

Gerson Moura (1939-1992), a much-loved man of few words and an easy smile, a mild-mannered, gentle and caring person, he was also a Mineiro from Itajubá, a humanist, botafoguense, Gemini, professor, researcher, poet, student, father, son, friend, brother and husband; a cook, jolly good fellow, progressivist, patriot, helpful and solidary; a lover of good cheese, cornbread, strong coffee, corn flour soup and eggs, as well as cinnamon rice pudding; he was an accomplished paper folder and maker of traps and kites. He left us early, but even in death he went out discreetly. A remarkable fellow.

Gerson Moura was one of the founders of what is known today as the field of International Relations in Brazil. I have had the privilege of having him as a teacher, workmate and good friend. First, as a Contemporary History Professor at PUC-RJ, he taught me the view of the South on the international policy and security challenges during the years of the Cold War. Then, as coworkers at CPDOC, we established an International Relations Program to promote research on the history of Brazilian foreign policy. With Funag's support, we have produced a set of texts analyzing the international courses of action for Brazil in the 1940s, 50s and 60s. Gerson Moura was also a key collaborator in the creation of the Institute of International Relations at PUC-RJ, in the beginning of the 1980s. His contributions have always demonstrated critical thought, knowledge and kindness.

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Gerson Moura

BRAZILIAN FOREIGN RELATIONS
1939-1950

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Gerson Moura

BRAZILIAN FOREIGN RELATIONS
1939-1950

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On the celebration of the twentieth anniversary of Gerson Moura's death, Brazilian Society is presented with the result of his brilliant doctorate thesis, in a crucial moment for the challenges brought on by globalization. An essential text for understanding the history of Brazil during the difficult years of the Second World War and its developments afterwards, it allows the reader to understand that the decisions in international politics may be made in line with humanitarian values. As a result of a deep analysis of a vast historic documentation in Washington, London and Rio de Janeiro, the author presents a set of practices that clarify the possibilities and loopholes Brazil used during the international game played in such dark times, as explained by Hannah Arendt. By criticizing the historiographical positions in effect, the author demonstrates how the dilemmas lived by Brazilian delegates in the post-Second World War confrontations depended on the skill with which the players in this process faced the difficulties of being allies under the authority of the United States. He analyzed the implemented policies that guaranteed a relative autonomy in face of a system of alliances whose economic, political, military, ideological and cultural mechanisms advocated the Brazilian alignment. Moura realized that even a mid-level international power such as Brazil can indulge in a measure of autonomy in the most difficult period of bipolarization, on one hand due to the internal power balance, and, on the other, given the government's capacity to resolve difficult situations, the central theme of this book.

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Gerson Moura

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1939-1950

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Gerson Moura

BRAZILIAN FOREIGN RELATIONS 1939-1950

THE CHANGING NATURE OF BRAZIL-UNITED STATES RELATIONS
DURING AND AFTER THE SECOND WORLD WAR

FUNDAÇÃO ALEXANDRE DE GUSMÃO

Brasília – 2013

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Richard Shaull and Francisco Penha Alves taught me to look at the world with a questioning mind and to fight for a new life in the present and the future rather than condemn the past.

I owe the enjoyment of studying history to many professors at the old Faculdade Nacional de Filosofia, Rio de Janeiro. Here I can mention only the names of Manoel Maurício de Albuquerque and Hugo Weiss, both absent from this world but vividly remembered by their friends.

Francisco Falcón and Ilmar R. de Mattos, of the Department of History and Geography of the Pontifícia Universidade Católica do Rio de Janeiro, reminded me of academic solidarity during obscure times in our political life, when the teaching of history was a dangerous undertaking.

My post-graduate course at the Instituto Universitário de Pesquisas do Rio de Janeiro was a unique opportunity for

intellectual growth and it was during this course that my vocation for research developed. Since it is impossible to thank everyone, I wish to express my gratitude to all professors through Maria Regina Soares de Lima, teacher and colleague in the field of international relations.

Celina Moreira Franco, Aspásia de Alcântara Camargo and Alzira Alves de Abreu have stimulated my work on various occasions. I would like to thank them as well as all my colleagues at CPDOC – specially the Archives, Audio-visual, Library, Oral History and Dictionary team – for their contribution. A powerful stimulus to the completion of the present thesis came from the constant exchange of ideas with CPDOC's Research Group, especially Monica Hirst, who shares with me the joys and difficulties of working in a practically new subject in Brazilian social science. Leticia Pinheiro and Adriana Benedikt greatly helped me in the collection of documents during 1982.

Leslie Bethell has carefully supervised my work for a period of nearly four years. Thanks to his interest and criticism, I was able to deepen and clarify the concepts and explanations I have used and his encouragement helped me to finish the text in due course.

The Ford Foundation through its representatives in Rio de Janeiro provided financial help for the doctoral programme. The Ford Foundation sponsored two trips to Britain, the first with my wife and children, as well as meeting all my fees at UCL and providing two fellowships, one for the Summer term of 1980 and a second for the Autumn term of 1982. The Ford Foundation also sponsored file research and the collection of documents in the United States Archives and Libraries in January/February 1980.

My stays in Great Britain from April 1970 to June 1980 and from September to November 1982 were made possible by financial support from the Fundação Getulio Vargas, Rio de Janeiro, which

also sponsored the purchase of copies of documents in the National Archives of Washington in May 1981 though a financial contract with Financiadora de Estudos e Projetos (FINEP).

As coordinator of a research project on Brazilian foreign policy between 1946 and 1950, sponsored by the Brazilian Ministry of External Relations (Itamaraty), I became acquainted with additional bibliography and documentation on this period. I am also grateful to the directors and personnel of the Public Record Office (Kew, London), The National Archives (Washington), Arquivo Histórico do Itamaraty e Arquivo Nacional (Rio de Janeiro), Princeton University Library (Princeton), the Houghton Library (Cambridge, Massachusetts), and Columbia Oral History Program (New York), whose files I consulted.

Many friends gave me great and small assistance, encouragement and companionship in both Brazil and England during the final stages of my work. While I thank them all, I would like to name Judy Perle who made the text more agreeable to the English reader, Sylvia Greenwood and Frances Brownrigg who typed this thesis so competently and Leandro, Priscila and Margarida Maria Moura who faced my absence with courage and good sense. My wife Margarida Maria has been the vital force that has helped me to work on this project during many difficult times.

University College London, November 1982.

Foreword

In a meeting with Ambassador Gelson Fonseca Jr., approximately one year ago, we discussed the possibility of the Ministry of External Relations supporting the reissuing of one of the books by Gerson Moura – *Autonomia na Dependência: a política externa brasileira de 1935 a 1942* (Rio de Janeiro: Editora Nova Fronteira, 1980) –, a classic in the study of Brazilian Foreign Policy, whose sole edition had been sold out. He was so enthusiastic with that possibility that he quickly sent me an e-mail describing the great sympathy with which Ambassador José Vicente Pimentel, President of the Alexandre de Gusmão Foundation, had accepted the suggestion. Ambassador Pimentel then contacted Moura's family and from there came the proposal to publish his doctorate thesis.

The publication of Moura's thesis in its original format finally discloses the results of an investigation that integrated a research program he developed along with some of his contemporaries, and which can be seen as an important milestone in the study of

Brazilian Foreign Policy. One of its main characteristics was the interpretation of our foreign policy emphasizing the power of choice of the country's public men, even in special and, sometimes, particularly adverse conditions. The thesis defended by Moura in this particular work, and which also appears in more of his works, comes back to political action as one of the central pillars for explaining Brazil's insertion into the international scenario. Although not unaware of the power of structures, his thesis underlines the existence of choices. In a sense, this hypothesis, used by Moura to research past times so intensely, had a strong connection with the very historic moment when those same reflections were made. Without falling into anachronisms that tend to view the past through the lens of the present, diplomats, politicians and especially academics also sought, at the time – mid-1970s, and late 1980s –, explanations for Brazil's more autonomous behavior in the time of *responsible pragmatism* and the *universal* foreign policy – as it was dubbed by its own founders – in a period when strong limitations for peripheral countries, inherited from the Cold War and international economy, were still in effect.

The scientific and even political relevance of the interpretations provided by Moura in his books and articles, and supported by strong theoretical and empirical arguments, would alone constitute a strong invitation to the reading of this thesis. But it must not be forgotten that this interpretation was equally built and refined by an acute curiosity and a great passion for the area of foreign relations, particularly Brazilian foreign policy, which, while recognizing the scientific value we find in the pages of Moura's books, certainly surpasses it. Allow me to explain.

Those who have attended the Brazilian Foreign Policy class I teach in the Undergraduate Foreign Relations course at the Pontifical Catholic University of Rio (PUC-Rio) have surely noted the pleasure I take in initiating the *Years of War in Brazil* module.

The richness and complexity of that period would be enough on their own merit to encourage every professor in the field to share the literature on that period with the students and stimulate the debate on the choices made by our rulers. But something else interests and stimulates me in these classes. It is the fact that, along this module, I have the opportunity to relive the good times when, as Moura's student, intern, assistant or, finally, research colleague – along with many other colleagues who have become renowned researchers in the area –, I had the wonderful opportunity to "live" the period in the history of Brazilian foreign policy that Moura was researching at the time. As a professor, supervisor or partner for a project, he would tell us about the international scenario, domestic policy, the decision processes – its tragedies and comedies – as if he himself had witnessed them. Never losing his refined critical sense – with a scathing and equally elegant sense of humor – Moura brought historic documents to light by giving them life, while he unraveled their plot with his excellent theoretical background and conceptual rigor.

It was with identical enthusiasm and critical sense that he taught us, interns or research assistants, to find things that were not explicit, but only suggested, outlined in the private archives of the CPDOC/FGV, in the files of the Historic Archives of Itamaraty or in the plentiful documentation which he and Monica Hirst, his colleague at the time, had photocopied from public and private archives in the United States what wasn´t explicit, but just suggested. Ultimately, Moura taught us to read between the lines and to use cross-referencing to find facts that the official documentation kept secret. In these occasions, the natural mistrustfulness of the inhabitants of the state of Minas Gerais, a trait which he proudly bore, helped him question and go beyond appearances.

It was also gently that he taught us to "take the reader by the hand" – an advice so many of us, in turn, now pass on to our

advisees. But that would have to be done without ever belittling our readers' intelligence. On the contrary, we were to invite them to become our companions for this journey, our partners in the search for interpretations of the Brazilian foreign policy. And ultimately, our arguments and the adequate use of theory and of research-based empirical evidence would be the tools to free us from any unnecessary embellishing of historic actions and facts, because, in making a consistent argument, they would bring the reader to partake with us in the qualifications left unsaid.

We can find all of the aforementioned characteristics in his many published articles and books – *The 1935 USA-Brazil Commercial Treaty and the Brazilian industrial interests*, *Autonomy in Dependence*, *Uncle Sam Comes to Brazil*, *Successes and Illusions*, *Advances and Setbacks*, ... It is finally time for some to remember and for others to discover Moura's teachings through the reading of this thesis, until now only available to English-speaking readers. With the timely publication of *Brazilian Foreign Relations, 1939-1950 – The Changing Nature of Brazil-United States Relations During and After the Second World War* by Funag, we can once more "listen" to our dear Gerson, learn with him and realize that Brazilian Foreign Policy is not for amateurs.

Leticia Pinheiro

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Note on the presentation of footnotesw

The utilization of so many different sources demands an explanation on the presentation of the footnotes. In the case of the British papers, the entry is always FO, followed by some code numbers (e.g. FO371 = general correspondence), a reference number (e.g. FO371 81250 = Notes on Brazil) and the piece number in brackets. In the case of the US papers, the entry is preceded by the institution: most common is NA (National Archives) or a Presidential Library. The papers of the National Archives are divided into large series known as Record Groups (RG). Most of the documents came from the State Department (RG59), but some were from the Office of the Coordinator of the Inter-American Affairs (RG229); all others are military papers (RG 165, RG226, etc.) Each RG has its own internal classification. In all US references the dates are given, except for the RG59 papers from 1944 onwards where the document's code includes the date (e.g. RG59 832.00/ 5-2449 is dated May 24 1949.) References to documents from the Presidential Libraries indicate the series in which the documents

are found (e.g. FRL/PSF = Franklin Roosevelt Library, President's Secretary's File.)

The main Brazilian public papers consulted were from the Arquivo Histórico do Itamaraty, the entry being AHI. Two major divisions were consulted: the general correspondence and the *maços*. The general correspondence is organized according to major series (DE, MDE, RE, DI) and according to the origin of the material (ONU, Washington, Londres, etc.), and the kinds of materials (*telegramas recebidos*, etc.) The *maços* are organized by subject each of which has a special number. The private papers of CPDOC use initials of the holder as its entry (e.g. GV = Getúlio Vargas, OA = Oswaldo Aranha and so on) and usually included an indication of the date in the document itself, for example GV 45.10.29 indicates year (1945), month (October) and day (29). This indication refers to the general correspondence. In other series, certain letters are added to the main code – for example, in OA 42.01.27pi, *pi* indicates *produção intelectual* (speeches, reports, etc.)

Abbreviations

AN	Arquivo Nacional, Rio de Janeiro
AN/GM	Documentos de Góes Monteiro
AHI	Arquivo Histórico do Itamaraty, Rio de Janeiro
AHI/RE	Representações Estrangeiras
AHI/DE	Diversos no Exterior
AHI/MDB	Missões Diplomáticas Brasileiras
AHI/DI	Diversos no Interior
AHI/DI/PR	Presidência da República
AHI/DI/MG	Ministério da Guerra
AMEMBASSY	American Embassy
BRASEMB	Brazilian Embassy
BLAR	Bureau of Latin American Research, State Department
CFCE	Conselho Federal de Comércio Exterior

CPDOC	Centro de Pesquisa e Documentação em História Contemporânea do Brasil, Rio de Janeiro
DASP	Departamento Administrativo do Serviço Público
DIP	Departamento de Imprensa e Propaganda
DS	Department of State, Washington
DELBRASONU	Delegação Brasileira na ONU
EUA	Estados Unidos da América (USA)
EW	European War
FEB	Força Expedicionária Brasileira
FGV	Fundação Getulio Vargas
FO	*Foreign Office*
FRL	Franklin Roosevelt Library
FRL/OF	Official File
FRL/PPF	President's Personal File
FRL/PSF	President's Secretary's File
FRL/BC	Berle's Collection
FRL/MC	Coleção Morgenthau
FRUS	Foreign Relations of the United States, DS
GV	Getúlio Vargas papers, CPDOC
HAHR	Hispanic American Historical Review
HL	Houghton Library, Harvard University
HO	História Oral, CPDOC
HTL	Harry Truman Library
HTL/OF	Official File
HTL/CF	Confidential File
HTL/PSF	President's Secretary's File

HTL/WHCF	White House Central File
IHGB	Instituto Histórico e Geográfico Brasileiro, Rio de Janeiro
JBUSDC	Joint Brazil-United States Defense Commission
JBUSMC	Joint Brazil-United States Military Commission
JCS	Joint Chiefs of Staff, USA
MRE	Ministério das Relações Exteriores, Rio de Janeiro
NA	National Archives, Washington
OA	Oswaldo Aranha papers, CPDOC
OCIAA	Office of the Coordinator of Inter-American Affairs
OH	Oral History, Columbia University, New York
ONU	Organização das Nações Unidas (= UN, United Nations)
OSD	Office of the Secretary of Defense, USA
OSS	Office of Strategic Services, USA
PAU	Pan-American Union (= OPA, Organização Pan-Americana)
PUL	Princeton University Library
SC	Souza Costa papers, CPDOC
UNRRA	UN Relief and Rehabilitation Administration
USP	Universidade de São Paulo
WD	War Department, USA

Preface
Gerson Moura (1939-1992)

Gerson Moura was born in Itajubá, Minas Gerais, on May 24, 1939. His parents were Presbyterian factory workers, his father a *metalúrgico,* his mother in the textile industry. They separated when Gerson was very young (although they were later reconciled) and he was brought up by his father and unmarried aunts, at least two of whom were teachers. As a result, he could read and write before going to the local public primary school, and from there he won a scholarship to a private secondary school. In 1957 he became a student at the Presbyterian Seminary in Campinas, where he was very much influenced, he later recalled, by the progressive political and social ideas of the US theologian Richard Schaull. On graduating in 1960, however, instead of becoming a Presbyterian minister, as intended, he chose to work with the Associação Cristã dos Estudantes do Brasil (ACEB) in São Paulo.

In 1963 Gerson enrolled in the Faculdade Nacional de Filosofia da Universidade do Brasil (later UFRJ) in Rio de Janeiro. He chose to read History and the teachers who most influenced

him were Manoel Maurício de Albuquerque and Hugo Weiss. He was a student in Rio at the time of the 1964 *golpe* which he strongly opposed, and he played a central role in reconstructing the local students' union after the pre-1964 leadership had been removed. After graduating in 1967 Gerson moved back to São Paulo as head of the ACEB, but following the promulgation of AI-5 in December 1968 and the closure of the ACEB he returned to Rio de Janeiro. There, in 1969, he married the anthropologist Margarida Maria Pourchet Passos, with whom he had two children, Leandro (born in 1971) and Priscila (born in 1973), and later a third, Marília (born in 1985). He earned his living in Rio as a *pré-vestibular* teacher until in 1970 he joined the Departamento de História e Geografia da Pontifícia Universidade Católica (PUC), where he proved to be an extremely gifted and popular teacher of contemporary history. In 1972 Gerson was arrested, without explanation, by civilian police officers, imprisoned at the military police headquarters in Tijuca, and kept in solitary confinement for 17 days before being released. One of his colleagues at PUC-Rio was Francisco Falcón, and together they wrote *A formação do mundo contemporâneo* (1974 and many later editions) which was widely read by students of history and the social sciences in the 1970s and 1980s.

In 1975, with a *bolsa* from CAPES, Gerson entered the *mestrado* programme at the Instituto Universitário de Pesquisas do Rio de Janeiro (IUPERJ). Founded in 1969, IUPERJ was the postgraduate social sciences school of the Universidade Cândido Mendes. During the military dictatorship it was the nearest equivalent in Rio de Janeiro to CEBRAP in São Paulo, the independent research centre in the social sciences supported by the Ford Foundation. IUPERJ specialised in politics and sociology, but one of the *professoras adjuntas* Maria Regina Soares de Lima, offered courses on international relations and Brazilian foreign policy, which Gerson attended.

Soon after joining IUPERJ, Gerson also accepted a research post at the Centro de Pesquisa e Documentação da História Contemporânea do Brasil (CPDOC) of the Fundação Getulio Vargas, which had been founded in 1973. His principal responsibility was the organization of the private papers of Oswaldo Aranha, Brazilian ambassador in Washington from 1934 to 1938 and Foreign Minister from 1938 to 1944, while other researchers were working on the papers of Getúlio Vargas himself and Artur de Souza Costa, Finance Minister 1934-45. He published his first article O tratado comercial Brasil-EUA de 1935 e os interesses industriais brasileiros, *Revista de Ciência Política*, 1978, in collaboration with Maria Celina D'Araujo, like himself both a researcher at CPDOC and a master's candidate at IUPERJ.

As the topic of his master's thesis Gerson chose Brazilian foreign policy from the signing of the commercial treaty with the United States in 1935 to Brazil's declaration of war against the Axis powers in August 1942. His thesis was supervised by Aspásia Alcântara de Camargo, one of his senior colleagues at CPDOC, who had close links with IUPERJ. He also took advice from Maria Regina Soares de Lima and from Celso Lafer, who was a Professor of Law at the Universidade de São Paulo (USP) at the time and who had written an important, pioneering article on international relations: "Uma interpretação do sistema de relações internacionais do Brasil", *Revista Brasileira de Política Internacional,* 1967. Gerson completed his *mestrado* in 1979, aged 40, and his dissertation was published the following year: *Autonomia na dependência. A política externa brasileira de 1935 a 1942* (Rio de Janeiro: Editora Nova Fronteira, 1980).

