defend the interests of navigation, trade and the security of nationals living in eastern lands—as “defensive.” A more appropriate description of the predominant attitude of imperial diplomacy would be a reluctant use of a military and economic power that it knew to be extremely limited and uncertain. It is a pity that the success of this approach led to it being prolonged beyond reason and to the same methods being repeated when conditions had changed. Had it not been for the unfortunate crisis of 1864, it might have been possible to avoid the War of the Triple Alliance, a tragedy for Paraguay and everyone involved.

III See Part V, chapter “The rest of the Story: the Christie Affair.”

Wars and interventions in the River Plate region left Brazil with a lasting and bitter legacy of human loss, indebtedness, economic underdevelopment, and the beginning of the monarchy's decline and ruin. In every moment of tension on the southern border, there was always the fear that defeat could lead to the collapse of the Empire and/or the dismemberment of the territory. These issues threatened the survival and unity of the nation and were therefore reserved for the direct control of the emperor and the diplomatic action of the most prominent politicians, often former or future prime ministers.

Rio Branco and Joaquim Nabuco, who in their youth had witnessed the suffering and dangers of the endless Paraguayan conflict, retained throughout their lives a sacred horror of war and the risk of provoking it through the immoderate use of power. This gave rise to a diplomatic tradition of cautious reserve in the face of the lure of power and careful observance of the principle of non-interference, passed down from generation to generation. More recently, this tradition, especially noticeable among Brazilian professionals trained in dealing with Platine problems, has begun to clash with the trend of the Lula era towards ideological interventionism and international activism.

Far from being a sign of timidity in using power commensurate with Brazil's potential or an expression of an inferiority complex, the traditional attitude reflected a solid realism born from the lessons of history and a healthy skepticism toward the repeated illusion that we had left behind the fragilities of yesteryear. Needless to say, in today's context, those diplomats who remained historically grounded and immune to recent daydreams and delusions have been proven right.

In the United States, by contrast, the popular enthusiasm unleashed by the war against Mexico and, at the end of the 19th century, by the Spanish-American conflict, gained even greater strength thanks to the relative ease of victory and the annexation of Mexican territories, the acquisition of Puerto Rico, control over Cuba and the domination of the Philippines. It is no surprise that Americans have developed an easy propensity towards hard power, one that does not shy away from the risk of war. The author of the most comprehensive and up-to-date synthesis of the international history of the United States, George Herring, wrote:

Americans think of themselves as peace-loving, but few nations have had as much experience at war as the United States. Indeed, beginning with the American Revolution, each generation has had its war. Armed conflict has helped to forge the bonds of nationhood, nurtured national pride [...] From the American Revolution to the present, wars have also set the mileposts on the nation's road to world power.¹

Not even remotely could one find a similarity or analogy between what is transcribed above and the experience of Brazil, a country that is approaching 150 years of uninterrupted peace with its neighbors (now, in 2025, it is already 155 years) and that participated in World War II only in a minor way. In light of these contrasting histories, it is not difficult to understand the difference in the approach to power between American and Brazilian foreign policy.

The last remaining issues inherited from the prolonged stage of national formation were the border disputes, definitively resolved by the Baron of Rio Branco in the first decade of the 20th century. Among them, the Acre issue was the only one that at a certain point posed a danger of war. Once this risk of conflict was removed from the agenda, a peaceful stretch of more than a hundred years began. We still navigate this period today, carefully steering the ship through rare rapids and currents of a certain severity, but never comparable to the existential challenges of the early days.

Foreign Policy Ideas, Principles, and Values

In the introduction to *From Colony to Superpower*, his history of US foreign policy, George Herring discusses “A set of assumed ideas and shared values” that, throughout history, “have determined the way Americans viewed themselves and others and how they dealt with other peoples and responded to and sought to shape events abroad.”² He compiles a list of these characteristics, some of which I record and summarize below, inviting the reader to consider whether they find any correspondence in Brazilian diplomatic history.

1. Faith in the destiny of the United States as the greatest and best of countries, expressed in phrases such as “the greatest destiny the world ever knew is ours” (John Hay) or “if we have to use force [in

Iraq], it is because we are America, the indispensable nation. We stand tall and we see further than other countries into the future” (Madeleine Albright).

2. Manifest Destiny in terms of territorial and commercial expansion.

3. The exceptionalism of a people set apart, “the most moral and generous people on earth” (Ronald Reagan), of a country predestined to be the New Jerusalem, “the City upon a hill.”

4. The messianic mission to extend the blessings of freedom to other peoples through the excellence of its democratic system.

5. President Woodrow Wilson’s fervent idealism in building a new world order based on 14 points, including open diplomacy, freedom of the seas, free trade and self-determination of nationalities. (Georges Clemenceau, the French Prime Minister, commented with ironic skepticism: “Mr. Wilson bores me with his 14 Points; why, God Almighty has only 10!”).

6. In contrast, the pragmatism or practical idealism of what is possible, achievable, driven by the logic of economic interests.

7. The persistent quest for economic gains through the expansion of markets and international trade, accompanied by the effort to engage globally, with the aim of influencing the definition of the rules of this trade.

8. Unilateralism, called isolationism by some, open or clandestine interventionism to overthrow foreign governments and even plot the assassination of enemy leaders (now a routine practice).

There are others of lesser importance, and nothing prevents imagining a different list or a much more critical formulation of principles and/or characteristics. However, these suffice as a sample. Many derive or acquire their viability from a dynamic that the historian summarizes in his conclusion: the triumphant upward march that resulted in the construction of the world’s greatest power, thanks to the immense success of US foreign policy. In just over 200 years, North Americans conquered a continent, dominated the maritime areas of the Caribbean and the Pacific Ocean, helped decisively win two world wars, prevailed after half a century of the Cold War, became the only superpower, extended their economic influence, military power, popular culture and soft power to all corners of the world, and even entertained “the illusion of omnipotence.”

The wars in Korea, Vietnam, Afghanistan and Iraq, along with the September 11 attacks, taught the US that “power does not guarantee security,” yet they remained more powerful than the rest.

What stands out from the comparison are the enormous differences, much more than any equivalence, with Brazil. Our faith in the country’s destiny is cyclothymic: we never had nor needed a doctrine of Manifest Destiny to justify territorial expansion, which had already been completed before independence. We have never thought of ourselves as the most moral people or the city upon a hill, or dreamed up messianic missions to preach our precarious democratic institutions to others. Nor have we come close to the level of power and self-deception that make such exaggerations possible.