Under certain "power systems" and under certain favourable international conditions, Gerson argued, it was possible for a subordinate ally to retain a degree of autonomy and negotiate with a

great power (*autonomia na dependência*). While the relationship with the United States had been the central pillar of Brazilian foreign policy since the establishment of the republic in 1889, Brazil's alignment with the United States in the 1930s was not automatic. The growing power of Germany in the world, the potential threat Germany posed to US hegemony in South America, Brazil's economic and military links with Germany and, not least, the existence of personal and ideological affinities with Nazi Germany in some sectors of Brazilian society and government provided Getúlio Vargas with the opportunity to pursue a policy of *equidistância pragmatic* between the United States and Germany. There were, however, limits to Getúlio's room for manoeuvre internationally, the possibilities for bargaining with the United States and the economic and military gains to be won. There was never much doubt, certainly from the outbreak of war in Europe in September 1939 and especially after the fall of France in June 1940, that Brazil would be driven by political and economic realities to consolidate its relationship with the United States. As the chapter titles of the thesis suggest, *equidistância pragmatic* was *possível* in 1935-37, *difícil* in 1938-39, but *rompido* in 1939-41 and essentially discarded between the Conference of American Foreign Ministers meeting in Rio de Janeiro in January, following the Japanese attack on Pearl Harbor and the US declaration of war on the Axis powers, and Brazil's own declaration of war in August 1942.

When *Autonomia na dependência* was published, Gerson was already in London. He had secured a Ford Foundation scholarship to pursue a doctorate at the University of London. His intention was to take his previous research on Brazilian foreign policy into the period when Brazil was at war with the Axis powers (1942-5) and into the immediate post-war period, the Dutra administration (1946-50). I was a reader in Spanish American and Brazilian history at University College London at the time, and became his supervisor.

Gerson knew I was interested in the period, though more on the impact of the Second World War and the beginning of the Cold War on Brazilian domestic politics than Brazil's international relations *per se*. Indeed I taught a course on this subject at IUPERJ in the second semester of 1979, and later edited, with Ian Roxborough, *Latin America between the Second World War and the Cold War, 1944-48* (Cambridge University Press, 1992; Portuguese translation, Rio de Janeiro: Paz e Terra, 1996). Gerson was also aware that my senior colleague at University College, R.A Humphreys, Professor of Latin American History, was completing his own research on Latin America as a whole in this period, which he published in two volumes: *Latin America and the Second World War*, vol. I *1939-1942*, vol. II *1942-1945* (London: University of London Press, 1981-2).

Gerson and his family lived in Great Sheldon, Cambridgeshire from April 1979 to June 1980, during which time, besides commuting to London to work in libraries and archives there, he also, with financial support from the FGV and FINEP, visited libraries and archives in the United States. He returned to live in London from September to December 1982. In between these two *temporadas* in England he continued to work on his doctorate in Rio de Janeiro and at the same time prepared and published a long article "Brasil-Argentina: fontes bibliográficas", *Revista Interamericana de Bibliografia* (1982) and two articles in collaboration with Maria Regina Soares de Lima: "Relações internacionais e política externa brasileira: uma resenha bibliográfica", *BIB. Revista Brasileira de Informação Bibliográfica em Ciências Sociais* (1982) and "A trajetória do pragmatismo: uma análise da política externa brasileira", *Dados. Revista das Ciências Sociais* (1982). His doctoral thesis entitled "Brazilian foreign relations 1939-1950. The changing nature of Brazil-United States relations during and after the Second World War" was submitted and approved in November 1982.

International relations was practically a new subject of study in Brazilian universities and research institutions and Gerson Moura was a pioneer in the study of Brazilian foreign policy, especially relations between Brazil and the United States in the period immediately before, during and immediately after the Second World War. Only two other Brazilian researchers were working in this field at the time: Monica Hirst, Gerson's former student, with whom he was one of the founders of the Instituto de Relações Internacionais (IRI) at PUC-Rio in 1979, as well as establishing a *Programa de Relações Internacionais* at CPDOC in 1980 and who completed her own master's thesis "O processo de alinhamento das relações Brasil-Estados Unidos, 1942-5" at IUPERJ in 1982; and Ricardo Antônio Silva Seitenfus who, under the guidance of José Honório Rodrigues, whose many volumes of historical essays included *Interesse nacional e política externa* (1966), was working independently in Rio Grande do Sul on what became *O Brasil de Getúlio Vargas e a formação dos blocos: 1930-1942. O processo do envolvimento brasileiro na II Guerra Mundial* (Rio de Janeiro, Companhia Editora Nacional, 1985).

In the United States, Lawrence F. Hill (*Diplomatic relations between the United States and Brazil,* Durham: Duke University Press, 1932) and E. Bradford Burns (*The unwritten alliance: Rio Branco and Brazilian-American relations,* New York: Columbia University Press, 1966) had written on the relations between the United States and Brazil in earlier periods. And among the first wave of young "Brazilianists" in the United States in the 1960s and 1970s, two had focused on Brazilian foreign policy under Getúlio Vargas: Frank D. McCann Jr. in *The Brazilian-American alliance, 1937-1945* (Princeton: Princeton University Press, 1974) and Stanley E. Hilton in *Brazil and the great powers, 1930-1939: the politics of trade rivalry* (Austin: University of Texas Press, 1975; Portuguese translation, 1977) and

Brasil e a crise internacional, 1930-45 (Rio de Janeiro: Civilização Brasileira, 1977). There followed an exchange of views between McCann and Hilton on US-Brazil relations during the Second World War that was widely read and much debated: McCann, "Brazil, the United States and World War II: a commentary", *Diplomatic History* 3/1, 1979; Hilton, "Brazilian diplomacy and the Washington-Rio de Janeiro axis during the World War II era", *Hispanic American Historical Review* 59/2, May 1979; and McCann, "Critique [of Hilton's article]", *HAHR* 59/4, November 1979. Hilton went on to publish *Hitler's secret war in South America, 1939-1945: German military espionage and allied counter-espionage in Brazil* (Baton Rouge: Louisiana State University Press, 1981) and an article "The United States, Brazil, and the Cold War, 1945-1960: end of the special relationship", *Journal of American History* 68/3, 1981 which represented a first attempt to examine US-Brazil relations in the period after the end of the Second World War.

Earlier generations of Brazilian historians had written generally on Brazilian diplomacy, and especially on Brazilian diplomacy in the Rio de la Plata in the 19th century and the diplomacy of the Baron Rio Branco in settling the disputes over Brazil's frontiers with its neighbours in South America in late 19th and early 20th centuries. But only Moniz Bandeira (*Presença dos Estados Unidos no Brasil: dois séculos da história,* 1973) and Victor V. Valla (*A penetração norte-americana na economia brasileira, 1898-1928,* 1978) had published books on Brazil's relations with the United States.

On the 1930s and the Second World War, apart from the volumes in Hélio Silva, *O ciclo de Vargas:* vol. XI *1939, Véspera da guerra* (1972), vol. XII *1942, Guerra no continente* (1972), vol. XIII *1944, O Brasil na Guerra* (1974), vol. XIV *1945, Por que despuseram Vargas* (1976), and Roberto Gambini, *O duplo jogo de Getúlio*

Vargas: influência americana e alemã no Estado Novo (São Paulo, 1977), Brazilian historians had studied only Brazil's commercial and financial international relations and their impact on Brazil's economic development, notably Luciano Martins in "Pouvoir et développement économique. Formation et évolution des structures politiques au Brésil" (Doctorat d'Etat thesis, Université de Paris V, 1973; published in Paris, 1976), Marcelo de Paiva Abreu in his fundamental doctoral thesis "Brazil and the world economy, 1930-1945. Aspects of foreign economic policies and international economic relations under Vargas" (ph.D. thesis, Cambridge University, 1977; but not published in Portuguese until 1999) and Pedro S. Malan, Regis Bonelli, Marcelo de P. Abreu e José Eduardo de C. Pereira in *Política externa e industrialização no Brasil (1939/52)* (Rio de Janeiro: IPEA, 1977). On Brazil's international relations in the early years of the Cold War, virtually nothing had been written.

Gerson Moura's doctoral thesis was the first systematic treatment of Brazil's international relations, and especially relations with the United States, during the Second World War and the immediate post-war years, by a Brazilian scholar. In view of the absence of secondary literature, with notable exceptions, at least for the war years (Abreu, McCann, Hilton, Humphreys), it was based almost entirely on extensive use of primary sources: the private papers of Vargas, Aranha and Souza Costa at CPDOC, Góes Monteiro at the Arquivo Nacional and Estevão Leitão de Cunha at the Instituto Histórico e Geográfico Brasileiro, and the diplomatic correspondence in the Arquivo Histórico do Itamaraty, all in Rio de Janeiro; the diplomatic correspondence in the Foreign Office papers in the Public Record Office at Kew, London and in the State Department papers in the National Archives in Washington D.C.; and the private papers of Presidents Roosevelt and Truman in their respective presidential libraries.

After an introductory chapter on Latin America, Brazil and the international politics of the 1930s, Gerson revisited in Chapters 2 and 3 the period of Brazilian neutrality in the War, 1939-42, which had been the subject of the final part of his master's dissertation. While accepting that a policy of *equidistância pragmática* between the United States and Germany (what Roberto Gambini had called the "jogo duplo") was no longer a realistic option (if it ever had been), it was still possible for Getúlio Vargas to extract from the United States significant economic and military benefits for Brazil, notably financial and technical assistance in building a large, integrated steel plant at Volta Redonda, which was regarded as essential for Brazil's future industrialization, and the re-equipment of Brazil's armed forces through Lend Lease, in return for Brazil's political support (and assistance in securing the support of other Latin American countries), the provision of air and naval bases in the Brazilian Northeast, which were essential for victory in the war in North Africa, and a guaranteed supply of Brazilian strategic raw materials for the US war effort.

Chapter 4 examines the war years, 1942-5. Brazil's declaration of war on the Axis powers in August 1942 sealed its alignment with the United States. Brazil became the closest ally of the United States in Latin America, but while it continued to benefit economically and militarily from this relationship, the bargaining possibilities had further narrowed. The Força Expedicionária Brasileira (FEB) of 25,000 men was sent to Europe in 1944, in part with the aim of securing a significant role for Brazil at the peace conference and in the re-ordering of the world after the war. And by treating Brazil as an "associate Power" in the War the US government stimulated Brazilian ambitions and expectations. Brazil, however, was not invited to Dumbarton Oaks and, despite some initial support from the United States, did not secure a permanent seat in the Security Council of the newly established United Nations organisation.

Chapter 5, the longest and most original chapter in the thesis, deals with the post-war years. The Dutra administration (1946-50) continued the policy of close alignment with the United States, for example, by offering unconditional support in the United Nations and breaking relations with the Soviet Union in the early years of the Cold War. But it was now a case of what Gerson called *alinhamento sem recompensa*. There was no bargaining, no political, economic or military gains to be secured. The United States had emerged from the War a global power. Its geopolitical, economic and ideological interests lay primarily in the reconstruction of Europe and the containment of Soviet expansionism in Europe, the Middle East and Asia. Brazil was no longer vital to US interests; it had become in Washington policymaking circles one, albeit the most important, of twenty republics in Latin America, a region in which US hegemony was not under Soviet threat and which could therefore be relatively neglected. Brazil was no longer a "special ally" and Brazilian hopes that the United States would significantly assist Brazil's post-war economic development and military modernisation proved illusory.

The disappointment and disenchantment with the United States Brazil felt at this time had profound consequences for Brazilian foreign policy under the second government of Getúlio Vargas (1951-4) and the government of Juscelino Kubitschek (1956-61), and can be directly related to the *política externa independente* pursued under the administrations of Jânio Quadros and João Goulart (1961-4) and, after another period of *alinhamento automático* with the United States after the 1964 *golpe*, by the military governments of the 1970s – and even to some aspects of Brazilian foreign policy today.

Unlike his master's thesis, Gerson's doctoral thesis was not immediately published, although a translation was made at CPDOC

which was much consulted by researchers: "O aliado fiel: a natureza do alinhamento brasileiro aos Estados Unidos durante e após a Segunda Guerra Mundial no contexto das relações internacionais". And parts of the thesis appeared in Portuguese during the following years: "As razões do alinhamento: a política externa brasileira no pós-guerra (1946-50)", *Revista Brasileira de Política Internacional* (1985); "Alinhamento sem recompensa: a política externa do governo Dutra", CPDOC/FGV texto, 1990; *Sucessos e ilusões. Relações internacionais do Brasil durante e após a Segunda Guerra Mundial* (Rio de Janeiro, Editora FGV, 1991); "Neutralidade dependente: o caso do Brasil, 1939-42", *Estudos Históricos* (1993); "O Brasil na Segunda Guerra Mundial: 1942-1945" and "A segurança coletiva continental: o sistema interamericano, o TIAR e a Guerra Fria" in José Augusto Guilhon de Albuquerque (org.), *Sessenta anos de política externa brasileira (1930-1990)* vol. 1 (São Paulo, 1996).

Although written thirty years ago, Gerson Moura's doctoral thesis remains fundamental for any understanding of Brazilian foreign policy in the Second World War and the immediate post-war years. Relatively little has been written by Brazilian historians on the war years since then and virtually nothing on the post-war years.[1]

The period following his return to Brazil from London at the end of 1982 was an extremely productive one for Gerson.

1 On Brazil and the Second World War, see Francisco Luiz Corsi, *Estado Novo: política externa e projeto nacional* São Paulo: Editora UNESP, 1999; Antônio Pedro Tota, *O imperialismo sedutor. A americanização do Brasil na época da Segunda Guerra* São Paulo: Companhia das Letras, 2000; Vágner Camilo Alves, *O Brasil e a Segunda Guerra Mundial. História de um envolvimento forçado* Rio de Janeiro: Editora PUC, 2002; Francisco Carlos Teixeira da Silva et al (orgs), *O Brasil e a Segunda Guerra Mundial* Rio de Janeiro: Editora Multifoco, 2010; Eugênio Vargas Garcia, *O sexto membro permanente. O Brasil e a criação da ONU* Rio de Janeiro: Contraponto, 2012. On the immediate post-war period. the one topic that has attracted scholarly attention is Brazil-Argentine relations: for example, Raymundo Siepe, 'Peron e a integração latino-americana: o Brasil e a Terceira Posição peronista (1946-55)', in Rafael D. Villa & Suzely Kalil (orgs), *Ensiaos latino-americanos de política internacional* (São Paulo, 2007) and Iuri Cavlak, *A politica externa brasileira e a Argentina peronista (1946-55)* (São Paulo, 2008).

At CPDOC he became co-editor of the *Revista Estudos Históricos,* with Angela de Castro Gomes and Lúcia Lippi, and worked on the *Dicionário Histórico Biográfico Brasileiro pós 1930*, edited by Alzira Alves de Abreu and Israel Beloch, which was published in 1984. At PUC-Rio, with Monica Hirst, he established a Programa de Estudos Americanos (that is to say, a programme for the study of the United States – the first in Brazil). He taught classes and supervised theses at PUC-Rio and the Universidade Federal Fluminense (UFF). He attended seminars and conferences not only in Brazil but in the United States and Latin America, which broadened his interest in US and Latin American history and politics.

His publications on Brazil in this period included a chapter "A revolução de 1930 e a política exterior brasileira: ruptura ou continuidade?" in CPDOC, *A revolução de 30: seminário internacional* (Brasília: Editora UnB, 1983) and two volumes in the Tudo é História series: *Tio Sam chega ao Brasil: a penetração cultural americana* (São Paulo: Brasiliense, 1984), on cultural relations between the United States and Brazil during the period of President Franklin D. Roosevelt's Good Neighbour Policy towards Latin America in the 1930s and during the Second World War, and *A campanha do petróleo* (São Paulo: Brasiliense, 1986), on the nationalist campaign for state ownership of Brazil's oil industry in the early 1950s. He also wrote articles on the United States and Latin America – for example, "Distância e diálogo: história e ciências sociais nos EUA", in *Estudos Históricos* (1990) and "América Latina às vésperas do século XXI", in Paulo G. F. Vizentini (org.), *A grande crise: a nova (des)ordem internacional dos anos 80 aos 90* (Petrópolis: Vozes, 1992), and a book on the history of US relations with Latin America in the Coleção Repensando História series: *Estados Unidos e América Latina: as*

relações políticas no século XX, xerifes e cowboys, um povo eleito e o continente selvagem (São Paulo: Contexto, 1990). *História de uma História: rumos da historiografia norte-americana no século XX* was published posthumously (São Paulo: EDUSP, 1995).

In his on-going research on the history of Brazil's international relations, Gerson was becoming increasingly interested in the 1950s. His friend and colleague Monica Hirst had turned her attention to Brazilian foreign policy under the second Vargas administration. She produced a number of texts for CPDOC/FGV, FLACSO in Buenos Aires and Funag, Itamaraty, which were consulted by other researchers but, unfortunately, never published. Gerson therefore decided to focus his research on Brazilian foreign policy under the Kubitschek administration. "Avanços e recuos: a política exterior de JK", in Angela de Castro Gomes (org.), *O Brasil de JK* (Rio de Janeiro: CPDOC/FGV, 1991) was his first published contribution.

Gerson spent the period of July 1988 to February 1989 as a postdoctoral Research Fellow at the University of London's Institute of Latin American Studies, where I had been appointed Director the previous year. Afterwards, Gerson and his family moved to São Paulo. While still attached to IRI/PUC-Rio and CPDOC/FGV, and therefore commuting to Rio de Janeiro, Gerson taught classes in the Departamento de História da Universidade de São Paulo. But after failing, in somewhat humiliating circumstances, to secure a permanent post there, he accepted instead an invitation to become head of research at CPDOC. The return to Rio de Janeiro in November 1992 was meant to represent a fresh start both for himself and for his family, but sadly, suddenly and unexpectedly Gerson, who was only 53 years old, died of a heart attack on December 7, 1992.

Gerson Moura was much loved as a husband, father, friend, colleague and teacher and much admired as a pioneering historian

of Brazil's international relations, especially before, during and after the Second World War. It has been an honour and a pleasure to write this Preface to the doctoral thesis he completed under my supervision in the University of London thirty years ago. *Brazilian Foreign Relations 1939-1950: the changing nature of Brazil-United States relations during and after the Second World War* is published by the International Relations Research Institute, Alexandre de Gusmão Foundation, and Ministry of External Relations, in memory of his untimely death twenty years ago.

Leslie Bethell[2]

2 Emeritus Professor of Latin American History, University of London; Emeritus Fellow, St Antony's College, Oxford; a former Director of the Institute of Latin American Studies, University of London (1987-1992) and founding Director of the Centre for Brazilian Studies, University of Oxford (1997-2007). He is a member of the Academia Brasileira de Ciências and a *sócio* (one of twenty foreign members) of the Academia Brasileira de Letras.

Preface

During the last decade, Brazil has been seeking new economic and political partners in international affairs in an attempt to pursue a more independent foreign policy. Itamaraty's self-proclaimed "non-alignment" must be viewed in relation and opposition to Brazil's previous firm commitment to the United States – a policy which was established during the years 1939-1945 and consolidated between 1946 and 1950 and which endured throughout the next two decades, with the exception of the brief period 1961-1964. In this thesis it is hoped to make a contribution to the understanding of Brazil's foreign policy during and after the Second World War, when Brazil's relations with the United States became the focus of, and the guideline for, all of Brazil's foreign relations.

There has been no systematic treatment of Brazilian foreign relations during the period of 1939-1950, which must be treated as a whole and which is given a certain unity by Brazil's growing alignment with United States in international politics. There have

been some historical studies on Brazil's foreign relations before the war. Among the most important are: S. Hilton, *Brazil and the Great Powers, 1934-1939* (Austin, 1975); R. Gambini, *O Duplo Jogo de Getúlio Vargas* (S. Paulo, 1977); and R. Seitenfus, *O Brasil de Getúlio Vargas e a Formação dos Blocos, 1930-1942* (in press). There has been one study on the war period, F. McCann, *The Brazilian-American Alliance* (Princeton, 1973), which is a valuable study but provides few if any broad political analyses on the period. There exists no comprehensive study of the post-war years.

It is true that has been much exhaustive research into specific problems with repercussions on foreign relations such as the decision-making process on economic matters. See for example L. Martins, *Pouvoir et Dévéloppment Économique* (Paris, 1976); J. Wirth, *The Politics of Brazilian Development, 1930-1954* (Stanford, 1970); M. Abreu, *Brazil and the World Economy, 1930-1945* (Ph.D. Cambridge, 1977); P. Malan et al., *Política Econômica Externa e Industrialização no Brasil* (Rio, 1977) and P. Malan "Relações Econômicas Internacionais do Brasil, 1945-1964", *História Geral da Civilização Brasileira*, v. XI (in press). There has been also the publishing of extensive collections of documents: H. Silva, *1942, Guerra no Continente* (Rio, 1972), *1944, O Brasil na Guerra* (Rio, 1974), and *1945, Por que Depuseram Vargas* (Rio, 1976). However, a balanced interpretation of war and post-war years, which takes into account the inter-related political, economic, military and ideological aspects of Brazil's foreign relations, does not exist and this thesis will attempt to fill this gap.

Secondly, this thesis will try to evaluate Brazil's role in the international politics during the war and in the post-war period. Generally speaking, current interpretations of Brazil's policy during the war tend to emphasize either Brazilian opportunism in obtaining from the United States all that she needed in those difficult times (see, for example, S. Hilton, "Brazilian Diplomacy

and the Washington-Rio de Janeiro 'Axis' during the World War II Era", *HAHR*, May 1979), or the imposition of US economic domination and political hegemony over Brazil (see F. McCann, "Critique of Stanley E. Hilton's 'Brazilian Diplomacy and the Washington-Rio de Janeiro 'Axis' during the World War II Era'", *HAHR*, November 1979). My view is that US hegemony over the continent did not prevent Brazil from influencing her foreign relations according to her own needs. On the contrary, these two phenomena were closely related. It is a fact that a Great Power may make use of various resources in order to establish a system of alliances with its subordinate allies and this thesis will pay particular attention to the various economic, political, military, ideological and cultural mechanisms activated by the United States in order to secure Brazil's alignment with her policies. On the other hand, I will stress that even a medium-level power such as Brazil may enjoy a certain margin for action in its attempts to determine its own directions in foreign relations, within, of course, the limits posed by US hegemony. This possibility for autonomous action was created not only by the international situation but also by the domestic political balance and the Brazilian Government's ability to deal with complex situations. A similar methodological approach to that adopted in this thesis was used by my colleague, M. Hirst "O Processo de Alinhamento nas Relações Brasil-Estados Unidos, 1942-1945" (M.A. IUPERJ, Rio de Janeiro, 1982), although she dealt only with a brief period and was more interested in focusing on US policy for Brazil.

Current interpretations of Brazil's policy after the war are fragmented and tend to see Brazilian foreign relations as a mere reflection of the orientation of the United States. In fact, however, Itamaraty closely followed the international orientation of the United States but went far beyond US actions in, to take simple example, the braking of relations with USSR.

An evaluation of this period will show Brazil's bargaining power rapidly decreasing, the difficulty in performing an autonomous policy being explained by both the international situation and the domestic political balance. The Brazilian planners believed that Brazil's contribution to the US war effort had created certain moral obligations for the US Government and Brazil might be rewarded by that contribution. They foresaw Brazil as a US special ally and entitled to perform an important role in the international politics. Nevertheless, the change in the strategic aims of the USA, which were then directed towards Europe and Asia, denied Latin America an important role in US foreign policy since it was an area of peaceful hegemony. On the other hand, the Brazilian ruling classes accepted this US change of interest in the name of the fight against international communism. They rapidly digested the new values disseminated by the Western Great Powers and translated propositions of "free world" and so on into a domestic framework. Having accepted US priorities in the international politics resources for bargaining had been drastically reduced and the Brazilian Government had no means of extracting special benefits from its alignment with the United States. In Vargas' times, alignment with the USA had been an instrument of Brazil's foreign policy. In Dutra's times, it became just its aim. In this sense, it is important to analyse both the continuity and discontinuity between the period 1939-1945 and 1946-1950.

The sources upon which the thesis is largely based include both relevant contemporary material and recent studies, published or unpublished, which deal directly or indirectly with the thesis under consideration. Books, articles, thesis, paper and communications have all been utilized during the course of the research. Most material came, however, from primary sources (both printed and in manuscript form). It is also important to note

that research was undertaken in three different countries – Brazil, the United Kingdom and the United States – in order to provide a more balanced view of the events and covered public records and private archives, many of them only recently made available for consultation.

In the Brazilian case, it is still difficult to obtain access to the public records, although many private archives have been made available to researchers. Some have not yet been organized and for others there exists no adequate regulations for classifying the documents. In my case, the most important source – the political correspondence of Itamaraty concerning the 40s – cannot be consulted, since these are classified as confidential papers. Itamaraty's general correspondence on routine matters proved valuable but insufficient for the purpose of the research. The private archives of CPDOC – a centre of documentation and research on Brazil's contemporary history in Rio de Janeiro – were a precious source of information. The most important of them for the purposes of this thesis were the paper of Getúlio Vargas, Oswaldo Aranha and Souza Costa. Also the interviews made by CPDOC's Oral History Programme proved valuable to the same purpose.

The British papers were important inasmuch as they provided a "third position" – frequently very objective – concerning Brazil-USA relations. The research was concentrated on the Foreign Office papers, especially the general correspondence: the British Ambassador's annual reports were a valuable source of information, among others. Besides the general correspondence, the Embassy and Consular Archives, the Confidential Print, and the Avon Papers were also explored.

On the other side of the Atlantic, the voluminous US files were also of great importance as a source of information for many political and military matters. Most important of all was naturally

the National Archives in Washington, where special attention was given to the papers from the Diplomatic Branch, the Modern Military Branch, and the Office of the Coordinator of Inter-American Affairs. Besides the National Archives, the Presidential Libraries and certain Libraries that possessed private papers were also consulted.

Gerson Moura

1. Introduction

Brazil gained independence in 1822 in the context of a vast struggle that pitted the old European colonial system against the major interests of Britain's new industrial economy and society immediately after the Napoleonic wars. With the help of British political and military aid, the Portuguese colonial rule in South America was overthrown and Brazil was firmly linked to Great Britain in both economic and political terms throughout the 19th century. British trade, finance and investment provided the necessary stimuli to the Brazilian coffee export economy, while Brazilian imperial foreign relations during that century were well adjusted to the interests of, and the directions taken by, the European Powers, particularly Great Britain. Although adapted to suit local conditions, British liberalism and French revolutionary ideas already formed the ideological model for Brazilian institutions.[3]

3 An extensive bibliography on British pre-eminence in Brazil during the 19th century exists. On the process of independence, see E. Viotti da Costa "Introdução ao Estudo da Emancipação Política" in C.G. Motta (ed.), *Brasil em Perspectiva* (S.Paulo, 1967); J.H. Rodrigues, *Independência, Revolução: a Política Internacional* (Rio de Janeiro, 1975); and C. Freitas, *George Canning e o Brasil* (S.Paulo, 1958). On economic and social matters, see A. Manchester, *British Pre-eminence in Brazil: its Rise*

The economic position of the British in Brazil was paramount until the 1890s when new competitors, mainly American, German and French, arrived. The newcomers' economic influence grew steadily until World War I, when German influence collapsed. Since then, the interests of the United States gradually replaced British trade and investment, which were in continuous decline. By 1929 the United States was already Brazil's main partner in foreign trade, and took the lead in financing other aspects of Brazil's coffee export economy. From the political point of view, the Brazilian Government tried to counterbalance British influence over her foreign affairs via a deliberate policy of rapprochement towards the United States. This policy, which was effected by Barão do Rio Branco, Brazilian Minister of Foreign Affairs in the first years of the 20th century, was not one of mere adherence to American policies but was intended to help Brazil reduce European influence. Brazilian participation in World War I indicated that at this time United States already played an important role in definition of Brazilian foreign policy.[4]

The turmoil that shook the foundation of Western economic, social and political structures from the crisis of 1929 to the outbreak of the Second World War had similarly radical effects in Brazil: economic, depression, political revolution, the growth of

and Decline (Chapel Hill, 1933); L. Bethell, *The Abolition of the Brazilian Slave Trade* (London, 1970); R. Grahar, *Britain and the Onset of Modernization in Brazil* (London, 1968); and A.C. Castro, *As Empresas Estrangeiras no Brasil* (Rio de Janeiro, 1979).

4 The replacement of British economic influence in Brazil by US interests was studied by V. Valla, *A Penetração Norte-Americana na Economia Brasileira* (Rio de Janeiro, 1979), and P. Singer, "O Brasil no contexto do capitalismo internacional" in B. Fausto (ed.), *História Gerald a Civilização Brasileira*, v.8 (S. Paulo, 1975). D. Platt defends the idea that British withdrawal from Latin America at the end of the 19th century was ot symptomatic of a general decline in Britain's competitive Power but of a deliberate effort to concentrate on home and Empire markets and change the character of British industry, see *Latin America and British Trade 1806-1914* (London, 1972). Brazil's deliberate effort to reduce European political influence was studied by B. Burns, *The Unwritten Alliance* (New York, 1968). See also C. Lafer, "Uma interpretação do sistema de relações internacionais do Brasil", *Revista Brasileira de Política Internacional*, n.39/40 (Rio de Janeiro, 1967).

social movements organized along socialist and fascist models, and competition among the Great Powers to increase their presence in Brazil. While Great Britain remained in a position of defensive retreat, Germany once again entered the race against the US for economic and political influence. Brazil has to respond to the new challenge and re-define all aspects of her life, including her foreign policy.

Latin America and international politics in the 1930s

The economic crisis of 1929 disrupted the functioning of the capitalism system, both the national economies and financial and commercial interaction that fed the international economy, based in the general principle of a division of labour between industrialized and non-industrialized countries. Although the responses of the capitalist states to the crisis were not identical, they nevertheless shared certain features, particularly more decisive State intervention in the national economy, in terms of legislation, control and even direct investment. At the same time, in the international sphere, political measures of economic protection were taken in order to gain or retain exclusive markets, thus breaking the prevailing pattern of free trade. Some countries, notably Britain and France, were able to face the period of economic depression with relative success thanks to their strong currencies and colonial empires. The "have-not powers" (Germany, Japan and Italy) faced a more difficult economic situation and tended to establish some form of economic "self-sufficiency". Nevertheless, the political alliances that supported fascist governments demanded social and economic policies that reinforced oligopolies and reduced salaries, thus aggravating rather than resolving problems such as the need to develop internal markets.[5] As they

5 Experts on fascist economies have already stressed this point, see C. Bettelheim, *L'Économie Allemande sous le Nazisme* (Paris, 1971), v.II, pp. 101-116; and D. Guérin, *Fascisme & Grand Capital* (Paris, 1971),

were countries which needed to import industrial raw materials and secure markets for their products, they had to guarantee the existence of foreign markets. On the other hand, the revenge character of their political plans led the fascists States to attempt to acquire colonies or areas of influence and start campaigns to secure them. Their political response to economic and social crisis was the shortest route to war.[6]

Fascism was one of the expressions of the political crisis that pervaded de 1930s. Overburdened by appalling social problems, for which they possessed neither solutions nor the means to affect them, the Liberal States became an easy target for attacks from the Left and the Right, which accused them – for different reasons – of being outdated. Parties in the centre lost ground in each election and the political spectrum became increasingly polarized, the right representing nationalistic and fascist movements and the left socialist and communist movements. The decade was one of authoritarian governments – even parliamentary democracies experienced an alteration with balance of power, intending to strengthen the executive branch.

The same crisis occurred on the ideological level. The frustrations, which had accumulated since World War I and the unresolved problems in the social and economic spheres, produced sharp criticism of liberal rationality. Liberalism was attacked by the left in the name of the radical materialistic tradition and of a general reorganization of society. Liberalism was attacked by the right in the name of traditional values, such as religion, order, hierarchy and discipline. Fascism was the most successful of these

ch.9. Some disagreement concerning these economic determinations are found in Duroselle, *L'Europe de 1815 a nos Jours* (Paris, 1970); and Renouvin, *Historia de las Relaciones Internacionales – Las Crises Del Siglo XX* (Madrid, 1970), vol.VIII.

6 The relationship between war and economic and social crisis has been pointed out by Crouzet, *Histoire Générale des Civilizations: L'Époque Contemporaine* (Paris, 1958), part I, book 2, ch.II.

movements, revolutionary in appearance and authoritarian in its practices.[7]

The changes in international affairs during this period were substantial. Until World War I, international affairs were ruled by the notion of the "balance of power" – the regulation of international affairs by a few Great Powers located in Europe. This "European Pact" had built up an international order based on a common vision of what was acceptable or unacceptable to the Great Powers and their interests. While the war destroyed that conception, the attempt to create a new international order based on a co-operation (the League of Nations) also failed. The inter-war period therefore represented a growing challenge as the new Powers both within and outside Europe, sought to enlarge their own areas of influence, while the well-established old Powers attempted to halt their own decline.[8]

In Latin America the interregnum of 1919-1939 was characterized by a decline in British influence and a growth of German and North American influence. From the ideological point of view, three main currents – liberalism, fascism and socialism – fought for control of the hearts and minds of the Latin American peoples. But from the point of view of political and economic influence, Great Britain defended her position, while the USA and Germany were relevant only in so far as growth of their power system paced in antagonistic positions in relation to the Latin American nations. The Germans emphasized anti-parliamentary authoritarianism, economic protectionism and military nationalism while the Americans stressed liberal democracy and

7 For a recent guide to existing analyses, interpretations and bibliography on the subject, see W. Laqueur, *Fascism* (London, 1979).

8 This point was made by a Brazilian expert on International Law, C. Lafer, in *Paradoxos e Possibilidades* (Rio de Janeiro, 1982), pp. 72-74. See also G. Barraclough, *An Introduction to Contemporary History* (London, 1964) and "The End of European History" in *History in a Changing World* (Oxford, 1956).

free trade internationalism. Latin America was not only a stage for commercial war, but also a stage of political and ideological dispute, at the very time when authoritarian forms of government and economic nationalism were flourishing in the southern part of the continent. Although the nationalism of the American countries cannot be confused with adherence to fascism or national-socialism, their opponents tried to make such an identification. In other words, in a time of radical political polarization, ideological affinities or similar economic policies tended to be seen as political alignments on the international stage.

The German presence in Latin America

The consolidation of the Nazi regime in Germany returned her to the international scene. Although her foreign policy showed a marked European orientation, suggesting an attempt to create a European empire, her aim was to rival the Great Powers.[9]

German plans towards Latin America (especially Brazil) were mainly commercial. Germany was eager to secure new customers to improve her internal economic conditions. Her imports were mostly foodstuffs and industrial raw materials, while her exports were largely finished goods. She had insufficient foreign currency to operate in the international markets in terms of free trade. Starting with the "New Plan" (or "Schacht Plan") in 1934, the German Government adopted a number of protective measures, including the creation of a special currency, dumping, and bilateral barter agreements (the exchange of goods under quota arrangements). "Economic protectionism" was not a doctrinal rule but a solution dictated by circumstances. However, it was well adjusted to the nationalist formulation of fascism.[10]

9 As stated by G. Barraclough, *An Introduction…*, ch.IV.

10 E. Wageman, an important German civil servant, presents an interesting testimony to this in *Las Estrategie Economique* (Paris, 1938). He regarded the disorganization of the international markets

In those Latin American countries involved in this policy, the effects were of major importance since it created options for increased foreign trade, the sector of their economies most heavily affected by the crisis and depression of the 1930s. It is true that the commercial agreements offered by Germany did not generate currency and stimulated a new dependence: the more goods were sold to Germany, the more the partner was obliged to buy from her. On the other hand, the system did bring with it advantages due to the fact that these countries did not possess sufficient currency to finance immediate payment for imports, which was a condition of free trade treaties. Thus part of their surpluses was sold to foreign buyers and certain products were obtained in return.

Another dimension of the German presence in Latin America was her attempt to exert political and ideological influence. This took place through the usual, ill-defined diplomatic and economic channels – embassies, consulates, schools, commercial enterprises, high finance and air transport, information and propaganda services – that created network of interests and goodwill towards the German cause. At the same time, parallel and direct action was taken by the Nazi party, which tried to assemble people from German population or of German descent in many countries in the continent.

In southern Brazil, for instance, the activity of the Nazi party generated fear among Brazilians and US authorities, although evidence suggests that its role in German plans was always subordinate to her commercial activities. It was not worthwhile sacrificing a vital source of foodstuffs and raw materials in the name of political ideals. When political losses were required in

as responsible for German protectionist policy. See also H. Friedlander and H. Oser, *Economic History of Modern Europe* (New York, 1953), part 3, 26; and C. Bettelheim, *op.cit.*, v.II, pp. 117-125, 153-161.

order to retain a growing participation in Brazilian foreign trade, the German Government did not hesitate. A case in point was that of K. Ritter, German Ambassador in Rio de Janeiro, who was declared *persona non grata* by the Brazilian Government in 1938 due to his party activity among Brazilian nationals of German origin.[11] On the question of adhering to the laws concerning the nationalization of primary teaching passed by the Brazilian Government in 1938, Berlin was unwilling to encourage resistance to the enforcement of the law by local Nazi sympathizers.[12] Nevertheless, Nazi political and propaganda policies were implemented in Latin America as far as was possible and the NSDAP even applied to Brazil the rule of "protection of German citizens" which was then current in Europe.[13]

The influence exerted by the German military establishment over that of Latin America should not be underestimated. Influences dating back to the beginning of the century gained effectiveness as a result of the presence of military missions training Latin American armies as well as the more pragmatic activity of the burgeoning arms trade in the 1930s based on barter arrangements.[14] In the Brazilian case, the admiration felt by members of the military leadership – and much of the rank and file – for the efficiency of the German war machine was notorious.

11 The most recent description of the incident is to be found in R.A. Humphreys, *Latin America and the Second World War* (London, 1981), VI, p. 38.

12 As noted by I. Gellman, *Good Neighbor Diplomacy* (Baltimore, 1979), p. 115.

13 A general account of these activities in Brazil can be found in R. Seitenfus, *O Brasil de Getúlio Vargas e a Formação dos Blocos, 1930-1942* (in press). G. Seyferth presents a detailed analysis of the results of political propaganda among Germans and Brazilians of German descent in southern Brazil in "Nacionalismo e Identidade Étnica" (PhD, 1976).

14 Experts on the period have tended to concentrate their analyses on military questions. See F. McCann, *The Brazilian-American Alliance 1937-45* (Princeton, 1973), esp. ch. 4 and 5; and *A Influência Estrangeira e o Exército Brasileiro, 1905-1945* (Rio de Janeiro, 1980). The arms trade is well documented in S. Hilton, *Brazil and the Great Powers, 1930-39* (Austin, 1975), ch. 4 and 6.

This set of German military, cultural, political and economic activities in Latin America disturbed the American authorities who, in the mid-1930s started a series of initiatives in order to reduce or eliminate them.