The Construction of Values from the Monarchical Era

It is striking that throughout Herring’s chapter on the general characteristics of the American diplomatic tradition,^{IV} the word “law” does not appear once—it is the most repeated word in the writings of Brazilians who have tried to define the foundations of national diplomacy. When the State Council of the Empire began drafting opinions on foreign policy issues, international law and the ideals of legal liberalism radiating from the academies of Olinda and São Paulo provided the framework for the entire architecture of diplomatic doctrine. In this regard, Brazil was no different from the rest of Latin America, where juridical liberalism was the dominant ideology and provided a conceptual background shared by politicians and diplomats of various nationalities.

It was not a matter of abstract law, with universal and immutable principles, but rather of elaborations tailored to the different interests involved in each concrete case. We have already examined how, when faced with the contradiction of Brazilian positions and interests in the Amazon and River Plate basins, the Council reconciled the opposing sides by admitting freedom of navigation not as a general principle, but as a concession to be defined through negotiation. Earlier chapters also studied how, in border issues, initial hesitation evolved into the adoption of *uti possidetis*, instead of the application of the Treaty of San Ildefonso. This legal pragmatism in the opinions of the Council, in instructions to

IV Not by chance, George Herring recommends Geoffrey Perret’s work with the suggestive title *A Country Made by War*.

diplomatic agents, in the minutes of negotiations, and in parliamentary speeches and debates gradually bore fruit in a diplomatic doctrine that would be enriched and completed in the early days of the republican regime.

A Peaceful Brazil, a Lover of Law and Moderation—Rio Branco contributed more than any other figure to developing the concept of a country faithful to peace and law, not out of circumstantial necessity but as a spontaneous manifestation of the deep essence of the national character. Shortly before his death, he said in a speech at the Military Club (October 1911):

Our entire life [...] attests to the moderation and peaceful sentiments of the Brazilian government, in perfect harmony with the character and will of the nation. For a long time we were undisputedly the foremost military power in South America, without this superiority of force, both on land and at sea, ever proving to be a danger to our neighbors.³

Revisiting the argument of constitutional condemnation of the conquest used in the Acre case eight years earlier, the speech at the Military Club continued:

We have never engaged in wars of conquest. And much less could we harbor aggressive plans now, given that our political constitution expressly forbids conquest [...].⁴

The constitutional imperative, however, reflected something more innate and profound, as evidenced in Rio Branco's speech at the Brazilian Historical and Geographical Institute (1909), in which he clarified the motivation behind his unilateral decision to rectify the border at the Mirim Lagoon and the Jaguarão River in Uruguay's favor, without accepting the compensations offered:

If today we seek to correct part of our southern border for the benefit of a neighboring and friendly people, it is mainly because this testimony of our love for the Law is good for Brazil and is an action worthy of the Brazilian people.⁵

Therefore, the love of law, generosity and moderation would be attributes of a certain idea of Brazil and Brazilians. As such, they would

have a timeless character, almost independent of circumstances, to the point of pretending that, even if one day,

some of these Latin American countries were to surrender to the madness of hegemonies or to the delirium of greatness through arrogance [a veiled allusion to the Argentines?]⁶—I am convinced that the Brazil of the future will invariably continue to trust above all in the force of Law and, as it does today through its courage, disinterest and love of justice, to win the consideration and affection of all the neighboring peoples in whose internal affairs it will refrain from intervening.⁶

These are excerpts from speeches, conferences, articles, explanatory statements, and documents aimed at explaining and “selling” foreign policy. In this sense, they are part of the systematic effort to build what could be considered a “foreign policy ideology”; ideology in the sense of a set of values and standards that are supposedly objective, but which conceal or disguise interests that could, if one wished, be subject to critique or “deconstruction.”

Accepting, therefore, that the intellectual construction of the Baron’s diplomatic vision belongs to this category of ideologies, it must be acknowledged that it is not indifferent to choose peace, law, moderation and negotiation as ideological content, rather than their alternatives. There is no shortage of similar ideologies that have emphasized the idea of “greatness,” with strong military connotations, or “manifest destiny,” the superiority of a race in need of living space, and countless other aggressive expressions. By choosing more specifically “diplomatic” aspirations to distinguish Brazilian diplomacy, Rio Branco earned the distinction, according to Gilberto Freyre, as the shaper of values that would become characteristically Brazilian.

Freyre’s affirmation appears in his book *Ordem e progresso* [Order and Progress], in a passage in which he describes “the idealization of Itamaraty, led by the Baron of Rio Branco, as the supreme organ of irradiation or affirmation of Brazil’s prestige on the continent, in particular, and abroad, in general”; “of the Itamaraty which was also, in the Brazil of the Baron’s time, a kind of Ministry of Education and Culture, contributing to bring eminent European intellectuals, artists and renowned doctors to Rio de Janeiro; and also a Ministry of Information or Propaganda [...]”⁷

Freyre observes that the foreign minister was even interested in the establishment of schools run by French nuns in the country to enhance female culture. (One could add that his influence was felt in a wide variety of sectors, starting with the modernization of the armed forces). He concludes that, under Rio Branco's leadership, Itamaraty ceased to be a purely diplomatic institution and became instead a system for "organizing and defining superiorly national values: a system to which the Baron imparted his image as the super-protector of a homeland that, in his view, needed the respect of Europeans and Anglo-Saxons for the growing affirmation of its prestige."⁸

Freyre does not clearly specify what these "superiorly national values" were. Some, in the domestic sphere, probably coincided with those that the Baron had inherited from the Second Reign: legal liberalism, moderate conservatism to "put an end to unrest and anarchy and ensure, above all, national unity,"⁹ a development project described as follows: "The Brazilian Nation only aspires to become great through the fruitful works of peace, with its own elements, within the borders where the language of its ancestors is spoken, and wants to become strong among great and strong neighbors for the honor of all of us and for the security of our continent..."¹⁰

Abroad, especially when dealing with major powers, Rio Branco realized that the country's relative weakness required a different approach, as he explained in a letter to Foreign Minister Carlos Augusto de Carvalho regarding France, before the agreement on the Amapá arbitration: "Persuasive means are, in my view, the only ones that a nation like Brazil, which is not yet strong enough to impose its will on a major military power, can use to succeed in delicate negotiations like this one."¹¹

Soft Power and Smart Power—The type of power used to impose one's will was the equivalent of hard power, the ability to exert effective military or economic coercion. "Persuasive means," on the other hand, corresponded to soft power in today's terminology. To this we should add smart power, or power born of intelligence, knowledge, the ability to persuade with arguments drawn from history, geography and culture in general.^V All of these—hard, soft and smart—are different modalities of

V I use the expression "smart power" as deriving directly from knowledge, not in the sense of Joseph Nye, who sees it as a combination of hard and soft power.

the same reality: power, which cannot be reduced to force, coercion and domination alone, as the great Italian Marxist Antonio Gramsci showed in his concept of hegemony, derived not from coercive force but from moral and intellectual leadership.