US policy towards Latin America

Known as the "Good Neighbour" policy, Roosevelt's political action towards the rest of the continent involved various types of initiatives but lacked a coherent and definite pattern of action. It was presented as a policy based on the following new assumptions: The US could abandon her policy of interference and, above all, of military intervention; the juridical equality of all American nations could be recognized in practice as well as in theory; there was a need for inter-American consultation whenever trouble within one republic threatened to become a source of danger to the others; agreement to co-operate in all practicable ways had to be achieved in order to advance the well-being of the peoples of Americas.[15]

It has been noted that the end of interventionism constituted a natural development of US policy in the 1920s. On one hand, the threat of European influence had diminished after World War I and "support within the United States for the burden of interventionist policies began to decline."[16] On the other hand, Latin Americans "began to press her to relinquish this right and accept the principle of non-intervention in her relations with them."[17] These pressures culminated in the Sixth International

15 For statements made by the US Secretary of States, Cordell Hull, see *The Memoirs of Cordell Hull* (New York, 1948), v.I, part 2, ch. 23, 24, 25. Those of the Under-Secretary, Sumner Welles, can be found in *The Time for Decision* (New York, 1944), ch. V and *Where Are We Heading* (New York, 1946), ch. 4.

16 Quoted from R.H. Wagner, *United States Policy Toward Latin America* (Stanford, 1970), p. 13.

17 Quoted from G. Connell-Smith, *The United States and Latin America* (London, 1974), p. 150.

Conference of the American States held in Havana in January-February 1928 and the Seventh International Conference of the American States held in Montevideo in December 1933, where Secretary of State Cordell Hull had to accept the Convention on the Rights and Duties of States that clearly formulated the policy of non-interventionism.

More recent historians of the "Good Neighbour" policy have agreed that the Roosevelt Administration managed to discard the obsolete elements of interventionism while retaining those aspects considered being vital to United States security. Washington did not employ armed force against Latin American countries as a "big stick" or in terms of "dollar diplomacy" but used other instruments of political and economic pressure to attain its goals. The "soft" US interventionism against the Grau Administration in Cuba in the early 1930s is the best example of how the "Good Neighbour" policy treated such issues.[18] Other examples include the maintenance of US troops in Panama and Guantánamo (Cuba).

While some methods had changed, the goals of United States foreign policy remained the same. It aimed to minimize European influence in Latin America by maintaining US leadership in the hemisphere and encouraging political stability in the countries of the continent.[19]

A quite different interpretation is provided by the US historian D. Green, for whom the "Good Neighbour" policy constituted a response to economic needs. United States recovery from economic depression on the 1930s demanded expanding foreign markets for

18 The challenge to the new "Good Neighbour" policy presented by the Cuban case has been studied by D. Green, *The Containment of Latin America* (Chicago, 1971) ch. 1; B. Wood, *The Making of the Good Neighbor Policy* (New York, 1961), ch. 2, 3; I. Gellman, *op. cit.*, pp. 38-39; and G. Connell-Smith, *op.cit.*, pp. 160-162.

19 See G.P. Atkins, *Latin America in the International Political System* (New York, 1977), pp. 97-101.

manufactured goods, as well as a growing supply of raw materials and new avenues for investment. The "Good Neighbour" policy responded to these demands and represented an attempt to widen inter-American trade as a whole.[20]

There is no doubt that the American economy was in need of such a widening of trade in order to overcome the effects to the depression. On the other hand, to believe that this was the main motivation for the "Good Neighbour" policy seems doubtful. The measures taken by the Roosevelt Administration in Latin America during the 1930s suggest a major preoccupation with political and strategical issues. The objectives were to ensure, as far as possible, political collaboration and the alignment of the nations of Latin America with US leadership. Although retaining Latin American markets was a vital part of that strategy, its character was predominantly instrumental. In contrast to German policies, Washington did not hesitate in sacrificing minor economic interests in the name of major political ends.

On the other hand, Latin America undoubtedly played an important role in the recovery of the North American economy, due to the fact that it was a crucial source of foodstuffs and industrial raw materials, as well as market for exports of industrial countries, in that it adopted a free trade programme in an attempt to hasten the recovery of the international economy in general and US foreign markets in particular.

Within the framework of the "Good Neighbour" policy, the United States had to take certain initiatives in order to aid the recovery of the Latin American economies. The solidarity of the hemisphere demanded, therefore, a programme of economic assistance towards the rest of the continent. There existed no

20 D. Green, *op.cit.*, pp. 18-20. Also see R. Gambini, *O Jogo Duplo de Getúlio Vargas* (S. Paulo, 1977), pp. 37-42.

clear-cut consensus in the late 1930s on the manner in which such assistance should be given and different US Government departments and agencies (State Department, the Treasury, Eximbank) held different and frequently conflicting ideas. Some favoured what may be called an "agro-export approach" that emphasized commercial questions and exchange policies. A second trend, which may be called a "limited industrialization approach", stressed questions connected with industrial development.[21]

The first attitude was most commonly found in the State Department and proposed that the US encourage the commercial and financial recovery of the continent by means of technical co-operation and loans that financed complementary products such as strategic mineral. Adherents of this approach felt it was sufficient to stimulate the production of primary goods, which would in turn activate free trade and assist the maintenance of traditional economic relations. Financial measures would guarantee currency stability, and growth would be assured.

The "limited industrialization approach" criticized the former and insisted that US assistance to Latin America should concentrate on long-range loans for productive investments. The growth of industrial productivity would result in increased exports and the fulfilment of both financial and commercial external duties, as well as widening the span of commercial relations with the USA. Although this approach postulated a series of technical and financial facilities to which Latin American countries could have recourse, it established narrow limits for the industrial development of these countries. The possibility of substituting

21 Many authors have pointed out this controversy. An interesting document in Franklin Roosevelt's Library sums up the divergence in 1939. See "Basis of discussion with Minister Aranha", Feb 1st 1939 and communication from Mr. Taylor to Mr. White, Treasury Department, Frebruary 6 1939, FRL/MC 39.01.12.

imported goods should not be allowed to affect the normal flow of manufactured foods from the US to the continent. This vision, more progressive than that of the State Department, was adopted by the inter-American committees connected with development problems.

The US Government's programme of economic assistance attempted to acquire an inter-American profile. For this reason the Panama Conference held in September-October 1939 created an Inter-American Financial and Economic Advisory Committee, whose first Chairman was Sumner Welles. The aims of the Committee were to attack predictable wartime economic dislocations and to explore long-term methods of increasing inter-American trade and promoting Latin American economic growth. This committee in turn created the Inter-American Development Commission under the presidency of Nelson Rockefeller, which was charged with sponsoring studies, compiling information and establishing the contacts necessary to achieve the development of the twenty-one republics. "Inter-American Development" was understood to involve: a) the stimulation of non-competitive exports from all the Latin American republics to the USA and commerce among the Latin American republics; and b) the encouragement of industry in all the Latin American Republics.[22]

The purpose of the first item was to increase the foreign currency reserves of the South American republics in order to strengthen their weakened economies. The USA would buy products such as vegetable oil, foodstuffs, drugs and strategic materials. This American goodwill must, of course, be viewed in the light of an appalling problem: the loss of non-American sources of those primary goods due to the war. This line of action

22 Inter-American Development Commission. NA/RG 229.10 – Records of the Immediate Office of the Coordinator, Minutes of Meetings and Conference.

had predictable results: the strengthening of traditional economic relations between the USA and her continental neighbours.

Item b) was more interesting in that it clarified the Commission's understanding of the meaning of the industrialization of Latin America. It did not propose the creation of industries producing capital goods since these would "prove to be non-economic in their operation." The proposed alternative was the creation of industries manufacturing consumer goods

> *so that certain of the American republics may free themselves from dependency upon Europe and Asia for articles which they consume in everyday life.*[23]

This item clearly reveals the Commission's intention to encourage those industries which would enable the countries of Latin America to reduce imports of goods previously obtained in Europe and Asia while leaving imports from the USA unaffected. In other words, the Inter-American Development Commission proposed a pattern of industrialization for Latin America which was strictly subordinated to US economic interests, and which would sustain asymmetric complementarities between the two. In such a pattern, there was no room for long-range industrialization projects.[24]

The most dramatic aspect of these events concerns the fact that even this restricted guideline for Latin American economic development was not put into action. Furthermore, US war efforts blocked certain developmental initiatives and caused the Latin American economies to return to their previous status of suppliers

23 Idem, p. 4. The idea that industries producing capital goods in Latin America were non-economic recurs in many US Government documents. See for instance NA/RG 229.12 – Post War Planning.

24 This is also the conclusion reached by Gellman, for whom Roosevelt's economic projects for Latin America responded to immediate pressures. Long-range planning did not receive serious consideration. I. Gellman, *op. cit.*, p. 167.

of raw materials.[25] Modest inter-American attempts to create developmental projects such as the Latin American Advisory Service (whose objective was to increase sales of Latin American retail and consumer goods in the USA) and an inter-American commodity cartel (a kind of cleaning-house for the purchase and distribution of surpluses) were blocked by political considerations or war effort priorities.

With the rapid growth of US preparations for war in the late 1930s, the Department of State began to assess the "Good Neighbour" policy in military terms. If consultation and common action among the American republics was the core of Pan-American, military collaboration had to take a multilateral form. Consequently, an Inter-American Defense Board was formed in order to promote the co-ordination of measures necessary to "hemispherical defense".

The US Army and Navy planners completely disagreed with the State Department's approach as J. Child, an expert on US-Latin American military relations, has recently stated. For them the Inter-American Defense Board was merely a military facade necessary for the multilateral action of the Department of State and had no role to play in real war planning. The US military planners were only prepared to put into practice eminently bilateral plans of collaboration with Latin-American nations.[26]

The reason for this lies in North American strategic conception, based on the principle of national defense. At the beginning of the century, the perimeters of this national defense were regarded as

25 A study of the full economic impact of the European war and US involvement in the Latin American economies can be found in D. Green, *op. cit.*, ch. IV.

26 J. Child, *Unequal Alliance*, The Inter-American Military System 1938-1978 (Boulder, 1980). Child's analysis was first developed in "From 'Color' to 'Rainbow': US Strategic Planning for Latin America 1919-45", *Journal of Inter-American Studies and World Affairs*, v. 21, n. 2, May 1979. See also I. Gellman, *op. cit.*, ch. 10.

incorporating the continental territory of the USA as well as the Caribbean (the "American Lake"). In the 1930s, these boundaries were extended to include Alaska and Newfoundland in the north and Northeastern Brazil and the Galapagos Islands in the south. This enlargement was made due to the possibility of a Japanese attack from the Pacific and a German attack on the Brazilian Northeast from North Africa.

Whether or not there was a possibility of a German attack on American territory from North Africa is still a polemical issue which is, in fact, part of a more general question: did the Nazi Government have hostile intentions towards the USA and, if so, were they a menace to her security? Some historians speak of Hitler's hostility towards the USA but can find no direct evidence of actual Nazi aggression towards US territory.[27] Others suggest that although the menace was real it was not territorial but was represented by German's challenge to American economic supremacy.[28] And there are those that simply suggest that Hitler wanted to keep the USA out of the European war.[29] Whether or not Nazi threats to the US were real or illusory, the decisive political factor was that the Roosevelt Administration's perception of that menace, which dictated the main outline of its foreign policy and which felt that the US's defensive role covered the whole continent.

Consequently, the US strategies needed more bases in key countries in the "American Lake". Since the "Good Neighbour" policy precluded unilateral military action by the USA, it was necessary to

27 See A. Frye, *Nazi Germany and the American Hemisphere* (New Haven, 1967); J.V. Compton, *The Swastika and the Eagle* (Boston, 1967); R. Dallek, *Franklin D. Roosevelt and American Foreign Policy* (Oxford, 1979); and I. Gellman, *op. cit.*

28 See L.C. Gardner, *Economic Aspects of New Deal Diplomacy* (Madison, 1964).

29 See S. Friedlander, *Prelude to Downfall* (New York, 1967). For a discussion of the relevant bibliography, see R. Divine (ed.) *Causes and Consequences of World War II* (Chicago, 1969).

create special bilateral treaties with these countries. (In addition, the American military planners prepared unilateral plans of invasion of those countries, in case the bilateral approaches failed.)[30]

The strategy elaborated for the whole continent was not designed to allow the combined participation of Latin American and US forces. US forces would be in charge of the defense of the continent and every other nation would contribute to the success of that overall strategy according to its capacity. In general terms, this involved the cession of air and/or naval bases and the maintenance of internal political and social order.[31] In any case, US plans did not in fact expect Latin American forces to participate directly in the conflict. "Hemisphere defense", as defined at inter-American conferences and in political speeches, was merely the rhetoric counterpart of the multilateral efforts that the State Department was undertaking in sphere of political, economic and cultural co-operation.

Since the late 1880s, the US Government made efforts to co-ordinate all nations of the Americas through periodical Pan-American Conferences attended by representatives of the various governments. Whether or not it is true that these conferences pointed to US "determination to establish hegemony over Latin America"[32] or merely to her wish "to allay the ill-will engendered by its practice of intervention in Latin America"[33], the fact is that these efforts did not succeed until the 1930s. In addition to enormous differences and conflicts among the Latin American

30 In the Brazilian case, the plan was entitled "Operation Plan of Northeast Brazil Theater" (Code name: Lilac). NA/RG 407, Operations Branch A.G., n. 29.

31 See G.K. Haines, "Under the Eagle's Wing: The Franklin Roosevelt Administration Forges an American Hemisphere", *Diplomatic History*, v. I, n. 4, 1977.

32 G. Connel-Smith, *op. cit.*, p. 107.

33 J.L. Mecham, *op. cit.*, p. 72.

countries themselves, there was, throughout the first three decades of this century, bitter resentment of US interventionism, whether it was labeled "big stick diplomacy", "dollar diplomacy", or any other name.

Even in the thirties, a real desire for common action was far from expressing the truth, both among the Latin American countries themselves and between the United States and Latin America, as was noted by the US historians Charles and Mary Beard.[34] Thus the achievement of political collaboration towards common aims in the hemisphere demanded strenuous efforts on the part of the Department of State. Since the mid-thirties a series of inter-American Conferences were held in attempt to forge this "unity" demanded by US intentions to lead the continent. Since then the following steps have been taken.[35]

At the Conference of Buenos Aires, held in December 1936, the United States was able to gain agreement over a proposal that created a mechanism of consultation among the American countries, making them capable of taking immediate action in critical situations. This conference established the principle that a menace to the security of an American nation was to be considered a menace to all of them.

At the Conference of Lima in November 1938, the US Government decided to enlarge the system of consultation and proposed the establishment of some kind of continental security pact. The US was, however, faced with firm opposition by the Argentine delegation, for who the idea of such a treaty of collective security involved the concept of military alliance which was held to limit the freedom of action of the countries of Latin America.

34 Charles & Mary Beard, *America in Mid-passage* (London, 1939), pp. 496-497.

35 Careful presentation of the debates held at these conferences and their results are to be found in G. Connel-Smith, *op. cit.*, ch. 5; and J.L. Mecham, *op. cit.*, ch. V, v. I. Those conferences held after 1939 have been studied by H.A. Humpherys, *op. cit.*

The First Meeting of American Foreign Ministers held in Panama, in September 1939, was a by-product of the problems created by the European War and voted that the continent remain neutral. It also established the principle of the neutrality of territorial waters. These unanimous decisions reinforced US leadership and Roosevelt began to use this neutrality in order to help the British.[36]

The Havana Conference of July 1940 took a step beyond formal neutrality. As Professor Humphreys has noted, if the Panama Conference had met under the sign of neutrality, the Havana Conference met under the sign of defense since it was decide that any attempt by a non-American state to violate the integrity, territorial inviolability, sovereignty or political independence of an American state would be considered an act of aggression against all the American State.[37] At that time, Germany had already invaded Holland and France, thus putting the Guiana at risk. For this reason the conference established the principle of non-recognition of any attempt to transfer any geographic region of the continent from one non-American power to another.[38]

Thus the neutrality established by the United States in the hemisphere was clearly anti-Axis in nature. It was a tactical instrument employed by Roosevelt as part of his policy aimed at building the USA as a Great Power in the face of a rival who held similar aspirations. US action in further "hemispheric solidarity" had a similar purpose. Prevented by US public opinion and the attitude of Congress from playing an active role in European

36 Gellman reminds us that neutrality made British possessions in the American continent untouchable. This alleviated the problems faced by this Majesty's Government in ensuring their security. See I. Gellman, *op. cit.*, p. 104.

37 R.A. Humphreys, *op. cit.*, p; 70.

38 The use of the "no-transfer" declaration made by Roosevelt in his policy towards the British is also analysed by I. Gellman, *op. cit.*, ch. 7.

politics during the thirties, Roosevelt opened avenues for action in Latin America and forged the unity of the Continent under his leadership. When the war reached the Americas, the Latin American States "were able to glide smoothly and naturally into their predetermined roles as co-belligerents".[39]

Brazil in the 1930s

The 1930s have been regarded an important landmark in Brazil's contemporary history due to the emergence of new political forces in the form of a national movement that overthrew the "oligarchic republic" and brought Getúlio Vargas to power in October 1930. Debate among historian and social scientists about the *Revolução de 1930* has concentrated on the conservative or revolutionary nature of the newly established balance of power.[40] Some authors have affirmed the sense of conservatism in Brazilian social structure, hidden under new labels and behind a set of reforms which were more apparent than real.[41] Others place the emphasis on the economic and social changes and point specifically to the role of the State in the re-orientation of the country's coffee export economy according to a new pattern linked with the urban industrial sector.[42] These same categories of conservation and transformation have also been applied to the understanding of Brazilian foreign policy in the thirties. The truth is that the

39 In the words of J.L. Mecham, *op. cit.*, p. 208.

40 Many specific studies of this issue are currently being produced. I have made an evaluation of the recent bibliography in "A Revolução de 1930, 50 Anos Depois", *O Estado de São Paulo*, October 5, 1980.

41 See L. Martins, *Pouvoir et Developement Economique* (Paris, 1976) and O. Velho, *Capitalismo Autoritário e Campesinato* (São Paulo, 1976). Velho uses E. Hobsbawn's definition of the British tendency to maintain the form of old institutions with a radically new content as a preference for putting "old labels on new bottles" (Hobsbawn, *Industry and Empire*) to describe the Brazilian tendency to put "new labels on old bottles."

42 See C. Furtado, *Formação Econômica do Brasil* (S. Paulo, 1967) and A. A. Camargo, "Brésil Nord-Est: Mouvements Paysans et Crise Populiste" (3ème Cicle, Paris, 1973). Ch. 1.

October revolution in Brazil led to neither a radical rupture nor perfect continuity with the past. "Redefinition" seems to be the most appropriate term for defining Brazilian internal affairs and foreign relations.[43]

Institutional changes

The assumption of power in 1930 by Getúlio Vargas, a former member of Parliament, ex-Minister of the Treasury and Governor of the state of Rio Grande do Sul, was the result of a peculiar alliance. Certain dissident "oligarchical" groups (the political expression of the agrarian dominant classes) joined with the *tenentes* (young revolutionary military officers) in order to overthrow the dominant "oligarchical" faction, represented by President Washington Luiz.[44] The programme of the *tenentes* included democratic elections, social reforms, the nationalization of the Land and underground resources and the elimination of the oligarchic political machine. After victory they concentrated on strengthening the state, without immediate elections, in order to improve the other items in their programme. The "oligarchical" groups now in power feared the reformist mood of the *tenentes* and consequently made certain concessions to the working classes in order to preclude substantial transformation of the social order. Some laws were promulgated between 1930 and 1934 in response to the workers' demands on issues such as labour unions, minimum wages, the regulation of women and children's work, collective contracts of work, holidays and social security.[45]

43 I have discussed this question in more detail in " A Revolução de 1930 e a Política Externa Brasileira: ruptura ou continuidade?" CPDOC (Rio de Janeiro, 1980).