Long before this doctrine appeared, Rio Branco already understood it by intuition and anticipated it in practice. In the programmatic letter he wrote from Berlin when he was invited to become minister of foreign affairs (August 7, 1902), he indicated, using the words of his time, that a foreign ministry should be an institution based on the production of knowledge, to be drawn from archives, libraries and the study of maps. This was the program that he himself had fulfilled by accumulating extraordinary erudition in history, colonial geography of the Americas and cartography, a specialized knowledge base to which he owed a considerable part of his success, especially in the Palmas and Amapá arbitrations.

Beyond their intrinsic ethical quality, these values were confirmed and reinforced by the Baron's diplomatic achievements, which helped to legitimize the republican regime that had been disastrously inaugurated with the excessive inflation and speculation of the Encilhamento, the War of Canudos, the Federalist Revolt and Floriano's summary executions. Rio Branco's values appealed to what was best in the civic and moral conscience of Brazilians, restoring their self-esteem, which had been damaged by the follies of governments seemingly committed to making the country just another Latin American banana republic. It is therefore not surprising that contemporaries identified with the minister and saw in him the embodiment of the ideal country, as the Argentine diplomat José Maria Cantilo observed when he wrote: "Rio Branco had extraordinary popularity. He was Brazil itself."

A significant part of this popularity was due to his role as a "definer of superiorly national values." There were no conditions in Brazil to confer even a minimum of credibility to the "republican ideal," as Jefferson and Lincoln did for the United States or as the 1789 Revolution did for France. Nor was there the possibility of compensating for this absence through an extraordinary demonstration of material progress. To this moral and political void, the foreign minister brought a set of principles and values that made foreign policy Brazil's only area of indisputable success, validated

not only by concrete and tangible results at the borders but also by the prestige and respect of the outside world.

The minister's care in avoiding the temptation of engagement in internal or party politics and its inevitable divisions facilitated the phenomenon of a virtually unanimous consensus around diplomacy.

Brazilian Diplomatic Ideology before and after Rio Branco—Perhaps the explanation for the unique appreciation by Brazilian society of its diplomacy lies in these factors—relative success compared to other areas, the distance from parties and factions, the value system. Unlike what is usually found in many countries, in Brazil the glory of the past is more often associated with diplomacy than with military feats or achievements in other sectors.

Much has aged in the Rio Branco paradigm, but the system of ethical and political values it expressed has received the highest form of consecration one could hope for an intellectual design: from innovation, it has become commonplace. The concept of a non-expansionist Brazil, content with its territory, confident in international law and negotiated solutions, faithful to non-intervention, has become so ingrained in Brazilian diplomatic discourse that it now seems timeless, as if it had always existed. The consolidation of Brazil's external ideals in terms of objectives and methods, undertaken by the Baron, has been so thoroughly and deeply ingrained that it is now unimaginable to conceive of a Brazil with a different international personality.

After Rio Branco, there would never again be a foreign minister who could aspire to the absolutely unique role he played as a shaper of values, in Gilberto Freyre's sense. For half a century or more, the weight of his authority stifled many attempts to adapt what had grown stale in the dominant paradigm to the demands of new times. The Independent Foreign Policy of the early 1960s and the Geisel/Silveira diplomacy of the mid-1970s finally succeeded in breaking the deadlock, resuming an evolution that continues to this day. The core legacy of values, of soft power, of Itamaraty as a knowledge-based institution, remained essentially intact, as did the ultimate goal of obtaining a greater degree of influence for Brazil in the global and continental decision-making process.

Some of these changes resulted from the evolution of international relations. This is the case, for example, with the enormous upgrading and

valorization of multilateral diplomacy that accompanied the emergence of the League of Nations, followed by the UN and the proliferation of hundreds of multilateral institutions of all kinds. An emphasis on the multilateral would become a distinctive feature of Brazilian diplomacy and would enshrine prominent diplomats, both at the UN and at the GATT, helping increase the prestige of the national diplomatic service.

Another change unforeseen in Rio Branco's time, which would also become a striking feature of Itamaraty, was the emergence of diplomats specializing in economic issues, with a significant effect on Brazil's development process. Figures such as Roberto Campos, Otávio Dias Carneiro, Miguel Ozorio de Almeida, George Álvares Maciel, Paulo Nogueira Batista and others stood out in international and domestic economic debates, partly occupying the prominent role that, in the past, used to fall to jurists specializing in international law.

In a different vein, it took much greater audacity and political courage to update the Baron's legacy in a crucial aspect of foreign policy which, despite no longer corresponding to Brazilian interests, remained frozen for a long time because of the Cold War: close collaboration with the United States, disparagingly referred to as automatic alignment. In this respect, Rio Branco, always so keen to present everything he did as a continuation of tradition, had broken with the monarchical tradition of avoiding engagements and alliances with great powers. His intention was to use rapprochement with Washington to strengthen Brazil's power and prestige, to discourage possible attacks from Great Britain and France, neighboring imperialist powers with which the country had endured serious incidents, and to prevent Latin American neighbors on the border from leveraging American influence in unresolved issues.

It was, therefore, a pragmatic arrangement of preventive defense and obtaining additional power, in exchange for which the Baron was willing to support US actions in the Pan-American system or in Cuba, Haiti, the Caribbean, Central America, and Panama. This support did not trouble his conscience, as he ideologically agreed with Washington's positions. Of his successors in conducting Brazilian foreign policy, only Vargas retained the pragmatic element of the bargain, while most of the others remained faithful to the scheme, despite repeated disappointments with meager US economic aid in the post-war period of 1945. Loyalty was

rationalized by the protection that the Americans provided to countries that felt threatened by international communism in the Cold War.

As the détente and direct understanding between the two superpowers weakened the credibility of that argument, the defenders of reclaiming autonomy based on concrete national interests gained strength. However, it took a general-president with impeccable anti-communist credentials to lift the mortgage once and for all. Fifteen years after Geisel's shift in policy, the fall of the Berlin Wall and the end of the Cold War proved that the decision had not been wrong. After that, two important conditions changed. On the one hand, the international issues of priority for Brazil (and Latin America) no longer necessarily coincided with US priorities. On the other hand, the United States and its NATO allies focused their agenda on conflicts in the Middle East, and against Russia, China, and the threat of Islamic fundamentalism—issues over which we have little possibility of influence, or which hold no direct relevance for us.