44 For an analysis of this alliance, see A. A. Camargo, *A Questão Agrária: Crise de Poder e Reformas de Base 1930-1964,* CPDOC (Rio de Janeiro, 1979).

45 A detailed study of Brazilian social legislation in the 1930s has been made by A. M. C. Gomes, *Burguesia e Trabalho* (Rio de Janeiro, 1979), Ch.VI. See also L. W. Vianna, *Liberalismo e Sindicato no Brasil* (Rio de Janeiro, 1976).

The *Provisional Government* (1930-1934) was marked by conflict between the *tenentes* and the regional "oligarchies". The latter raised the flag of democratic elections in order to undermine the *tenentes'* revolutionary power. This conflict culminated in the *movimento institucionalista* which was started in 1932 by the *paulista* oligarchy. The revolt was defeated in military terms but was victorious in the political sphere. The *tenentes* lost influence, at a time when the power of both the more conservative military hierarchy in the army and the oligarchies in the central government were expanding. The new Constitution in 1934 widened political representation and de-centralized the power structure, thus allowing incorporation of new groups, as well as those excluded in 1930, into the political game. The policy was typically one of compromises.[46]

The *Constitutional Government* (1934-37) was a period of extraordinary political mobilization as well as ideological polarization.[47] Among the more successful political movements then were the *Ação Integralista Brasileira* (AIB) and the *Aliança Nacional Libertadora* (ANL). The former attempted to foster reactionary mobilization and exhibited certain symbolic elements similar to the European fascist movements although its ideas and political actions cannot be identified with these movements.[48] In opposition to the AIB a wide-ranging anti-fascist and anti-

46 An analysis of the parliamentary debate preceding the Constitution of 1934 and the general policy of compromise between the State and the regional oligarchies is to be found in A. Gomes et al, *Regionalismo e Centralização Política* (Rio de Janeiro, 1980).

47 For a study of the period as a whole, see R. Levine, *The Vargas Regime* (New York, 1970).

48 For a detailed study of the *Integralista* movement see H. Trindade, *Integralismo* (S. Paulo, 1974). Some authors call attention to the nationalist and authoritarian programme of the movement, see M. Chauí, *Ideologia e Mobilização Popular* (Rio de Janeiro, 1978); others to its catastrophic conception of reality and a socially backward programme, see J. Chasin, *O Integralismo de Plínio Salgado* (S. Paulo, 1978); others to its specific nature with European fascism, see R. B. Araújo, " As Classificações de Plínio", *Revista Ciência Política* V. 21, n.3 (Rio de Janeiro, 1978).

imperialist front was created. The ANL joined leftist and Liberal parties and movements and adopted a programme of social reform.[49]

The Government reacted against this political polarization, which was evident from 1935 onwards, via increased repression which allowed, in turn, the establishment of an authoritarian state. A national security law was passed, ANL was closed and many workers' unions were attacked. Following an attempted communist rebellion in November 1935, the Government extended the repression to include ANL followers, reinforced the state's powers and finally declared a "state of war". This escalation culminated in the *coup d'état* in November 1937 and the establishment of the Vargas dictatorship with the support of the armed forces. It was the beginning of the *Estado Novo* which lasted from 1937 to 1945.[50]

The National Congress was closed, as was the case of the political parties. A new Constitution promulgated by the Government reinforced many corporate and nationalist principles. It gave full executive and legislative powers to the President. The *estado de emergência* was established, by which political and civil rights were removed and censorship to the press was established. A *Departamento de Imprensa e Propaganda* (DIP) was created as the main instrument for the consolidation of the new regime.

Political centralization allowed the President to nominate regional governors (*interventores*) also with executive and

49 On this point all introductory books on the "Estado Novo" are useful. Also P. Levine, *op. cit.* Ch.3. See also H.Silva, *1935, A Revolução Vermelha,* (Rio de Janeiro, 1969).

50 General studies of *Estado Novo* are E. Carone's *O Estado Novo* (S.Paulo, 1976) and *A terceira República* (S. Paulo, 1976). The organization of the coup is discussed in H. Silva, *A Ameaça Vermelha: O Plano Cohen* (Porto Alegre, 1980). The search for political support to the dictatorship was studied by H. Bomeny in " A Política de Mobilização da Juventude no Estado Novo" and its ideological dimensions were studied by L. L. Oliveira, M. P. Veloso and A. M. C. Gomes, *Estado Novo Ideologia e Poder* (Rio de Janeiro,1982). For an account on the politico-adminstrative structure of the *Esatdo Novo,* see L. Sola, "O Golpe de 37 e o Estado Novo" in C. G. Motta (ed.) *Brasil em Perspectiva* (S.Paulo, 1976).

legislative power, but did not eliminate the oligarchical areas of political influence. Centralization of decision-making was accomplished by a bureaucratic agency called the *Departamento Administrativo do Serviço Público (*DASP) whose function was the unification of state civil services. So during the *Estado Novo* the decision-making process became restricted to certain high-level State agencies (Ministries, bureaucracies or inter-Ministerial technical agencies). In fact, the final "political" stages of decision-making were few, but the intermediate "technical" stages involved the direct representation of various interests, especially the economic interests.

If we look at the decade as a whole we can see that the "revolution of 1930" produced some very significant changes in the Brazilian economy and society although it did not change the structure of social domination. While the masses continued to be excluded from political life, certain new social factions did begin to participate, directly or indirectly, in the decision-making process.[51] The "revolution" was born out of a political system. But no class or class sector could play a dominant role in the new political system. The "State of compromise" which was established became increasingly strong and autonomous. At the same time it made possible the simultaneous participation of both old political factions (regional oligarchies of rural origin) and new ones (class sectors connected to industrialization, urbanization and the growth of the State).

The economic policy of the Vargas Administration in the thirties was coherent with these characteristics: it defended the export sector and refused to adopt a policy of protection for industry. Nevertheless, it did initiate an exchange policy that

51 An analysis of this subject is to be found in Diniz, *Empresário, Estado e Capitalismo no Brasil: 1930-1945* (Rio de Janeiro, 1978).

created better conditions for industrialization. At the same time the State itself became directly involved in industrialization due to certain internal and external deadlocks.

It was inevitable that "the best economic policy for the country" became a polemical issue. Different class sectors had different interests as well as different perceptions of what the Brazilian economy was, of what its links with the international economy were, and of the role played by the State. These differences produced conflicts in the arenas of decision-making.

Foreign Policy

Conflicts over economic issues were clearly present in the foreign policy decision-making process since different conceptions of economic policy tended to correspond to preferential alignments in international affairs. Foreign trade, financial and industrial matters were all subject to these conflicts. In addition, military matters such as the purchase or replacement of armaments and ammunition, vigilance on the borders, strategic studies, and the training of the armed forces were clearly linked with foreign suppliers and foreign know-how and involved political decisions.

During the period of constitutional government (1934/37) decisions of major significance could be originated in the executive branch and its agencies but had to be approved by the legislative bodies. During the *Estado Novo* the decision-making process became restricted to certain high-level State agencies, as we have seen. A higher level of decision-making was naturally the Cabinet, which reflected the prevailing political division. The emergence of divisions between either "liberal" and "nationalist" positions or "pro-Axis" and "pro-USA" positions depended on the prevailing political situation or even the specific issue being discussed. The Ministry of Foreign Relations, the *Itamaraty*, was by this time organized along traditional liberal lines which allied it closely with American

and British positions in international politics. The narrowing of the decision-making circles plus the deep political divisions within the whole State apparatus, and in particular in the Cabinet, frequently caused Vargas to become the supreme judge of foreign relations and an active actor in the making of the main foreign policy decisions. Thus in many cases the final word came from Vargas.[52]

The result of these divisions and of the pre-eminent role played by Vargas in the decision-making process during the thirties was a permanent disposition to explore the best opportunities created by the competition between Germany and the USA for influence in Brazil. On the whole, Brazil foreign policy in the thirties can be best described as an oscillation between one great power and the other in terms of commercial, political and military issues. This policy of *pragmatic equilibrium*[53] between the USA and Germany produced a number of commercial benefits and increased Brazil's bargaining power in the years ahead.

For Brazil, whose economy in the thirties began to be re-orientated away from the production of primary goods towards a process industrialization and urbanization, foreign trade was of paramount economic and political importance. It was vital in order to assure a substantial recovery from repression, and to guarantee to the dominant classes the best conditions for their reproduction. This was a crucial matter for the States since material and political resources for governmental programs depended on foreign trade as did the possibility of maintaining internal stability and playing a significant role in international affairs.

Great Britain had been Brazil's most important economic and financial partner since her independence in 1822. Foreign trade,

52 On the personalization of the decision-making process in the *Estado Novo* and the role played by Vargas see L. Martins, *op. cit*, pp. 234-245.

53 I have explained this conception in more detail in *Autonomia na Dependência* (Rio de Janeiro, 1980), ch.2.

loans, investment in public services, export and import companies – in all these fields British capital had played a central role in the Brazilian economy. However, during the interwar period (1919-1939) a clear British retreat in relation to the Brazilian economy had taken place,[54] although in the twenties London was still an important alternative source of funds for Brazil especially for the maintenance of the policy of coffee valorization.[55]

The "Niemeyer Mission" of 1931 suggested that this influence might revive during the early thirties, but America's strength as a commercial partner and exchange supplier rapidly produced substantial effects. Incapable of playing a more aggressive role in the Brazilian economy, the policy of the UK during the thirties and the war mainly attempted to protect her financial interests. Commercial issues took second place.[56]

This movement towards the US economy did not reduce Brazilian economic dependency in so far as the new partner was itself a produced of foodstuffs and industrial raw materials. The economic complementarity had by then been reduced, and Brazil's economic dependency became more acute. German advances in Latin America during the thirties ameliorated the situation since she was seeking sources of foodstuffs and industrial raw materials.

As we have seen, the USA and Germany proposed different kinds of foreign trade. For that reason the Brazilian domestic debate over this issue had serious political implications, both

54 A very detailed study of the transference of those positions to American hands was made by V. Valla, *A Penetração Norte-Americana na Economia Brasileira 1898-1928* (Rio de Janeiro, 1979).

55 According to M. Abreu, *Brazil and the World Economy*, 1930-1945 (PhD Cambridge, 1977).

56 On the "Niemeyer Mission" see M. Abreu, " The Niemeyer Mission" (Cambridge, 1970). British difficulties in achieving commercial recovery in Brazil during the war were exposed by M. Abreu, "Brazil and the World Economy", 1930-1945, pp. 221-224.

internal and external. Within the country, polemics divided classes, interest groups and even State agencies, so that one cannot speak of a unitary vision held by the dominant classes of the Brazilian economy. These contradictory interests and demands converged on the State agencies, both on the highest and the intermediary stages of decision-making. The advantages and disadvantages of free trade (i.e. trade relations with the USA) and compensation trade (i.e. relations with Germany) were the main topics of the polemics. In these circumstances the Vargas Administration chose a policy of adhering to free trade as in accordance with the US Government's wishes without relinquishing the benefits derived from the barter arrangements proposed by Germany.[57] In 1935 the Brazilian Government signed a commercial treaty with the USA that sustained or reduced customs duties for goods from both countries.[58] In the following year the Brazilian Government signed a commercial (barter) arrangement with Germany for the export of large quantities of cotton, coffee, oranges, leather, tobacco and tinned meat.[59]

Trade between Brazil and Germany grew steadily until the end of the thirties. The Roosevelt Administration kept a close watch on this arrangement and pressurised the Brazilian Government to end or at least limit its effects. Curiously the US Government avoided any retaliation against Brazil. Washington frequently connived at the continuation of Brazilian-German trade under barter arrangements,

57 This double policy was elaborated in the *Conselho Federal de Comércio Exterior.* For a synthesis of the discussion in the Council see J. Wirth, *The Politics of Brazilian Development, 1930-1954* (Stanford, 1970), pp. 27-35.

58 This treaty was studied in detail by M.C. D'Araújo & G. Moura, " O Tratado Comercial Brasil-EUA de 1935 e os Interesses Industriais Brasileiros", *Revista Ciência Política*, v. 21, n.1 (Rio de Janeiro, 1978).

59 The duel between the USA and Germany over Brazil's foreign trade has been studied by many "Brazilianists". See S. Hilton, *Brazil and the Great Powers, 1934-1939* (Austin, 1975); F. McCann, *The Brazilian-American Alliance* (Princeton, 1973); and D. Giffin, "The Normal Years: Brazilian America Relations 1930-1939" (PhD Vanderbilt University, Nashville, 1972).

and even offered financial help in order to clear Brazil's public debt and create a central bank. This policy of complying with Brazil was evidenced on many occasions: the visit of Sumner Welles to Rio de Janeiro in 1936, the Souza Costa Mission to the USA in 1937 and the Aranha Mission to the USA in 1939.[60] On such occasions the Roosevelt Administration did not take heed of domestic pressures from financial, investment and export groups, but was guided by broader State attitudes towards Brazil. The US Government was, of course, interested in increasing US-Brazilian trade, and the elimination of German economic competition in Brazil. The latter was, however, a secondary target and was subordinate to broader objective, the Roosevelt the guaranteeing of Brazilian political support – a complete alliance if possible – for the USA. As part of this main objective, the Roosevelt Administration also made great efforts to prevent Brazil entering into alliance with European nations (especially Germany) adopting a radical nationalist orientation. It was for these reasons that the US Government did not retaliate against Brazilian foreign trade policies in the thirties.

From 1937 onwards two major internal problems occupied the Vargas Administration: the re-equipping of the Brazilian armed forces and the need for economic investment, particularly a steel plant. For these reasons Brazilian foreign policy was one of *pragmatic equilibrium*, in particular during these last years of the decade.

During these years the worsening of the international situation and the growing influence of the military in the centres of decision-making highlighted the need to re-equip the Brazilian armed forces, particularly the army. Large purchases of naval supplies were made – or attempted – in Britain and the USA, while substantial orders for German war materials were placed by the army in 1938 and 1939. Even after the beginning of the war, the

60 I have examined each of these episodes in *Autonomia na Dependência*, Ch. 3 and 4.

Brazilian Government made strenuous efforts to receive German materials, while at the same time trying to buy US equipment and ammunition.

The military questions were intimately connected with political issues. General Eurico Dutra, the Minister of War, and General Góes Monteiro, the Army Chief of Staff, were known to hold pro-Axis feelings. Both had entered political life through their participation in the Revolution of 1930. Góes Monteiro was a personal friend of Vargas. Both he and Dutra had remained faithful to the President during periods of difficult political crisis in the thirties. Both inspired and led, on the military Level, the *coup d'état* of November 1937 and were easily identified as supporters of the European-fascist governments. Furthermore they admired Germany's efficient war machine and seemed to think that Germany would be the victorious power in the war. Both were also delighted by the possibility of equipping the Brazilian army via German barter arrangements.

As Chief of Staff, Góes Monteiro was invited to visit Italy and Germany in 1939. Careful diplomatic efforts were necessary in order to avoid embarrassing political compromises during high-level military conversations. Not surprisingly, the Brazilian Government immediately accepted the USA's suggestion that her Chief of Staff, General Marshall, visit Brazil followed by a return visit by Góes Monteiro to the USA.

This effort to bring the Brazilian and US armies closer together took place during the Aranha Mission to the USA in early 1939. Oswaldo Aranha was also a *gaúcho* politician, and was considered to have led the revolution of 1930 on the political level. From 1930 to 1934 he was a member of the Cabinet of the Treasury. In 1934 he was sent to Washington as Brazil's ambassador. Immediately after the coup of 1937 Vargas recalled him to become the Minister for Foreign Affairs, not only to counterbalance the military power in the government but also to please anti-Axis supporters (including

the Roosevelt Administration) that feared a decisive turn-around of Vargas towards the Axis. It was well-known that Aranha greatly admired American civilization and had very good relations with the Roosevelt Administration.

The visit of Foreign Minister Aranha to the United States in February/March 1939 was ostensibly aimed at regulating commercial and financial links between the two countries. In fact it was a more ambitious initiative. Roosevelt discussed the international situation with Aranha and revealed that the USA was preparing for an eventual conflict, and that US naval plans encompassed the defence of South America.[61] In exchange he requested more intimate collaboration by the Brazilian Government. Aranha avoided any political or military commitments and underlined the need for "continental co-operation" through which Brazil could defend herself with US aid.[62]

The exchange of visits – Marshall coming to Brazil and Góes Monteiro going to the USA – laid the basis for subsequent military collaboration between the two countries. Marshall viewed his visit to Brazil as a complete success.[63] Góes Monteiro was well received by the US military and civil authorities and was delighted with his visits to the United States.[64]

During his visit Góes Monteiro made some proposals connected with the construction of air and naval bases and the installation of coastal defences and anti-aircraft guns in North-east Brazil. Personnel involved in this project would come from

61 Aranha to Vargas, OA 39.01.09 – dossier.

62 Aranha to Vargas, OA 39.03.27; GV 39.014.09.

63 Marshall to Aranha, OA 39.06.08/1.

64 Correspondence between Góes Monteiro and Aranha: OA 39.06.21/1; Aranha and Carlos Martin, Brazilian Ambassador in Washington: OA 39.06.21/2; OA 39.07.13. The commanders of US bases were instructed by the war department to receive the Brazilian Chief of Staff with all possible honour and hospitality and to show him the military strength of the Unites States. FO 371 22726 (A5729/4058/6).

America. Military historians have noted that "the crucial factor in carrying out Góes Monteiro's pan for defending North-east Brazil would be the supply of munitions.[65] There were, however, legal restrictions which prevented the US army from providing the type of materials Brazil wanted for its own arsenals and Góes Monteiro's proposals could not be accepted. An offer of US surplus coastal defense equipment made in 1939 was considered unacceptable by the Brazilian military. In spite of alleged US goodwill, Brazilian army authorities had good reason for regarding Germany as a more secure source of war supplies.

So, on the eve of the war, there was no clear definition of a military partner for Brazil. While the navy was faithful to its British suppliers, the army was divided between the advantages and disadvantages of German and American partnership.

65 S. Conn & B. Fairchild, *The Framework of Hemisphere Defense* (Washington, 1960), p. 268.

2. The years of neutrality (1939 – 1941)

Nations though, as individuals, go through special moments, in which it is necessary to face Destiny.

(Getúlio Vargas, speech on November 10, 1941).

As most other Latin American republics, Brazil faced new economic and political problems as a result of the European war. In addition to facing the economic dislocation of foreign trade, shortages of fuel and consumer goods, speculation, inflation and social unrest, the Vargas Administration also had to define its political attitude towards the belligerents. To counter these problems, the government resorted to a series of measures ranging from the control of imported goods and growing restrictions on consumption, to the regulation of belligerent naval vessels and the clear definition of the country's position on the war.

It is particularly relevant to note that, in the midst of all the immediate economic, social and political consequences of the European war, the Brazilian Government determinedly maintained its main strategic coals: the industrialization of the country, beginning with the construction of a large steel plant, and the re-equipping of the armed forces in order to strengthen the country's defences during this dangerous time.

The impact of the outburst of the European war in September 1939 on Brazil's economy was enormous, since Brazil basically depended on the export sector. During 1940 the British naval blockade against Germany removed Latin America from the German commercial sphere of action at a single stroke. In this manner, the almost insoluble problem formerly faced by the US – that of compensating for trade between Brazil and Germany – was solved by the United Kingdom. At the same time, however, the British blockade generated a new problem in the supply of manufactured goods to Latin American countries since neither the USA nor the UK could immediately replace the lost German sources.

At the end of 1939 the Brazilian Minister of the Treasury, Souza Costa, recognized that the Brazilian interest in German trade, especially in connection with imported goods, was severely affected. This in turn affected her export capabilities. According to the rules of compensation trade, each depended on the other.[66] In 1940 the volume of trade between Brazil and Germany had already fallen to one-tenth of its 1939 level. Thus, the United Kingdom not only found a solution to American worries concerning German trade, but she also removed one of the supports of the Brazilian policy of *pragmatic equilibrium*.