The space reserved here for Rio Branco's opinions stems not only from their intrinsic value but also from the decisive importance of that founding moment of republican diplomacy. Over the decades that followed, other presidents and ministers developed the core concepts of Brazilian diplomacy in a way that complemented, adapted or renewed the basic principles defined in the past. Pronouncements such as Afrânio de Melo Franco's on the equality of states, as Brazil was preparing to leave the League of Nations; Oswaldo Aranha's clear and energetic stances in favor of an alliance with democratic and liberal forces in the war against the Axis powers; Afonso Arinos' texts; the masterful speeches of San Tiago Dantas; Araújo Castro's speech on Decolonization, Disarmament and Development at the United Nations General Assembly, to name but a few, serve to illustrate the coherence and consistency of the evolution of Brazil's foreign policy in terms of values and aspirations.

The Evolution of the Diplomatic Institution—The creation of the Rio Branco Institute in 1945, as part of centennial celebrations of the birth of the Baron of Rio Branco, marked a significant milestone in the long process of institutional improvement of the Ministry of Foreign Affairs. From then on, no one became a diplomat without first undergoing a rigorous selection process based solely on merit; As of 2025, a year that marks its 80th anniversary, more than 2,500 Brazilian and 300 foreign diplomats

have graduated from the Institute. Courses and direct entry exams have enabled a qualitative leap in the professionalism, level of intellectual preparation and spirit of cohesion among Brazilian diplomatic personnel.

A global benchmark in the training of diplomats, the Rio Branco Institute (IRBr) has made it possible, within just a few decades, to quadruple the number of diplomatic staff without sacrificing quality or breaking institutional memory. At the end of 1945, when the newly created institute was preparing to hold its first entrance exam, there were 398 Brazilian diplomats at the Itamaraty headquarters and abroad. Growth throughout the first half of the 20th century had been gradual and organic, without any great leaps. The pace would accelerate over the next 70 years: the number of diplomats reached 437 (1955), 592 (1961), 686 (1972), and, by 2021, the number had grown to 1,552, the majority of whom, almost 1,000, stationed abroad.

For much of this period, the number of places offered each year for aspirants to the diplomatic career was modest, fluctuating between 15 and 20, sometimes a little more. From 2006, the end of Lula's first term and the beginning of his second, the expansion became dizzying: 105 places each year (in 2008, it reached 115). In the five years from 2006 to 2010, 538 vacancies were offered. The opening of posts (embassies and consulates) followed suit: 75 posts were created in the 10 years from 2003 to 2013, an average of 7.5 per year, which were added to the 150 posts that existed in 2002 (the average number of posts opened had been 2.7 per year over 56 years).

The multiplication of the number of embassies, consulates and diplomatic staff coincided with the euphoric years of contemporary Brazil, as did other representative indices of the time. The number of ministries, social programs, subsidies, tax exemptions for specific sectors, and the expansion of credit all grew, driven by a huge increase in public spending that seemed joyfully and carelessly immune to any rational limits. There is no need to be reminded of how such exuberance ended.

One of the most notable achievements of the IRBr was the establishment in 1979 of the Higher Studies Course (*Curso de Altos Estudos*—CAE), a requirement for promotion to the rank of second-class minister. Candidates must present an analytical and propositional thesis, with functional relevance and usefulness for Brazilian diplomacy or representing a contribution

to Brazilian historiography or diplomatic thought. By 2023, there were already 923 theses, a significant number of which were published as books.

Meritocracy has progressed alongside the democratization of recruitment, initially more geographical in nature, with preliminary exams being held in numerous Brazilian cities, reducing the advantage enjoyed by candidates living in the capital. Those who take the time to browse the 2015 Rio Branco Institute Yearbook, the source of most of the data reproduced here,^{VI} will see how, as the years and decades progress, the regional origins of those who pass the exams diversifies. At the same time, the surnames of diplomatic dynasties become more scarce and common surnames multiply, many of them of non-Lusitanian origin: Italian, Spanish, German, Polish, Lebanese, Syrian, Armenian, Ukrainian, Jewish, Japanese, Chinese, Korean.

Itamaraty has managed to reflect some aspects of Brazil's cultural and ethnic diversity more quickly than gender equality and non-discrimination in terms of color. The heroic story of the women who fought to have their right to a diplomatic career recognized remains to be written. It began early, with these women having to overcome resistance and prejudice from the start. In 1918, Maria José de Castro Rebello Mendes placed first in the exam for an official position at the Ministry of Foreign Affairs but had to hire Rui Barbosa as her lawyer to be admitted. From 1919 to 1938, 19 women joined the career, including the writer and poet Dora de Alencar Vasconcellos, Beata Vettori, and Odette de Carvalho e Silva.

The retrograde spirit of the Estado Novo under Vargas soon manifested itself in the Aranha Reform of 1938, which once again banned women from entering the career. The ban lasted for almost 15 years, until it was challenged and overturned in court thanks to Maria Sandra Cordeiro de Mello, who applied for the 1953 entrance exam and won the right to enter the following year. As of this writing, 504 women have since passed the entrance exam out of a total of 2,520, or 20.24%.

Currently, the percentage of women in the diplomatic corps is still extremely low, at just 23%, far below the composition of the population. Women diplomats have faced discrimination, overt or covert, not only in terms of the right to entry. The same kind of injustice has been felt in

VI Some of the updated figures are drawn from Mariana Lima Moscardo de Souza's book *O Instituto Rio Branco como instituição acadêmica e instrumento diplomático—evolução e desafios da atualidade* (FUNAG, 2025), while others were kindly provided directly by the Institute.

the merit-based promotion mechanism. The suffering and humiliation of diplomats whose careers have been destroyed by prejudice on grounds of sexual orientation also remains untold.

Even more delayed is the incorporation of Black individuals in the diplomatic career. The imperative need to take measures to correct the perpetuation of inequality in this area only began to produce modest results in March 2002. At that time, the Rio Branco Affirmative Action Program (PAA) was created, expressed through the Vocational Scholarship Award for Diplomacy, reserved for candidates of African descent. Consisting of a stipend that allows them to pursue the necessary preparation for the entrance exam, by 2024 the program had distributed 873 scholarships to 523 recipients (some received more than one scholarship). Of this total, 69 passed the exam. That is very little for 22 years!