The fact that Germany was no longer influential in Brazilian foreign trade does not mean that her political influence had declined. Axis victories from 1939 to 1941 generated a powerful German empire in Europe and a Japanese empire in the Far East and Southeast Asia. German victories encouraged her supporters in the Americas and increased the level of political support she enjoyed. Such victories had to be taken seriously by the leaders of neutral countries in their plans for the future.

66 Souza Costa to Getúlio Vargas on December 5, 1939. GV 39.12.04 – Confid.

In Brazil, the division between pro and anti-Axis elements was present in all sectors of society – in public opinion and the press, and in the civil and military State agencies. This division was already clearly evident, for instance, at the meeting in July 1939 of the Council of National Security which examined the possibilities of war in Europe. On that occasion there was a complete consensus over Brazilian neutrality in case of war, but political preferences arose over the issue of where Brazil should buy the armaments she needed for her own defence. Vargas wanted to discard European suppliers. Gen. Francisco José Pinto, the acting Chief of Staff, preferred to purchase them in the USA. Gen. Eurico Dutra, the Minister of War, wanted to buy them from Germany. Aristides Guillen, Minister of the Navy, was faithful to the British suppliers. The Council finally decided to continue the policy of buying in Europe.[67]

The Brazilian Government cautiously adopted a position of neutrality towards the European war and continued to strive to maintain its *pragmatic equilibrium* among the Great Powers as far as possible. Although trade relations with Germany had rapidly declined between 1939-1941, channels of political and military communication between Brazil and Germany remained open. Consequently the British naval blockade produced unpredictable political effects and generated a wave of anti-British feeling in Brazilian military circles, as will be discussed later. Germany was still regarded as an arms supplier or an eventual partner for the construction of the steel plant. Above all, Brazil's ability to say "No" to the Great Powers in the preceding years had increased Brazil's weight in inter-American affairs.

On the American side, the European war made the US Government intensify its efforts towards global political

67 The reports of this meeting is to be found in GV 39.06.00 – Confid.

co-ordination in Latin America, in order to reduce or eliminate Axis influence and to assure its own leadership over the continent. In 1940 a massive US economic, political and cultural offensive was launched throughout Latin America, and Brazil became one of the main targets of that offensive.[68] Although trying to maintain its neutral position, the Vargas Administration gradually accepted the inevitable need to choose one partner as a result of the rapid polarization brought about by the war. In facing US initiatives, Brazil managed to gain for herself certain advantages stemming from the new situation created by the war.

US anti-Axis initiatives

Once the European war had started, Washington understood the extent of the Latin American "problem". Its interpretation of the political conjunctions was based on the following points. South and Central America had already been relevant in several ways to the Nazi blueprint for world domination. They were a potential field for colonization, due to the considerable population of German re-armament since they were the producers of the raw materials that the Axis had bought through barter trade. The armed forces of many Latin American countries had been trained by German military missions and they were a target for systematic propaganda designed to arouse antagonism towards the USA to be disseminates by the German controlled radio stations, cultural centres, athletic clubs and motion pictures.[69] Latin American exports were falling and the USA could easily purchase large

68 Sir George Knox, British Ambassador in Brazil, clearly saw the beginning of the American offensive, but thought it was a purely *economic* initiative, since for him the USA was not particularly worried about Nazi ideological penetration in South America. FO 371 A794 – Brazilian Political Review for 1939. In reality, the American offensive had wider objectives.

69 US Government Printing Office, *History of the Office of the Co-ordinator of Inter-American Affairs* (Washngton, 1957), ch.1.

quantities of raw materials thereby supplying foreign exchange to her neighbours. That policy could solve a US problem, that of many strategic materials which could no longer be obtained by the USA from areas already under Axis control. All these questions demanded greater efforts to co-ordinate the various branches of the Administration in the context of the "Good Neighbour" policy.

For all these reasons, President Roosevelt created, on August 16, 1940, after many weeks of discussion, a separate agency to handle US inter-American economic and cultural affairs. Under the leadership of Nelson Rockefeller, this agency was named the office for the Co-ordination of Commercial and Cultural Relations between the American Republics. Only one year later, its name was changed to the office of the Co-ordinator of Inter-American Affairs (OCIAA). It was known under this name until the end of the war.

According to official definitions, the purpose of the OCIAA was "to formulate and execute a programme to increase hemispheric solidarity and farther the spirit of inter-American co-operation".[70] This was the "message" the OCIAA communicated by all possible means to Latin America, during its existence. In practice, the programme of co-operation and hemispheric solidarity were a means towards achieving other ends: those programmes were an instrument used by the USA in order to face the challenge of the Axis in the international sphere and to consolidate her own strength as a Great Power.

The US Government was convinced by 1940 that it needed to protect its international position in the Americas. What was at stake was the *security of the nation* and its *economic position* in the hemisphere and both were to be safeguarded within a framework of hemispheric solidarity. It was felt necessary to introduce both emergency and long-range measures to aid the recovery of affected

70 US National Archives and Records Service, *Records of the Office of Inter-American Affairs*, (Washington, 1973).

Latin American economies by buying their agricultural and mineral products, and to promote vigorous education, cultural and information programmes in order to counter the Nazi challenge.[71]

The OCIAA was not a mere extension of existing inter-American collaboration programmes but a co-ordination agency linked to American national security. For that reason, the OCIAA was created as part of US programmes of *national defence* and was therefore subordinated to the Council of National Defence. In fact the OCIAA was established by an executive order of the Council. The Co-ordinatior's brief was to:

> *establish and maintain liaison between the Advisory Commission of the Council of National Defence, the several departments and establishments of the Government and such other agencies, public or private, as he might deem necessary or desirable, to insure proper co-ordination of, with economy and efficiency, the activities of the Government with respect to Hemisphere defense, with particular reference to the commercial and cultural aspects of the problem.*[72]

The OCIAA was thus an integral part of the US Government's preparation for war. The same "executive order" that established the OCIAA admitted that "it could use Governmental and private facilities in such fields as arts and sciences, education and travel, the radio, press, and cinema..."

Even before the US entered the war in December 1941, the OCIAA was working at full capacity to eliminate Axis influence and assure the "international position" of the US in the Americas. During its few years of existence the OCIAA co-ordinated the purchase of

71 History of the OCIAA, op.cit., pp. 4-5.

72 Idem, p. 7. The OCIAA's "Report on US Information Services" admitted on March 14, 1942 that efforts to strengthen hemispheric solidarity were made in the interest of US national defence. FO 371 A2487/2487/45.

Latin American agricultural surpluses and strategic materials by private and State agencies. With the Board of Economic Warfare it participated in broad economic initiatives in the continent. It was engaged in programmes of health and sanitation, and food supply. Finally, it concentrated its efforts on promoting a massive US presence in mass communications, including radio, the press and motion pictures.

In its six years of existence the OCIAA spent around US$ 140,000,000. During the busiest periods it employed 1,100 persons in its operations in the USA, and 330 US citizens plus thousands of Latin Americans abroad in addition to the help of voluntary committees of US citizens in twenty American countries. The OCIAA appealed to the business world to collaborate with Roosevelt's policy towards Latin America and at the same time used its technical tools in order to keep it informed of the best business opportunities in Latin America. The totality of OCIAA activities must be regarded as a real "front" in the economic, political and "psychological" dimension of the war. The aim of this specific battle was to gain the support of the Latin American nations to the US cause.[73] Acting alone but in close relationship with the American Embassy and US private companies, the OCIAA was involved in many instances of American efforts towards economic, cultural and technical collaboration with Brazil.

US-Brazil economic collaboration

As in other Latin American countries, Brazilian exports were dramatically decreased after the outbreak of the European war in 1939. The US could not absorb the surpluses of traditional export

73 The political and "psychological" dimension of CIAA activity are well documented. See Memorandum on Interdepartmental Committee for Political Warfare, February 2, 1942, NA/RG 229.1.2 – Committees and Meetings.

products but demanded other kinds of raw materials which were vital for its own war industries which grew rapidly from 1939 onwards.

The main economic concern of the US Government in its relations with Brazil during this period was not to ensure markets for American manufactured goods or improve conditions for investments but to eliminate German influence on the Brazilian economy (see next Chapter) and supply US war industries with vital and/or rare strategic raw materials.

From 1940 onwards, Washington took steps to stimulate the production of certain vital raw materials in Brazil.[74] By the spring of 1941 the rapid growth of the US defence programme had created a scarcity of many minerals, particularly aluminium, zinc, nickel, copper, tin, tungsten. In March 1941 the US Government offered to "supply the Brazilian Government US$ 100,000,000 in military and naval material under Lend Lease Bill provisions". An immediate loan of US$ 12,000,000 could be made by the Eximbank "provided the Brazilian Government will enter into a comprehensive contract for sale through the US strategic materials".[75] For this purpose Warren Pierson, President of the Export Import Bank, was sent to Rio de Janeiro to sign contracts for the purchase of strategic products from Brazil.

The agreement signed by the two countries in May 14, 1941 stated:

1. The Brazilian Government undertakes for a period of two years through the issuance of export licenses and other adequate control regulations to restrict to the United States

74 Memos from the American Embassy to Itamaraty on March 19, 1941 and April 19, 1941 in AHI/RE/EUA/Notas recebidas.

75 A contract for the sale of strategical materials as a condition of supplying arms by the USA to Brazil was stated by the US Embassy on March 29, 1941, AHI/RE/EUA/Notas recebidas.

of America the exportation the strategic materials named, and conforming to the specifications set forth.

2. The Government of the United States undertakes to continue to facilitate as it is now doing, the shipment to Brazil of materials essential to Brazilian industry, the exportation of which is dependent upon Government permits and other formalities.
3. In case purchases by private American industries do not absorb all of the merchandise covered by paragraph one above, the Metals Reserve Company and the Rubber Reserve Company undertakes to acquire all of the surplus existing in Brazil at prices to be agreed upon between these companies and Banco do Brasil.[76]

According to this agreement Brazil was committed to sell her total production of bauxite, beryl, chromite, ferro-nickel, industrial diamonds, manganese ore, mica, quartz crystals, rubber, titanium, and zirconium exclusively to the United States. Detailed quality specifications for each material were also included in the agreement.[77] At the same time the US Government was committed to facilitating the shipment to Brazil from the USA of certain materials needed by Brazilian industry although these shipments were to be "facilitated in so far as may be consistent with the national defense programme of the United States".[78] In other words, the US war effort was to be paramount.

76 Exchange of notes between the two gvernments, May 14, 1941, AHI/RE/EUA/Notas recebidas. Specifications for each strategical material were signed during the following months, OA 41.05.14/5. See also GV 41.05.20/3 – Conf.

77 "Exhibit A", appendix to exchange of notes, note 11.

78 Caffery to Aranha, May 14, 1941, AH/RE/EUA/Notas recebidas. Rigid restrictions of some US exports affecting Brazilian industry had already been determined by American Embassy, Rio de Janeiro, April 18, 1941 AHI/RE/EUA/Notas Recebidas.

The US Government also used the opportunity to insist upon a mineral survey in Brazil in order to study deposits of rare materials, such as manganese, greatly needed by US industries.[79] Furthermore, the US Rubber Reserve Corporation negotiated in 1941 an exclusive purchase contract for Brazilian rubber.

Despite these efforts, however, the purchases made by American industries were quite low over the next few months and only began to increase after Pearl Harbour. It seems that before the entry of the USA into the war her policy was one of preventing the purchase of Brazilian strategic materials by "unfriendly nations", i.e. Germany – rather than assuring a flow of these materials for herself. This would explain the strict control over Brazilian exports to other nations during that year.[80]

At this point, economic collaboration between the United States and Brazil was determined more by US economic and political needs in terms of its war efforts than by its determination to foster Brazilian economic development. The only exception was the financing of the Volta Redonda steel plant, which was agreed in 1940. According to US economic policy, the plant came under the label of "non-economic" enterprises and should not have been stimulated. For the Brazilians, however, the steel industry was vital to economic development. The question was raised in the negotiations as a result of Brazilian initiatives and was not dropped until Brazilian insistence led to its successful resolution. The US Government's action in this case was due to her concern for the quality of her political relations with Brazil.

The Brazilian Government had tried for some time to solve this "crucial problem of our economic expansion", in Vargas

79 Caffery to Aranha, May 28, 1941; AMEMBASSY to Aranha June 29, 1941; AMEMBASSY to Aranha, November 26, 1941. All in AHI/RE/EUA/Notas recebidas.

80 Caffery to Aranha, June 25, 1941; AMEMBASSY to Aranha October 13, 1941, October 21, 1941, November 4, 1941, December 1, 1941. All in AHI/RE/EUA/Notas recebidas.

words.[81] During the thirties many projects had been proposed by both nationals and foreign entrepreneurs but all proved financially unrealistic.[82]

Since the inauguration of the *Estado Novo*, President Vargas raised the possibility of re-opening the steel project through collaboration between the Brazilian Government and foreign corporation. It arose in 1939 when experts from the United States Steel Company studied the economic and strategic possibilities of building a plant in Brazil. Based upon the optimistic tone of the report together with unofficial indications that US Steel would be interested in operating such a plant, Vargas announced that the construction of the plant would commence in 1940.[83] Only a few weeks later US Steel decided to withdraw from the proposal on the grounds that "it would be unsatisfactory to invest in the company" and "it would not be feasible even to enter into a management contract". In other words, US Steel was apparently unwilling to commit its financial resources because the Company was afraid of finding itself "under fire" (probably by nationalistic sectors in Brazil) in the future and considered that the great uncertainty in Brazilian affairs created "too great a risk compared with the possible profit".[84]

Until this moment the Roosevelt Administration had carefully avoided committing itself on the matter and had pursued a policy of direct conversations between Rio de Janeiro and US private

81 G. Vargas, *A Nova Política do Brasil* (Rio de Janeiro, 1939), V.5 (speeches of 1938), p. 177.

82 For a historical review of the Brazilian steel question in the 20th century, see L. Martins, *Pouvoir et Développement Économique* (Paris, 1976) ch. V.

83 Caffery to the Secretary of State, January 26, 1940, July 24, 1940, NA/RG 59 832.6511/49, 127.

84 Memo by Feis, D.S., January 17, 1940; memo of conversation (D.S.), January 25, 1940, both in NA/RG 59 832.6511/51, 62. Also memo by S.D. January 25, 1940, NA/RG 59 832.611/62. W. Baer, *Siderurgia e Desenvolvimento Brasileiro* (Rio de Janeiro, 1970), pp. 94-106, gives a curious interpretation of US Steel's withdrawal and suggests that although the company itself was interested, Brazilian nationalist sectors (particularly the army) had created obstacles to its plans.

companies.[85] However, Jefferson Caffery, the US Ambassador in Rio de Janeiro, calculated in January 1940 that the failure of negotiations might have unfortunate repercussions on Brazilian-United States relations, because the steel plant project took "precedence over all other proposals of economic co-operation between the two countries".[86] The US Steel's withdrawal occurred at the very moment when the US Government was trying to improve her political and military relations with Brazil in order to assure her collaboration in the defence of the hemisphere, an issue that included the possibility of utilizing Brazilian air and naval bases as well as dispatching US troops to Brazilian territory. Thus Washington's policy of fulfilling US strategic needs had to contend with two quite definite Brazilian demands: the building of the steel plant and the re-equipping of the Brazilian army. The steel problem was by this time becoming a political rather than an economic issue in the relationship between the two countries.

Although the US Government did not wish to make any commitment regarding the steel plant project, Brazil's firm desire to build the plant at any cost led the Department of State to continue its efforts to involve other US companies in order to have "Brazilian steel development undertaken with the co-operation of American, rather than European, capital".[87]

In February 1940 the Department of State raised for the first time the possibility of financial participation by US governmental agencies together with a Brazilian government corporation, as the

85 Duggan to the Secretary of State, January 20, 1940; memo of conversation (D.S.) January 24, 1940 NA/RG 59 832.6511/44, 47.

86 Caffery to the Secretary of State, January 27, 1940; memo by Duggan (D.S.), January 27, 1940; memo by Walmsley (D.S.), February 6, 1940 NA/RG 59 832.6511/56.

87 Memo of conversation (D.S.) January 25, 1940; memo by Duggan, January 27, 1940; Welles to Colt (Bankers Trust Co.), February 10, 1940 NA/RG 59 832.6511/62, 46, 65A. On the Brazilian decision to go ahead with plans for the plant see memo by Feis, February 7, 1940; Burdett to the Secretary of State, February 19, 1940, NA/RG 59 832.6511/68, 69.

Vargas Administration was by that time planning.[88] Secretary Hull accepted at this stage the Brazilian argument that the steel plant was a critical political issue: some real progress in this matter had to be achieved if US requests for co-ordinated policies with Brazil were to be favourably regarded by the Vargas government.[89] The Department of State presented the case to Morgenthau Jr. (Treasury) and Jesse Jones (Federal Loan Administration) pointing to US demands from the Brazilian Government and the connection between these demands and the question of the steel plant.[90]

By the end of May the Federal Loan Administrator agreed "to loan funds necessary to purchase in the United States equipment for the installation and operation of an iron and steel plant in Brazil". Nevertheless the Administrator insisted on the participation of a US steel corporation in the project and kept the loan to a fairly low level of US$ 10,000,000.[91]

In the context of these frustrating conversations, Vargas made a vigorous speech on June 11 in which he proclaimed Brazilian adherence to the Pan-American cause while pointing to various urgent problems which needed to be solved. The Brazilian Government firmly intended, according to the President, to promote the industrialization of the country (i.e. build the steel plant) and re-equip the armed forces. With this purpose in mind the Government was ready to "look at the political organization of the strong peoples" (i.e. Germany). The same ideas were repeated

88 Hull to Morgenthau Jr., February 24, 1940; memo by Duggan February 27, 1940; see also Caffery to Hull May 22, 1940 NA/RG 59 832.6511/68A, 76, 105.

89 Hull to Caffery, May 25, 1940 NA/RG 59 832.6511/105.

90 Morgenthau Jr. to Hull, March 5, 1940; memo by Feis May 29, 1940, NA/RG 59 832.6511/78, 112.

91 Feis to Welles, May 30, 1940; Hull to Caffery, May 31, 1940, NA/RG 59 832.6511/109.

in a second speech a few days later.[92] Both speeches stressed that Pan-Americanism had to commit itself to the growth of the Brazilian economy and the strengthening of her armed forces. In other words, the collaboration desired by the United States, the discontinuation of Brazil's "neutrality", had a price.

Vargas' speeches produced much argument in both the United States and Brazil. Brazil was popularly thought to be approaching the fascist model and to be rejecting the liberal-democratic pattern of State and society. Discussion within the Roosevelt Administration caused the Federal Loan Administrator to change the terms of his former proposals and remove the limits on the credit necessary for the construction of a Brazilian steel plant.[93] The US Embassy in Rio de Janeiro was convinced by then that Vargas' threat to turn to Germany was serious and could become reality if new US Government initiatives were to fail.[94]

Discussions were held during August 1940 in Washington, and in late September agreement was reached. According to this agreement, the Brazilian Government would build the plant, the purchase of machinery would be accomplished through Eximbank loans and technical assistance would be provided by private US companies.[95] In May 1941 a contract was signed with the Eximbank. The Eximbank exerted tight control over the project during the following years since some feared that it could strengthen nationalist sectors in Brazil opposed to US policy.[96]

92 G. Vargas, *A Nova Política do Brasil* (Rio de Janeiro, 1941) v.VII (speeches of 1940), pp. 327-335, 343-350. I have analysed the meaning of these speeches in *Autonomia na Dependência* (Rio de Janeiro, 1980) pp. 152-154.