In 2015, Itamaraty was one of the first government agencies to comply with Law 12.990/2014, reserving 20% of vacancies in all phases of the Diplomatic Career Admission Exam for Black candidates. Regarding the participation of both women and individuals of color, much remains to be done so that the diplomatic career can finally begin to present the true face of the Brazilian people to the world. Despite these and other shortcomings, it is worth noting the progress made since José Bonifácio's Ordinance No. 45 (14/5/1822), which set the staffing of the Secretariat of State for Foreign Affairs at one senior official, three officers and two porter's assistants.

Changes in the Awareness of Brazil's Identity in the World

Overcoming diplomatic alignment with the United States was the result of a profound change in the way Brazil perceived itself and the world. In other words, it was the logical consequence of the evolution of the nation's collective consciousness, which altered Brazilians' sense of identity. In Rio Branco's time, Brazilians did not particularly see themselves as Latin Americans, whom they viewed primarily as Hispanics, heirs to the colonial antagonisms between the Castilians and the Portuguese. The Baron even wrote that in Spanish America (the exact term he used) there were long-standing prejudices against the United States and Brazil that only time might perhaps modify. His assertion stemmed from border conflicts, as he quickly clarified that such prejudices against Brazil did not exist in a

reasonably long list of other Hispanic countries—Chile, Ecuador, Mexico, and those of Central America—without borders with us.

The next stage in this evolution, after World War II, was the realization that Brazilians were part of a vast category of peoples who had fallen behind in industrialization, the acquisition of modern technology and in achieving the productivity levels of advanced economies. We were (and are) underdeveloped, developing or, as the currently preferred nomenclature has it, emerging—expressions that all mean the same thing: we belong to a world that is not the First World, not the world of the United States, Western Europe, or Japan. Apart from backwardness and poverty, it is not easy to pinpoint what this world is, since the 180 countries that are crammed into it range from colossal China (which insists on declaring itself a developing nation) to tiny Pacific islands or poor African nations wracked by permanent civil strife.

Moreover, Brazil is distinguished by belonging to a select club of five “monster countries,” a concept coined by George F. Kennan to designate nations that have both continental territory and a vast population. One of these attributes is not enough, as the combination of large spaces and many people is necessary to generate heterogeneity, with a negative impact on the quality of government. Kennan was not concerned with economic criteria; he was interested in the effect of size on democracy and ventured to ask whether “bigness” in a political body might be an evil in itself, regardless of the policies pursued in its name.¹² For him, five countries qualified as “monsters”: the United States, China, India, the former Soviet Union—now Russia—and Brazil.

Excluding the United States, the remaining countries form the core of the original BRICS, to which South Africa was added to ensure that the gigantic continent of Africa would be represented. In both cases, the monsters and the BRICS, the criteria are identical: territory and population, to which is added, in the second group, the attribute of being “emerging,” that is, an economy in the process of development. Brazil, a “giant by its very nature,” as the national anthem goes, will naturally appear in any ranking of nations organized according to quantitative standards, whether those mentioned or others that are easy to imagine, such as economic size, in which it will rank ninth or tenth, according to the good or bad fortune

of GDP growth and the exchange rates, or that of commodity producers, food exporters, the number of cell phones, etc.

Another quantitative classification, with qualitative elements, is that of the “environmental powers,” a recent concept that arose from the vital importance of climate change as the quintessential planetary problem, which will determine the fate and even the survival of all other issues. From this perspective, Brazil occupies a prominent position due to its possession of the largest rainforest still reasonably preserved, the largest freshwater reserve on Earth, one of the richest reservoirs of biodiversity, high potential for clean and renewable energy (wind, solar, biomass), a relatively clean energy matrix, and the only practical experience of renewable fuel (sugarcane ethanol) on a scale of millions of vehicles, sustained over several decades.

Various classifications help to define Brazil’s identity: Latin American, insufficiently developed, a member of the BRICS, a member of the Group of 20, a food exporter, with a strong African ethnic-cultural component, a mass democracy, in favor of active policies to promote human rights, affirmative action to correct racial, gender and social inequalities, committed to infusing its development process with environmental sustainability. Some traits are dictated by geography, history and cultural heritage, while others correspond to a set of acquired beliefs and values. Taken together, they outline what Brazilians imagine as the reality of their country, or what they wish it to be. They also explain why the main characteristic of Brazil’s role in the international system lies in its commitment to reforming the status quo.

The fight to reform the system is not new; it goes back a long way, to Rui Barbosa at the Second Hague Peace Conference (1907) and the episode of Brazil’s withdrawal from the League of Nations (1926). It partly reflects our status as an emerging country, eager to increase our participation in global decision-making processes, in the UN Security Council, in deliberations at the IMF, the World Bank, the WTO, in how environmental and human rights governance is organized. However, it is not simply a matter of wanting more space for our country. For more than half a century, at least since the Bretton Woods meeting (1944) and the Havana conference (1947), Brazil has been fighting for the stabilization of commodity prices, and later for agreements on raw materials, for financial

and monetary standards that are more conducive to development, for the correction of injustices and disparities in the trade system that harm agriculture, and other issues of Brazilian and most developing countries' interest.

This is what it means to be in favor of changing the status quo, a position contrasting with that of the system's beneficiaries and defenders. Maria Regina Soares de Lima notes a certain ambivalence in Brazil's engagement and performance in various international regimes, such as the environmental one, where we are both major greenhouse gas emitters and advocates of sustainable development. The same could be said of other areas such as human rights, gender equality and racial equality, to name but a few. This is true enough, and underlying these issues is a persistent dialectical tension between aspirations and reality, one aspect of the problem of Brazil's international power and its limitations.

What Power Does Brazil Possess?

The aspiration for power also goes back a long way. At a congress in Rio de Janeiro (1905), the Baron of Rio Branco, who was suspicious of imperialist greed towards the immense empty spaces of the Amazon region, asserted that it was "indispensable that, before half a century, at least four or five of the greatest nations in Latin America, out of noble emulation," should reach the point where they could "compete in resources with the most powerful states in the world like our great and dear sister to the North."¹³ Delgado de Carvalho, recalling the passage as the deadline for this transformation expired (1955), remarked with a hint of melancholy: "Fifty years after these words were uttered, it is worth quoting the phrase [...] that leads to meditation."¹⁴ We could repeat the comment with even more reason now that more than 110 years have passed, punctuated by constant relapses after temporary surges of progress.

Despite having underestimated the time needed to reach the developed nations, Rio Branco did not share in the more recent illusions about how close we were to achieving power in the conventional sense. In another pronouncement, he speculated: "When through the work of years, and many years, the great sister of the North and the most advanced nations of Europe have been matched in power and wealth [...],"¹⁵ which Nabuco described in somewhat prosaic terms in his *Diário*: "One does not become

great by leaps. We cannot appear great unless we are. Japan did not need to ask to be recognized as a great power, since it had shown itself to be one.”¹⁶

There are two opposing positions, both of which should be avoided when it comes to assessing Brazil’s effective power and how to use that power adequately. Brito Cruz summarizes the two positions with judicious balance: “Neither do the supporters of moderation as a diplomatic style advocate underestimating the country’s power resources, nor do the advocates of a more active policy ignore the obvious need for caution and discernment.”¹⁷ At the end of his article, Brito Cruz alludes to the need to critically evaluate the conventional notions of power or great power before applying such concepts to Brazil.

In a similar vein, I observed in a paper published in 1994 that the uniqueness of the configuration of forces at that time stemmed from the evolution of the nature of power itself, which no longer originated merely from military strength, as it had in the past, but rather from a growing number of sources of different kinds.¹⁸ I recalled that, in the traditional conception, the international system was defined by the number of main players (one, unipolar; two, bipolar; several, multipolar). It was assumed that each main actor was a first-rate player in each and every one of the sectors that generate power: strategic-military, economic-financial, scientific-technological, cultural and values, etc. Nowadays, the automatic assumption of coincidence between these various spheres no longer exists, with the actors and their hierarchy varying across different domains.

Germany and Japan, for example, carry very little weight in the military-strategic field: they do not possess nuclear weapons or their vectors and maintain only modest conventional forces, and yet they continue to be major economic, industrial, and technological players. The case of Russia is even clearer: a country that is demographically diminished, without economic dynamism, without the universal appeal of communist ideology, still retains the military power it inherited in terms of nuclear weapons, vectors and conventional forces. China, with its ascending economy, technology and military resources, is only a minor player in the field of cultural attractiveness and values. What aspirations do the Chinese inspire in other peoples, compared to the Hollywood dream factory? The advantage of the Americans is that they not only create symbols and

dreams but are also the only major player in every field of global power, far ahead of their competitors.

This power landscape is dynamic. The consolidation of an international order based on the UN Charter, on international law, on the inhibition of unilateral recourse to war, on its replacement by the concept of collective security, on the more egalitarian reform of the Security Council—all this accentuates the tendency to overcome the idea of “great power” as synonymous with military strength. It reinforces Brazil’s choice to renounce nuclear weapons in the Constitution, the choice of not aspiring to be a power in the classic sense, and increases the possibility of engaging as a prominent player in various arenas: the environmental one, that of supplying food to the world, that of clean and renewable energy, that of disinterested cooperation with Africa in agriculture to combat hunger, that of reforming the international system, hopefully in the arena of eradicating poverty, reducing social, racial and gender inequality, promoting tolerance and values of *joie de vivre*. This is assuming that Brazil manages to regain the advances threatened by its recent period of crisis.

By contrast, if an apocalyptic setback were to suddenly nullify all the advances in moral consciousness achieved over 80 years of the United Nations, of preventing a repeat of Hiroshima and Nagasaki, learning the lessons of Auschwitz, expanding the frontier of human rights, protecting the environment, promoting equality between women and men and “all men and the whole man”—in that case, the prospects for humanity’s survival would be so bleak that it would probably make no difference whether we were a military power or not, whether we had an atomic bomb or not.

Brito Cruz concludes his excellent article on the same note. He believes that another style of being a great power is possible, and that Brazil has everything to “help build this new notion” as one of its best contributions to the international system. He warns that, to do so, it must continue its economic and social development while preserving its foreign policy style.

For my part, I propose that we reconsider not only the concept of power and great power, but also that of development, whatever adjective we use to describe it: economic, social, sustainable, above all. Our tendency is to equate development with wealth. In one of the quotes at the beginning of this chapter, Rio Branco hoped that some Latin American countries would match the United States in power and wealth, implying that being rich and powerful was more or less the same thing. If we redefine power,

however, we cannot help but do the same with development, which is not synonymous with wealth.

Developing is, in fact, learning to manage the growing complexity of modern society. When we say that Denmark or Norway is developed, what we have in mind is not just or primarily that the Nordics are richer, have higher productivity or per capita income. It means that, thanks to education and the quality of institutions and human resources, they are also better able than we are to effectively manage elementary schools, universities, parks and environmental reserves, prisons, hospitals, urban mobility, social security, museums and laboratories; in other words, they know how to deal with the complexity of modern challenges, drawing on human resources formed by quality education. Development is a totality; in every aspect the developed are more capable, including in defense.

In countries like ours, there are sometimes islands of excellence isolated by oceans of incompetence or corruption. As long as they remain isolated, almost as anomalies, these islands—Embrapa, Embraer, Petrobras before its recent debacle, the Federal Revenue Secretariat, the Treasury Department of the Ministry of Finance and Itamaraty, among others—will always be at risk of drowning in the seas that surround them.

It is no different with defensive power. Before the US invasion, Iraq was said to have the fifth largest military force in the world in terms of the number of armored vehicles and modern combat aircraft, the size of its army and other indicators. None of this was of any use: the planes and armored vehicles were almost all destroyed on the ground, without having had the chance to enter the fight. There is little point in possessing the hardware without the software, and the latter cannot be bought with money; it is acquired through developing education and culture.

Effective power springs from the acquisition of knowledge through education and research, from its application to material life, from the ability to deal with the totality of challenges, from achieving a level comparable to that of the advanced, not just in isolated sectors of excellence, but across all sectors of Brazilian society, starting with the environment, human rights, gender, social and racial equality, and the protection of the most fragile and vulnerable members of our community.

We are a long way from that goal, but we have come this far with education and institutions that were never better than they are today. We entered the 20th century with 17 million Brazilians, 84% of whom were

illiterate, with a life expectancy of just below 30 years, as in the Middle Ages. It is reasonable to think that we are further away from the slave-holding country from which we started than from the goal of becoming the developed nation we aspire to be.

The Moral of the Fable

“A sweet girl wrote to a boy: ‘I am asking you to lend me a novel, behind Grandma’s back. I want a novel that ends well.’” This is how the poet (and diplomat) Rui Ribeiro Couto explained why he had given an American movie-style ending to his bucolic novel, *Cabocla*, published in 1931 and rescued from oblivion by a TV soap opera. Some critics considered the happy ending childish, and the novelist defended himself: he had only wanted to fulfill the request for a happy ending from the fictional girl he had portrayed years before in his short story “A casa do gato cinzento” [The house of the gray cat].