93 Welles to AMEMBASSY, July 24, 1940 NA/RG 59 832.6511/126A. On the reactions to Vargas' first speech see GV 40.06.13 – Confid.

94 Memo by Walmsley (D.S.), August 5, 1940; Welles to Jones, August 7, 1940 NA/RG 59 832.6511/138, 136A.

95 Hull to Caffery, September 24, 1940, FRUS, 1940, V, p. 611.

96 D. Green, *The Containment of Latin America* (Chicago, 1971), pp. 44-45.

Although the construction of the Volta Redonda steel plant was not in line with the US economic "model" for Latin America, it was justified in political terms: the plant was the price of ensuring Brazilian goodwill towards US demands. And Brazilian goodwill was, by then, essential to US strategical planning.[97]

US-Brazil political and military collaboration

The political offensive launched by the United States aimed at the integration of all Latin American countries with her global strategy, in order to combat Axis powers. In the Brazilian case this involved eliminating Axis influence and exerting vigilance on Axis nationals, to assure the USA of supplies of strategic materials for her war industry and military bases for her troops.

Although this offensive took place in a period when Brazil's policy was one of neutrality the Roosevelt Administration did not regard this as a problem. Its understanding of Brazilian neutrality was subordinated to the needs of US strategical planning. For that reason, the USA understood and treated Brazilian neutrality in terms of the *current European conflict*, without reference to the *potential conflict* and current rivalry between the USA and Germany. From this point of view Brazilian neutrality was not incompatible with pro-USA activity. Thus, in 1940 Washington felt able to demand that Brazil eliminate German influence and request that the presence of US troops be allowed on Brazilian territory.

97 There is some controversy over the US decision to finance the steel plant. M. Abreu has considered it to be an expression of US "enlightened self-interest", having nothing to do with Brazilian bargaining power. See *Brazil and the World Economy, 1930-1945* (Cambridge, 1977) pp. 7-9, 215-220. I have defended the idea that the Brazilian Government did exert pressure on the Roosevelt Administration in *Autonomia na Dependência*, *op.cit*, pp.150-155. L. Martins, *op. cit.* Ch. V, emphasised Vargas' political ability to obtain the steel plant. D. Green, *op.cit.*, pp. 44-46, 90-91, also insists on the political dimensions of US aid to Brazil. The steel plant as an exception in Brazil-US economic relations is affirmed also by Hirst in "O Processo de Alinhamento nas Relações Brasil-Estados Unidos 1942-1945" (Rio de Janeiro, 1981), pp. 102-107.

For the same reason almost all US Government political initiatives towards Brazil during this period were clearly military in nature and constituted efforts, both diplomatic and military, to ensure the defence of North-east Brazil, deemed essential by the US planners. In the diplomatic area US initiatives were welcome since Minister Aranha was a well-know defender of Pan-Americanism and anti-Axis militant, collaborating in every way possible with the representatives of the USA in Brazil. The situation in the military area was, however, substantially different since the leaders of the Brazilian armed forces were doubtful of US military strength compared to the German war machine.

As discussed earlier, US military policy for Latin America was essentially bilateral and the role to be played by her continental partners was to be defined for each particular case. In the case of Brazil, US army and navy planners worked during the autumn and winter of 1939/1940 on plans for dispatching an expeditionary force to the North-east. When German forces turned on the Western European countries in 1940 those efforts were accelerated and by mid-June 1940 US military planners considered that North-eastern Brazil was ready to become a major area of operation should Great Britain be defeated by German forces. [98]

Naturally these plans required Brazil's "closest collaboration". In order to ensure this collaboration, contract for a US Naval Mission to Brazil and a US Military Aviation Mission were signed with the Brazilian Government.[99] In October 1940 a Joint Brazilian-United States Commission was established to improve common measures of defence. Lt. Col. Lehman Miller, Chief of the

98 S. Conn and B. Fairchild, *The Framework Hemisphere Defense*, (Washington, 1960), pp. 272-274. The US military planners were seeking base facilities in Brazil since July 1939 according to K. Hagan, *In Peace and War* (Westport/Londres, 1978), p. 246.

99 AMEMBASSY to Aranha, June 25, 1940, AHI/RE/EVA/Notas recebidas.

US Military Mission, met on his arrival in Brazil Brazilian military chiefs who doubted the ability of the US to protect Brazil. For this reason they presented him with a list of armaments costing an estimated US$ 180,000,000, needed to defend the country and insisted that before any discussions on mutual defence could take place, the question of the supply of arms had to be settled. US planners began to understand how crucial this question of arms supply was to their neighbours.[100]

By the summer of 1940 the Roosevelt Administration was trying to solve the problem of supplying Latin America with sufficient arms. The possibility of selling US armaments was first raised on August 1 and as a consequence Lt. Col. Miller, Chief of the US Military Mission, presented the Brazilian military leadership with certain demands: a) to keep foreigners (Axis citizens) under surveillance in order to maintain internal order; b) to provide the USA with military facilities such as access to harbours and airports and allowing US troops to pass through Brazilian territory.[101]

The Brazilian Chief of Staff, Góes Monteiro, responded by insisting that direct talks be held. These talks, which took place in October during an inter-American meeting of Chiefs of Staff, concluded with some vague promises on both sides: The USA would help Brazil in the event of an external attack and would supply Brazil with arms and resources for her war industry and railway network to the degree that US programmes and legal restrictions would permit.

In 1941 US-Brazilian talks on the agreement to procure and purchase strategic materials included the question of arms supply.

100 In the words of Gen. Mathew Ridgway: "Upon our willingness to supply or definitely to promise to supply, this armament in the near future, appears to depend our future relations with Brazil". Conn & Fairchild, *op.cit.*, p. 276. The tone is the same in the diplomatic correspondence between Hull and Caffery, June 7, 17, 18, 1940 and July 16, 1940, FRUS, 1940, Vol. V, pp. 45-49.

101 Miller to Góes Monteiro, GV 40.09.20/1.

During the visit of Warren Pierson to Rio de Janeiro in May, the Eximbank allowed Brazil US$ 12,000,000 credit to buy war supplies. The Brazilian representative in charge of these operations in Washington, Gen. Amaro Bittencourt, faced great difficulties: Gen. Marshall stated frankly that it was almost impossible for the US to supply Brazil with new armaments since her war industry was already supplying her allies in war.[102]

During 1941 new perspectives on the arms supply issue were created as a result of the Lend-Lease Bill that proposed to supply war materials to the Latin American countries at exceptionally low prices and favourable conditions of payment. However, the Lend-Lease agreements entailed very definite political conditions. Besides the implications of future dependence on US munitions and replacements, the agreement offered to the Brazilian Government was clearly asymmetrical. On the one hand Brazil was obliged to supply to the USA defence articles or defence information which Brazil was in a position to obtain while on the other hand, the USA reserved the right at any time to suspend, defer, or halt deliveries of war materials to Brazil if, in the opinion of the President of the USA, further deliveries would no longer be consistent with the defence needs of the USA or the Western Hemisphere.[103]

Eurico Dutra, the Brazilian Minister of War, protested against the conditions of these agreements saying that "in return for a *promise* we would submit ourselves to a *very serious and definitive burden*"[104] (underlined in the original). Brazilian military authorities were fearful of the "clear and positive

102 S. Conn & Fairchild, *op.cit.*, p. 278.

103 For detailed documentation on talks concerning the supply of arms through Lend-Lease agreements, see Souza Costa papers, CPDOC, SC 41.05.14 cg. The final version of the agreement can be found in FRUS 1941, v. VI, pp. 534-537.

104 Dutra to Souza Costa, Minister of Finance, on July 21, 1941, SC 41.05.14 cg.

threats" represented by the Argentine arms race, so that in their view it was Argentina that constituted the real danger faced by Brazil rather than hypothetical German invasion. Their objectives therefore, were to maintain the military balance in South America and avoid the presence of US troops in the Brazilian North-east. The only solution which they could accept would be a "Brazilian sacrifice in favour of her military situation".[105] They gladly accepted the Lend-Lease but complained about its negative stipulations and did not accept it as a condition for allowing US troops onto Brazilian territory.

Debate on this matter within the Brazilian Government was intense both before and after the agreement was signed in October.[106] The US Government conceded to Brazil's complaints over the question of suspending, deferring or halting deliveries of war materials and added a reciprocal clause to accept delivery of war materials. The stipulation concerning the supply of defence articles and defence information to the USA was not modified until the second version of the agreement was signed in March 1942.[107]

In the diplomatic field the US Government was much more successful. The Roosevelt Administration had, since 1940, improved its political relations with the Vargas regime. One notable

105 Dutra to Costa on August 14, 1941 (SC 41.05.14 cg). Brazilian military worries about Argentine military power are present throughout the documentation and there is frequent mention of the re-equipment of the Navy and the creation of an Air force. See, for instance, the Navy problem in Aranha papers, Documentos Oficiais, Forças Armadas II.

106 Dutra to Souza Costa on August 30; letter fom S. Costa to Vargas on September 16; manuscript of S. Costa on October 10; letter from Aranha to the Brazilian ambassador in Washington on November 7; letter from Dutra to S. Costa on November 26, all in 1941. (SC 41.04.14 cg).

107 Article IV stated: "Shculd circumstances arise in which the USA in its own defense or in the defense of the Americas shall require defense articles or defense information which the United States of Brazil is in a position to supply, the United States of Brazil will make such defense articles and defense information available to the United States of America". The following sentence was added in the agreement of 1942: "to the extent possible without harm so its economy and under terms to be agreed upon".

example is the manner in which it mediated in a quarrel between Brazil and the United Kingdom. The problem arose in 1940 when the Brazilian Government tried to transport certain war materials bought by Brazil in Germany before the war on board the Brazilian ship *Siqueira Campos*. Insisting on maintaining its blockade, HM Government prevented the ship from sailing to Brazil. Two other incidents added fuel to the flames. On November 27, the Brazilian steamship *Buarque* was inspected by British vessels and 70 packpages were removed on suspicion of being of enemy origin. A few days later twenty-two German nationals were removed from the Brazilian steamship *Itapé* that was travelling between two Brazilian ports.[108]

The release of the *Siqueira Campos* in December 1940 was the result of US pressure on the British Government as well as the British Government's re-evaluation of the political consequences of its action. They feared that the issue would have disastrous consequences on the position of Osvaldo Aranha in the Brazilian Government and would strengthen Dutra's position, an event which they wished to avoid. US policy towards South America could be undermined and Brazilian-British relations irrevocably damaged.[109]

A new problem arose when the Brazilian steamship *Bagé*, also loaded with war materials from Germany, arrived in Lisbon in order to transfer her cargo to the *Siqueira Campos*, only to find that the latter had already sailed. Under these circumstances the Brazilian Government considered it more advisable for the *Bagé*

108 Much documentation can be found in Foreign Office papers: Annual Report on Brazil, FO 371 25807 (A3533); and Confidential Printing FO 420 293, volume dedicaded to the capture and release of the *Siqueira Campos*. Also in Aranha papers: Aranha to Sin G. Knox, British Ambassador in Rio de Janeiro, OA 40.11.05.

109 British Ambassador's Annual Reporto n Brazil, FO 371 25807 (A3533). Hull to Caffery, November 25, 1940, AHI/RE/EUA/Notas Recebidas. Also Aranha to Vargas, OA 41.01.02/1; and Hull to the British Charge d'Affaires. December 15, 1940, and from Bendett to Hull, December 21, 1940, in FRUS 1940 vol.V.

to remain in Portugal until a serious clash arose between Osvaldo Aranha and Dutra, Minister of War. The latter demanded that strong measures be taken against the United Kingdom while the former was in favour of responding more moderately by landing the cargo in Lisbon and waiting for a more opportune moment to open new negotiations with London.[110] Aranha's point of view prevailed but the problem was finally solved only in the middle of the year (1941) by means of a US Government initiative towards HM Government.[111]

Although these US mediations did not change the state of Brazil-US military relations, they did pave the way for a number of US initiatives such as the agreement to procure and purchase strategic materials which was reached in May 1941. In addition to this beginning of economic collaboration certain signs of a change in Brazilian political affairs at that time were seen as positive step by the US. These included the establishment of the Air Ministry and the nomination of Salgado Filho, a politician close to Aranha, as the Minister as well as certain indications of increasing freedom for the press.[112]

Military relations did not run smoothly in 1941. While it is true that Vargas made certain concessions, including the construction of eight military air bases financed by the US Government. Officially Panair do Brasil, a subsidiary of Pan-American, was allowed "to construct, enlarge, equip or re-equip a number of airfields in the vital area between Belém and São Salvador, though, with his (Vargas) oral permission and privately, not publicly, sites had been acquired and construction work begun long before the

110 Aranha to Vargas, OA 41.01.06/1, OA 41.01.13/2, OA 41.01.16/1. Also a dossier in GV 41.01.08/1.

111 Vargas to Carlos Martins, Brazilian Ambassador in Washington, GV 41.01.11.

112 Caffery to the Secretary of State, February 10, 1941, NA/RG 59 832.00/1338.

decree was issued" (in July 1941).[113] This concession was important since these airports were essential for the transportation of both aircraft and supplies to assist the British campaign in North Africa from June 1941 onwards.

However, a number of other vital American initiatives continued to be met with from refusals by the Brazilian delegation to the Joint Brazil-US Commission. A brief history of the Commission, written by Lt. Col. Miller in August 1941 contained two major complaints about blocked US initiatives:[114]

> *(1) US representatives had proposed an aerial photography project for the North-East. Brazilian representatives were willing to accept an offer of American equipment but refused to agree to the presence of American experts in order to oversee the programme. Although the US was finally persuaded to compromise, the project was not successful.*
>
> *(2) The US Government tried to send American technicians to the North-eastern bases in June 1941 in order to carry out joint US-Brazilian military manoeuvres. Aranha was greatly alarmed by this and Dutra rejected the plan in limine.*[115]

The failure of this initiative led the US Government to suggest in the following month the joint occupation by US and Brazil of Dutch Guiana, the Azores and Cabo Verde in order to assure the defence of the hemisphere.[116] Dutra strongly opposed this offer, regarding it as an overt political manoeuvre aimed at forcing the

113 R.A. Humphreys, *Latin America and the Second World War 1939-1942* (London, 1981) p. 139.

114 Report by Miller to the Departament of War, GV 41.08.08/2.

115 Caffery to Hull, GV 41.01.00.

116 Roosevelt to Vargas, GV 41.07.02.

Brazilian Government to commit itself to a military adventure.[117] Vargas then promised to co-operate with the US representatives but left to the Joint Commission the task of defining the nature of that co-operation. As expected, Brazilian representatives on the Commission blocked the US initiative.[118]

In his report of August 1941 Miller stated that the leaders of the Brazilian Army did not admit the possibility of allowing US troops onto Brazilian territory. According to his evaluation the US Government would not force this issue in order to avoid unexpected reactions from the Brazilian Government that might cause the "Good Neighbour" policy to fail. This was an astonishing attitude in so far as it was Miller himself whom the US had entrusted with the task of securing permission for US troops to be stationed in North-eastern Brazil. His evaluation certainly gave the Roosevelt Administration a very clear idea of the difficulties to be overcome and the concessions which would have to be made if they were to achieve their goals. Those concessions were the military and economic equipping of her potential ally.

In September 1941 US strategic evaluations insisted on the danger of a German invasion of Brazilian territory if North-west Africa were to be occupied by Axis forces. It was thought that Natal would most probably be the landing point for an invasion by German troops. The US Chief of Staff was reminded by his advisors that under such circumstances:

> *Brazil will cooperate with the US on plans and preparation for a joint defense of the country but she will refuse to allow the US to occupy bases in the national territory so long as the Axis does not invade the country. Complete*

117 Dutra's arguments are exposed in a letter to Vargas, GV 41.07.19.

118 Vargas to Roosevelt, GV 41.07.26/1 and memorandum from Col. Miller, NA/RG 218 BDC 5700 (5740).

collaboration with the US will be held in abeyance at least Brazil's armament requirements are satisfied.[119]

In fact all US attempts to obtain any concession faced a solid barrier of rejection on the Brazilian side.[120] Similarly, US efforts to obtain clear definitions and plans for the defence of the North-east in the Joint Commission in Rio de Janeiro were met with Brazilian insistence on concrete guarantees that the US would provide aircraft and armaments for the Brazilian forces in order to enable her to defend the North-east in case of invasion.[121]

A minor incident between Col. Miller and Gen. Góes Monteiro throws light on the deadlock which had been reached in US-Brazilian military relations by September 1941. The Brazilian Chief of Staff reported to the President that the discussion on both sides had been very frank. The War Department was unsure of Brazilian support if the US were to enter the war because many high Brazilian officers were believed to hold pro-Axis opinions. At the same time it considered it essential to protect the North-eastern bulge by stationing US forces in the military bases of the region. For these reasons the US military delayed armament deliveries to Brazil while it formulated plans to occupy the North-east bases.[122] On the other hand, the Brazilian military did not understand these

119 Memorandum for the Chief of Staff, September 15, 1941. Tab. B., Brazilian Attitude, NA/RG 226 OSS 14301.

120 Similarly, on the question of permission for US military aircraft to fly over Brazil towards Africa, the Brazilian Air Ministry insisted that the US promise to supply planes to the Brazilian Air Force. Caffery-Hull, Sept. 23, 22,23,1941. NA/RG 226 OSS 221, 593, 323.

121 It was Góes Monteiro who insisted on this in the Joint Commission. The lack of urgency in decision-making exasperated American officers. In a Letter, for instance, Góes Monteiro says that in case of invasion the Brazilian Government "can decree partial (sic) mobilization and reinforce the Northeast". NA/RG 218 September 25, 1941. BDC 5700 (5740). Conn & Fairchild, *op. cit.*, p. 297.

122 In order to ensure the success of their plans the US army planners suggested that the US Government might demonstrate that "the measures of co-operation asked from Brazil (were) not to be regarded as concessions made to us but rather as contributions to hemisphere defense" aput.

delays on the part of the US and began to doubt their intention to send the armaments required. Consequently they were unwilling to make new concessions to the USA.[123]

Outside the military sphere, Brazil-USA relations were improving at that time. The Vargas Government amended certain nationalistic laws regulating banks, in favour of the USA. At the same time Aranha's influence in the Cabinet was growing with Varga's support. Furthermore, by the end of 1941, when US-Japan relations were rapidly deteriorating, Vargas began to speak more clearly in favour of Pan-Americanism. On November 10, he delivered a speech in which he defined the army's mission as 1) to defend the nation against any foreign enemy and 2) to ensure internal order. The President also defended a policy of frank hemisphere solidarity.[124] In other words, Brazil would join with the USA in the cause of continental solidarity provided her armed forces were strengthened sufficiently. The same issue and the same message to the US Government were the subject of a second speech on December 31, 1941. In the interim, however, the Japanese had attacked Pearl Harbour and started to break the deadlock in US-Brazil military collaboration.

US cultural initiatives

Since US military initiatives in Brazil in the late thirties and early forties had inevitable political dimensions they were conducted by joint US military and diplomatic representatives in Brazil. Economic and cultural initiatives, however, were jointly

123 Report by Góes Monteiro, GV 41.10.10. By this time Ambassador Caffery gained the impression that G. Monteiro would co-operate with US plans but wanted to be sure of the supply of arms by the USA.

124 The US Government noticed the charge and Roosevelt expressed his personal pleasure to Vargas on November 19, 1941. (FRL/PSF 41.11.19). See also correspondence on Varga's speech, GV 41.11.12, GV 41.00.00/1.

planned and executed by the US Embassy in Rio de Janeiro and the local branch of the OCIAA (Office of the Co-ordinator for Inter-American Affairs).