As I write this at the end of September 2016, Dilma Rousseff’s impeachment is not yet a month old. This was a story that ended badly, very badly. Ending the book this way would not please the sweet girl, this author or the readers. Stories, even those cleverly told by Scheherazade, sooner or later come to an end, sometimes happily, sometimes not. Only History with a capital H is the true *One Thousand and One Nights*, which never ends, at least as long as there is a human being to write it. Unlike the Persian queen and obliged to shorten, rather than lengthen, the story, I must stop here, unable to wait to see if the unhappy ending turns into something better in the next episode.

It would be easier to abruptly suspend the narrative. To give up trying to find meaning, recalling the classic quotations: “a tale told by an idiot, full of sound and fury, signifying nothing”; “History is a nightmare from which I am trying to awake” and so on. Another, steeper path is the one indicated by the first great modern philosopher of History, the Neapolitan Giambattista Vico: there is no immanent, deterministic meaning to History, independent of human will. It is up to human beings to give History meaning through reason and action.

In the hour of darkness that comes for all countries, a few exceptional spirits have been able to show that the resurrection of men, as well as of societies, first involves the pain of annihilation. In a moment of humiliation for Italy, Giacomo Leopardi sharply reminded his countrymen: “If we ever

wish to awaken and regain the spirit of nationhood, our first attitude must not be pride nor esteem for present things, but shame." Several decades later, when the Spanish nation was crushed and outraged by the Spanish-American War, Miguel de Unamuno and his fellow members of the 1898 generation exclaimed "¡Me duele España!" [Spain hurts me!]. From this pain of the country sprang the renewal of Spanish culture and intelligence.

For Brazil, this is the hour of darkness. Brazil hurts us; it makes our Brazilian hearts ache. In our case too, the first attitude must be shame for present conditions as a prerequisite for awakening the spirit of the nation. Reforming and purifying political institutions, relearning how to grow in order to suppress misery and reduce inequality and injustice, integrating the excluded, humanizing social life. Throughout this book, I have tried never to separate the narrative of the evolution of foreign policy from capitalized, all-encompassing History—global, political, social and economic. Diplomacy in general has done its part and has not fared badly compared to some other sectors. However, an extreme has been reached where it is no longer possible for one sector to continue building if other, more powerful elements, such as the political system, are happy to tear it down. From now on, even more than in the past, the construction of Brazil will have to be integral, and diplomacy's contribution to this construction will depend on the regeneration of the whole.

It will require an infinitely greater effort than what this work, the fruit of my temerity, demanded of me. Upon reaching this Cape of Good Hope of mine, I was surely mistaken in thinking that I had finished the book, just as Diogo Cão was mistaken when he took the mouth of the Zaire River for the end of Africa.^{VII} He nevertheless erected his *padrão*,^{VIII} left it to another to correct his error and went on, saying:

The soul is divine and the work is imperfect.

This *padrão* signals the wind and the skies

That, of the daring work, the part done is mine:

The undone is only with God.¹⁹

VII Diogo Cão, the Portuguese 15th-century explorer, upon reaching the mouth of the Zaire River, mistakenly believed he had reached the southernmost point of Africa, known as the Cape of Good Hope. However, the cape was actually first rounded by Bartolomeu Dias a few years later.

VIII The word *padrão* refers to stone pillars left in Africa by Portuguese maritime explorers in the 15th and 16th centuries.—Trans.

Notes

- 1 George C. Herring, *From Colony to Superpower: U.S. Foreign Relations Since 1776* (Oxford University Press, 2008), XIII.
- 2 Herring, *From Colony to Superpower*, 1 onwards.
- 3 Quoted in Álvaro Lins, *Rio-Branco (O Barão do Rio-Branco: 1845–1912)* (José Olympio, 1945), 2:774.
- 4 Lins, *Rio-Branco*, 774.
- 5 Lins, *Rio-Branco*, 674–675.
- 6 Lins, *Rio-Branco*, 774.
- 7 Gilberto Freyre, *Ordem e progresso* (José Olympio, 1959), tome I, CLI.
- 8 Freyre, *Ordem e progresso*, CLI.
- 9 Rio Branco, letter to J. Nabuco, quoted in Luiz Viana Filho, *A vida do Barão do Rio Branco* (José Olympio, 1959), 317.
- 10 Rio Branco, “Discurso no Congresso Científico Americano,” quoted in Delgado de Carvalho, *História diplomática do Brasil*, facsimile edition (Senado Federal, 1998), 249–250.
- 11 Rio Branco, letter to Minister Carlos A. de Carvalho, quoted in A. G. de Araújo Jorge, *Introdução às Obras completas do Barão do Rio Branco* (FUNAG, 2012), quoted in Viana Filho, *A vida*, 234.
- 12 George F. Kennan, *Around the Cragged Hill: A Personal and Political Philosophy* (W.W. Norton, 1994), 143.
- 13 Rio Branco, “Discurso no Congresso,” 249, 250.
- 14 Delgado de Carvalho, *História diplomática*, 250.
- 15 Delgado de Carvalho, *História diplomática*, 250.
- 16 Joaquim Nabuco, *Diário, 1889–1910* (Bem-Te-Vi Produções Literárias, Massangana, 2005), 2:408.
- 17 José Humberto de Brito Cruz, “A questão do poder nacional e o debate sobre a política externa,” *Revista Política Externa*, vol. 23, no. 1, (July/August/September 2014): 125–150, 133.
- 18 Rubens Ricupero, “Os Estados Unidos da América e o reordenamento do sistema internacional,” in *Temas de Política Externa* (FUNAG, 1994); republished with modifications in *Visões do Brasil*, ed. Rubens Ricupero (Record, 1995), see particularly 118–119.
- 19 Fernando Pessoa, “Padrão” in *Mensagem, Obra poética* (José Aguilar, 1960), 16.

Afterword

In the afterword to the illustrated edition of this book, I recounted my dream of creating a work as captivating as the vibrant colors, glossy paper, antique maps and full-page engravings of the magnificent albums from the Odebrecht Historical Research Award—Clarival do Prado Valladares, carefully protected in their thick cardboard cases.

However, to deserve such a lavish edition, I would have had to take part in the competition, which I did not. Even so, I was privileged to have the friendship and personal support of Emílio Odebrecht and his company. He introduced me to Márcio Polidoro, in charge of cultural projects, who took me to José Enrique Barreiro, editor at Versal, who oversaw the albums. Both helped me immensely. José Enrique, a seasoned and confident editor, brought the right amount of enthusiasm to the project, tempered by the realism needed to overcome the countless challenges of producing a complex work. Without him, this book would never have seen the light of day.

Having discarded the idea of a large art book, where most of the pages are filled with illustrations, we worked on a more modest project: a hardcover edition, well-illustrated with maps and images, followed by a second edition, graphically simpler and more affordable—the very one the reader has in hand.

From then on, almost everything would depend on the text. That was when, thanks to José Enrique, I was lucky enough to have a kind fairy help me correct my writing, clarify confusing passages, avoid repetition and reposition misplaced paragraphs. Maria Isabel Borja was that fairy godmother, turned into a thoughtful friend, who firmly guided me in my efforts to translate the historical narrative into clear prose.

Ana Margarida Pereira sifted through archives and catalogs to extract little gems of unexpected images and photographs, which are included in the illustrated edition. Luciana Gobbo created the graphic layout and designed the cover—a compass rose with lines radiating across the chapters, sewing them together, giving expression to a country open to all directions

of the world. Luciano de Paula Almeida crafted the cartographic diagrams that visually untangle the intricate border disputes. And others, I do not know how many, proofreaders, managers, printers, people I never got the chance to meet and shake hands with, worked hard and well to bring to life what had once been just a dream of a book. To all these people, named and unnamed, I extend my deepest gratitude.

A word must be said for Marisa, with whom I have shared every moment of life for well over half a century. She discussed the project's various stages of development, listened with endless patience to the passages I read aloud, reread others and offered sound advice on what to keep and what to cut. She had to endure long silences, absence in presence, the seclusion of a monk at the writing desk, distant from the world, from films, concerts and exhibitions. In the hope of making up for some of the time forever lost, I dedicate this *opera della mia vita* to her.

Was it worth it? I am not referring to the objective value of the book, about which I harbor few illusions. From a subjective point of view, writing it was almost like an examination of conscience before falling asleep. To say that it is the work of my life is not to suggest that it holds the grandeur of a long life. It is simply a statement of fact: I wanted to mark my 80th birthday with this work that collects the experiences and reflections of a lifetime. By profession, I worked my entire life for the government, for the state—not for myself or private companies. Taking stock of my life is equivalent, in my case, to reflecting on the meaning of the events I witnessed as an employee of Itamaraty, to use an expression favored by Minister Saraiva Guerreiro.

What is Itamaraty, if not the outward face of Brazil? From this perspective, Brazil was my boss—or at least the incarnation of the country that is its government. Is it right to equate homeland and government? Nearly all governments do, and the worst of them infallibly hide behind the sublime concept of homeland. That is why, in a novel by Cesare Pavese from the end of World War II, a student asks: “Professor, do you love Italy?”—“No, not Italy,” he replies, “I love the Italians.” The Italy that the professor did not love was obviously not that of Dante, Leonardo or Michelangelo, but the grandiloquent image that Mussolini had desecrated to justify his crimes.

The Brazil I served as a diplomat was, in reality, the Brazilian government, just as the foreign policy described here in its centuries-long evolution reflects more or less imperfect governments, always far from the ideal of homeland with which they tried to conflate themselves. When the governments of our land began to sink “in the taste of greed and in the harshness of a stern, dim and vile sadness,” I felt discouraged from continuing to tell a story that, I now knew, was destined to end very poorly, at least in my lifetime. Why waste time and effort if everything was bound to end in failure? Would it not be wiser to take advantage of the days I have left to read or reread the great books, listen to music, seek refuge and solace in art?

At that point in the writing, I was halfway between the end of the monarchy and the turbulent beginnings of the Republic. As I went through the testimonies of the defeated monarchists, I was struck by the bitterness and despair of those who were witnessing the death of the world they knew and loved. Nabuco wrote to the Baron of Rio Branco: “I do not believe in the possibility of a republic. We will go from tyranny to tyranny, from despotism to despotism, until the dismemberment or complete loss of the sense of freedom [...]. What did our fathers work for?”

These men were not petty, narrow-minded spirits. They loved the country in which they had achieved positions of influence and prominence. So much so that they took that version of their homeland as the best possible—that of the reign of Pedro II, which was undoubtedly estimable, but selective and exclusionary. Even Joaquim Nabuco, the champion of Abolition, did not seem to grasp what the Uruguayan Tupamaros would later express in a grim formula: “If there is no homeland for everyone, there will be no homeland for anyone!” Almost 130 years after the Proclamation of the Republic, we are still far from having a homeland for everyone. The one we do have, however, is far more inclusive than the country of 14.3 million people, massively deprived of education, well-being and reasonable life expectancy, whose ruin the monarchists felt as the end of the world.

On the eve of the Argentine election on October 30, 1983, while in Buenos Aires for a diplomatic meeting, I decided to extend my stay to watch the end of the dark military regime that entered History by its infamous atrocities. On a Sunday night, I went out to witness the celebrations for Raúl Alfonsín’s victory. Everywhere there were explosions of intense joy,

without a trace of vengeance, rancor or hatred towards the murderers and torturers. The Argentine people had not died; they were rising from the ashes with their vitality seemingly intact, ready to live, to sing, to believe in the future.

An individual, after being victim of certain tragedies, often never recovers; only death can free them from the pain of loss, humiliation and the obsessive memory of torture. Not the people; like Mário de Andrade said, the people are three hundred, three hundred and fifty, they are one, two, ten million. When one regime dies, they go and get another.

In the collective memory of the people as a whole, catastrophes are offset by joys, defeats by victories, mourning by births and, as the generations are incessantly renewed, hope wins every match.

I finished writing this book shortly after Dilma Rousseff's impeachment. Throughout this months-long nightmare, writing every day about a little piece of Brazil's relations with the world has provided me with the antidote I needed against despair.

I tried to recount how a weak and poor country, a colony of an almost-colony, built on the labor of slaves and the suffering of the humble, gradually learned to assert a growing space of autonomy in the pursuit of its interests.

Antonio Candido remarked that "compared to the great literatures, ours is poor and weak. But it is our literature, not another's, that expresses us. If it is not loved, it will not reveal its message; and if we do not love it, no one will do so for us." This thought also sheds light on how to confront the darker aspects of our history: slavery, exclusion, injustice, corruption, lack of access to education. No one can overcome the harsh legacy of our past for us, nor can anyone build a just and fraternal society in our place. The justification, destiny and goal of those who were born or chose to be Brazilian is the enduring dream of building Brazil, the very thing that makes life worth living in our land.

Rubens Ricupero

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