The OCIAA played a decisive role in US "cultural" initiatives in Brazil, that is, in the attempt to form (or transform) opinion not only in the State agencies but also in Brazilian society as a whole. The OCIAA was convinced that Brazil was a major target for Axis propaganda and knew that she occupied a key position in US political and strategic defence planning. As a result, large amounts of financial and human resources were transferred to the Brazilian "front".

The office was directed in Brazil by Berent Friele and its activities were supported by a Co-ordination Committee, composed mainly of US business men.[125] The Committee defined its functions as

> *involving active and organized cooperation with the Embassy and with the Co-ordinator's Office in the conception, promotion, co-ordination and execution of such activities as may be expected to contribute to the development of mutual trust and understanding as between Brazil and the USA, or as might be deemed expedient in combating the influence of the Axis powers in Brazil.*[126]

Due to its importance as a major city, São Paulo had Co-ordinator's Office, acting in close connection with the office in Rio. Sub-committees supporting the work of the two OCIAA offices were

125 These "volunteers" were mostly representatives of "big business". The Chairman of the Co-ordination Committee in Rio de Janeiro was Givens (General Eletric) and the other members were Anderson (Standard Oil), Covington (Cia. Expresso Federal), Wiseley (The National City Bank of New York), Montgomery (Leon Israel SA) and Kincaid (lawyer). Annual Report 1943. NA/RG 229.99 – General Records – Brazil.

126 Approved minutes of the Initial Meeting, September 1, 1941. NA/RG 229.100 – Minutes of Meetings of the Co-ordination Committee.

located in other large cities, such as Belém, Fortaleza, Natal, Recife, Salvador, Belo Horizonte, Curitiba, Florianópolis, and Porto Alegre.

The OCIAA's a cultural initiatives were handled by two Divisions – the information division which comprised sections dealing with the radio, press, motion pictures and the analysis of public opinion – and the science and education division.

Though the press section the OCIAA sent feature articles and photographs to hundreds of Brazilian newspapers and magazines. Much attention was given to what was called a "two-way street" of press cover, that is, the reporting of news about the USA in Brazil and of news about Brazil in the US press. Since its creation, the OCIAA had promoted negotiations with the United Press and Associated Press agencies in order to ensure the presentation of current and favourable news about the USA.[127] His pervasive action worried British diplomatic representatives in Rio de Janeiro, who foresaw a drastic reduction of their influence on the Brazilian press.[128] Besides traditional forms of subsiding newspapers and magazines the OCIAA had at its disposal a powerful weapon to assure their goodwill. The lack of printing paper enabled the OCIAA to ensure that pro-USA newspaper had easy access to supplies from the USA. Naturally, anti-USA papers experienced great difficulties in obtaining printing paper. In this asymmetrical context, the notion of "Brazil-US co-operation" took on a somewhat ironic flavour.

The radio section of the OCIAA was in charge of producing programmes for Brazilian radio stations. In general these were dramas or cultural programmes that tried to counter-balance German propaganda and transmit a favourable image of life in US

127 Meeting of September 4-5, 1941. NA/RG 229.100 – Minutes of Meetings of the Co-ordinator's Committee.

128 "Now that the Rockefeller organization is beginning to function in Rio de Janeiro, we must be prepared to lose ground as we fear that even our best friends here will succumb to the mighty dollar". From Wilson-Yong to Gallop (Foreign Office) November 17, 1942. FO 371 (A 11218/11219/6).

society. News programmes received great attention and focused on US military strength and Allied progress in the war.[129] Difficult means of transport and communication in Brazil at that time transformed a simple radio set into a major weapon in the propaganda war.

Via the motion pictures section the OCIAA tried to disseminate information on US-Brazilian collaboration to various audiences including selected people (for example, State Governors, army and navy officers, high Government officials, and members of diplomatic missions); and the masses of the population (for example soldiers, sailors, farmers, miners, students, school children and citizens in general). The OCIAA was active in Hollywood and negotiated the production of cartoons depicting typical Latin American characters by the Walt Disney Studios. One of these was a particularly Brazilian character: the parrot Joe Carioca. Simultaneously the OCIAA took the necessary steps to prevent the distribution of movies that ridiculed US institutions or offended Latin American sensitivities.[130] It censored scenes labelled "inconvenient" and pushed through script changes in order to produced films "suitable" for presentation to her southern neighbours. (It was at this time that, for example, Mexican bandits disappeared from Hollywood westerns.) In the growth of the US *power system*, the OCIAA became a censorship agency for the whole of Latin America.

The central aim of the Science and Education Division was to inculcate into the Brazilian scientific and educational community US techniques, methods and models. This was accomplished by the distribution of books describing life in the USA in addition to technical literature. The division sponsored trips by eminent

129 See Annual Report 1943, NA/RG 229.99 – General Records – Brazil. "Reporter Esso" sponsored by Standard Oil became one of the most popular news programmes in Brazil.

130 Memorandum from Robbins to Friels, September 16, 1941. NA/RG 229.99 – Minutes of Meetings of the Co-ordinator's Committee – Brazil.

Brazilians to the USA and by US experts to Brazil, and also provided resources for encouraging collaboration between educational institutions in both countries. Finally, finance for sending US advisors to Brazil to assist the foundation of schools and special courses was made available. This division of the OCIAA was active in Brazil from 1940 onwards.

From 1941 onwards Brazil was literally invaded by goodwill missions. The Aranha papers contain hundreds of communiqués from US institutions and individuals who wished to engage in cultural, scientific or economic exchange with their Brazilian counterparts. Among the institutions were universities, newspapers, radio stations, cultural and scientific foundations, publishing houses, profession associations and enterprises; the individuals included journalists, artists, film directors, writers, professors, scientists, military officers, diplomats and entrepreneurs. The office was thoroughly pragmatic and preferred to send Brazilians to the USA so that: "they would have a favourable impression of the USA returning to their countries with a feeling of friendship and goodwill towards the USA.[131]

All these varied initiatives aimed to present positive aspects of US institutions as well as her military power. Even the exchange of visitors, which apparently involved the exchange of experiences based on "mutual respect" were, in fact, part of a "one-way street" strategy: Brazilians travelled to the USA to acquire a better knowledge of US life and US experts came to Brazil to teach US methods and techniques.

131 This describes the general tone of the Exchange projects approved by the OCIAA. See, for example, the student exchange project (NA/RG 229.100 – Minutes of Meetings of the Co-ordinator's Committee on September 4-5, 1941). On a project to bring twenty Catholic Bishops to the USA, see memorandur from Robbins to Friele, August 27, 1941 (NA/RG 229.99 – Minutes of Meetings of the Co-ordinator's Committee, Brazil), and on the project to bring managers from all the Latin American countries to the USA see NA/RG 229.1.2 Communications.

Analysis of the OCIAA's cultural programmes in Brazil suggests that its basic target was to familiarize the Brazilian State and society with the points of view, knowledge, values and methods of North American civilization. The information, planned in detail and controlled by the Public Opinion Section of the Information Division, aimed to win the ideological battle against European fascism, particularly the German version, and to affirm a specific model: the "American way of life". At the core of these messages lay political aim of fostering Brazilian alignment not to liberal states in general, but to the United States of American particular. Side by side with the economic assistance which Brazil was receiving, the OCIAA fought a propaganda war with the purpose of gaining the hearts and minds of her continental neighbours.

The core of the OCIAA's task was to pass to Latin America the image of US military Superiority and a vision of the United States as a civilization to be emulated by all Latin American countries. The message though which this positive image was transmitted to the continent was "hemispheric collaboration", or in other words, "Pan-Americanism". In this particular area, US efforts in Latin America were largely successful.

Pan-Americanism presented many advantages compared to the Nazi ideology. Instead of glorifying *one* race and *one* nation, it stressed solidarity among nations. Instead of promoting the creation of a new political party in the subordinated countries, Pan-Americanism spoke of respect for national sovereignty. It seemed to be a very natural policy in contrast with the exotic nature of Nazi formulations. And, from the political point of view, it was highly efficient in the mobilization of the Latin American nations in the war against the fascists. But as far as international affairs were concerned, Pan-Americanism had just one aim – the strengthening of a new Great Power. In this sense, Pan-Americanism played a major role in transforming US hegemony over Latin America into

continental solidarity and co-operation, and permitted political domination to appear in the guise of respect for the national sovereignty of each Latin American republic.

The success of US efforts was clean. By 1942, Pan-Americanism was the corner-stone of the foreign policy of the majority of Latin American governments. Minister Oswaldo Aranha expressed what was a virtual consensus in his speech at the closing session of the third Conference of Foreign Ministers in January 1942 when he said:

> *No Nation adopted other people's will as its own but all American nations have only one will today... We settled definitive bases for our defense... We began the construction of an American economic structure that will go through the times as a concrete affirmation of ideals transferred to the field of practical achievements.*[132]

132 Quoted from H. Silva, *1942 Guerra no Continente* (Rio de Janeiro, 1972), pp. 212-214.

3. From neutrality to war (January – August 1942)

Ladies and gentlemen! 1942 is going to look fine in the history books.

(Orson Welles, radio interview with Oswaldo Aranha, April 14, 1942).

The year of 1942 was crucial for Brazilian foreign policy. In eight months it changed from one of rhetorical declarations of solidarity into firm alliance with the USA. Through this transformation, the *pragmatic equilibrium* that had guided Brazilian foreign affairs until 1941 was completely discarded.

This major transformation was the result of external factors as well as international pressures, and it is significant that the Vargas Administration was able to control events in the midst of those pressures, ranking concessions but also gaining some advantages though a continuing process of negotiation.

The most significant events to effect the decision-making process in Brazilian foreign policy in 1942 were the following: the Rio Conference (January) at which Brazil broke off relations with the Axis powers, the mission of Souza Costa, Minister of the Treasury, to Washington (February/March) where military and economic agreements were signed with the US Government, the secret politico-military agreement with the USA (May) which

established two joint military commissions to plan the defence of Brazilian territory, and the declaration of war against Germany and Italy (August) after the sinking of five Brazilian merchant vessels.

The Rio Conference

The third Meeting of Consultation of the Foreign Ministers of the American Republics represented the closing chapter of a series of inter-American conferences since the Buenos Aires meeting in 1936. At this meeting, US efforts to co-ordinate policies all over the continent in order to consolidate its anti-Axis position in international affairs reached a peak.

The main events leading up to this Conference, which took place in Rio de Janeiro between January 15-28 1942, are well-known. During 1941 the State Departament felt the need for a new inter-american meeting and the attack on Pearl Harbour increased Washington efforts to prepare for the Conference. Immediately after Pearl Harbour ways of restricting Axis activities in the American Republics and safeguarding the supply of resources essential to the US war effort were discussed and transformed into draft resolutions to be submitted to the Conference. The most important of these demanded that relations between the American Republics and Axis countries be severed.[133]

While these preparations were under way, twenty-six members of the United Nations signed in Washington a declaration of war against the Axis powers on January 1, 1942. Among the signatories were nine Latin American Republics from Central America and the Caribbean. This provoked an Argentine protest to the US Government on January 7, on the grounds that the decision damaged the principle of "previous consultation" established by the Declaration of Lima in 1938. The Argentine note stated:

133 See M. J. Francis. "The United States at Rio 1942: The strains of Pan-Americanism", *Journal of Latin American Studies*. v. 6, n. 1, May 1974, p. 78.

> *there is a certain contradiction in inviting us to participate in the study and adoption of measures of common defence at the same time that nine countries proceed without prior exchange of views to defining in absolute form their double position, intracontinental and extracontinental, with the consequent risks and responsibilities of a state of war.*[134]

It must be remembered that by this time Argentine-US relations had become extremely delicate. In 1940 the Argentine Government had suggested that the American Republics should discard the traditional concept of neutrality in favour of a more positive concept of "non-belligerency". Although many later analysts have suggested that this proposal was favourable to the Allies, it was nevertheless rejected as inopportune by the US Government, despite the fact that President Roosevelt himself was to make a similar suggestion soon afterwards. In the view of the US historian, Joseph Tulchin, the non-belligerency proposal indicated that "Argentina's neutrality during the war was not a pre-determined or inevitable policy" and that Argentina might have played the role of fraternal collaborator rather than hostile outsider if her suggestion had been accepted.[135] Throughout 1942 the domestic political balance was changing and growing nationalist influence in the Argentine Administration and armed forces were pushing Argentina's foreign policy in the direction of classical neutrality which could be manipulated in favour of Axis interests.

134 US Under-Secretary to the Ambassador in Buenos Aires, FRUS 1942 V p. 24.

135 J.S.Tulchin, "The Argentine Proposal for Non-Belligerency, April 1940", *Journal of Inter-American Studies*, v.VI , n.4, October 1969, p. 603. This Argentine pro-allied position is also analysed by Hilton in "Argentine Neutrality, September 1939-June 1940: A Re-examination", *The Americas*, January 22, 1966, pp. 227-257. A different view is taken by another US historian, David Rudgers, in his thesis "Challenge to the Hemisphere: Argentina Confronts the United States, 1938-1947" (PhD the George Washington University, 1972). He considers that the plan of non-belligerency would, if acceptable, have benefitted only the Germans.

It was evident that Argentina's position at the Rio Conference would embarrass US wishes for a unanimous and immediate breaking of relations with the Axis powers. Furthermore, the stand taken by Argentina affected the position of her neighbours – Brazil, Uruguay, Chile and Bolivia. In addition, Axis influence in several Latin American countries was at that time still considerable and it was inevitable that these governments would demand satisfaction and assurance from the USA in return for accepting clearly anti-Axis resolutions at the Conference.

The Roosevelt Administration therefore laid great stress on the Rio Conference, as can be seen from the results it was able to achieve as well as in the composition of the US delegation which included many high Government officials as advisors.[136] The leader of the delegation was Sumner Welles, Under-Secretary of State and a man who was held to be well-acquainted with Latin American problems. Experts in high diplomacy, finance, commerce and other areas were gathered together to help the US achieve its goals in the meeting.

In order the reach a better understanding of what happened in Rio de Janeiro between 15-28 January the presentation will be divided into two parts: a) the multilateral aspects of the Conference, and b) Brazil-US relations during the Conference.

The battle for Latin American solidarity

Most reports of the Rio Conference were almost completely dominated by the question of the breaking of relations between

136 These included people such as Warren Pierson, President of the Eximbank, Wayne Taylor, Under-Secretary of Commerce, Carl Spaeth, Assistant to the Secretary of the Treasury, Lawrence Smith, Chief of the Special Defense Unit of the Department of Justice, Leslie Wheeler, Director of the Office of Foreign Agricultural Relations and William Peet Jr., Secretary of the Maritime Commission. See list attached to a letter from Welles to Roosevelt, January 8, 1942, Roosevelt papers, FRL/OF January 8, 1942.

the American Republics and the Axis Powers and the US-Argentine dual over the formation of the resolution to be adopted by the hemisphere's representatives. Nevertheless, many other resolutions were discussed and adopted, some of them of the utmost importance to the future of inter-American relations.

The central political issue was, of course, the breaking of relations with the Axis. The US delegation had prepared a draft resolution according to which the Conference would agree to the immediate breaking of relations. Argentina and Chile both opposed the resolution in different ways. The Argentinians did not accept the imperative nature of the draft because their government depended on a very delicate domestic equilibrium and wanted to maintain a position of neutrality in the war. The Chilean Government, on the other hand, feared that the breaking of relations would be interpreted as a state of war, a situation it was eager to avoid in view of the possibility of Japanese attacks on the Chilean coast.

After two weeks of intense negotiations the representatives of the Conference agreed to a compromise formula that could command unanimous supports. The new resolution recommended, rather than decided, that the American Republics should break off diplomatic relations with Japan, German and Italy.[137]

This revised wording became the subject of heated debate over whether the US had "won" or "lost" at the Conference. Secretary of State, Cordell Hull, who favoured a strong resolution even at the expense of sacrificing unanimity, regarded the formula as an unacceptable change in the State Department's previous position

137 A recent appraisal of the political meaning of the Conference together with a detailed description of its negotiations can be found in R.A. Humphreys, *Latin American and the Second World War 1939-1942* (London, 1981), Ch. V. See also M. Francis, *op. cit.*

and the whole affair as a surrender to Argentina.[138] Sumner Welles defended his position by saying that even prior to the Conference the US had felt that maintaining the unity of the hemisphere was as important as the breaking of political, commercial and financial relations with the Axis Powers. Furthermore, it became evident during the Conference that representatives of Brazil, Uruguay and Bolivia were very concerned at the possibility of a rupture between themselves and Argentina as a result of an Argentina-US clash. They feared finding themselves forced to take an openly antagonistic attitude toward Argentina. Welles concluded that the unity of the hemisphere had become vital to US interests and agreed to amend the wording of the resolutions.[139]

An examination of the forty other resolutions passed by the Conference shows that the meeting as a whole was a complete victory for the USA. A series of long-term resolutions affecting political declarations, economic and juridical co-ordination, police control and health policy paved the way for broad co-ordination of inter-American policies under US leadership.[140] The majority of these resolutions were consistent with previous US definitions of the role to be played by the Latin American nations in partnership with the USA.

The resolution on the *production of strategic materials* occupied first place in the final report. It recommended economic mobilization in order to assure that the countries of the hemisphere, particularly those actively engaged in the war, could acquire supplies of basic

138 C. Hull, *The Memoirs of Cordell Hull* (New York, 1948), v. II, p. 1149.

139 Welles to Roosevelt, FRUS, 1942, V, p. 36. An evaluation of this controversy has been made by J. Pratt in *The American Secretaries of the State and Their Diplomacy* (New York, 1964), V. XIII on Cordell Hull. For him the Conference was neither the success proclaimed by Welles nor the failure that Hull felt it to have been.

140 Ata Final da III Reunião de Consulta dos Ministros das Relações Exteriores das Repúblicas Americanas, GV 42.01.28.

and strategic materials in the shortest time possible. Among those countries at war, only the USA was able to absorb large quantities of strategic materials as a result of the enormous size of its war industries. In order to maintain a continental framework for these activities the task of elaborating the list of basic materials essential to the hemisphere's defence was given to the Inter-American Financial and Economic Advisory Committee.

Resolutions on the *development of basic production* and *economic collaboration* reflected US policies towards Latin American industrialization at that time. The first resolution established that the American nations should not set up industries producing synthetic goods that would be 'economically artificial' and could affect the consumption of natural products available in other American countries. The second resolution required the stimulation of agricultural and mining products for export, and recommended that these efforts be co-ordinated by the Inter-American Development Commission. In the view of the Conference, Latin America had to specialise in natural products, since the industries which some countries were trying to develop were "without economic basics or contrary to the economic solidarity of America".[141] The "Economic Solidarity of America" was the new (old) international division of labour proposed by the USA, and accepted as a hemispheric goal.

Resolutions on the *support of the domestic economies of the American nations* and on the *utilization of raw materials* recommended, among other things, equitable access to inter-American trade, with the exception of preferential treatment for the "nations at war". Resolution nº XIII left the task of putting these resolutions into practice in the hands of the Inter-American Development Commission. Another resolution (nº VIII) insisted

141 Introduction to the resolution "Development of basic production", GV. 42.01.28.

once more on the need for the various governments to collaborate with that commission.

On the question of the *mobilization of means of communication*, the Conference made detailed recommendations for enlarging and co-ordinating all systems of domestic and inter-American means of transport and communications with emphasis on defence requirements. Since "continental defence" was the direct responsibility of the US, Latin American measures to improve communications were to be integrated with US planning, as will be seen later.

On *capital investment* the Conference recommended the free movement of capital between every American Republic. Each government was to adopt the necessary measures to assure the mobilization and protection of capital. It should be noted that the USA was the only "American Republic" able to export capital to the other American Republics. The Conference tried to create the best possible conditions for US business and at the same time subtly excluded European countries, particularly Great Britain, from the reciprocal facilities recommended by the resolution.

It is interesting to note at this point that the resolution concerning the *Inter-American Defense Board* occupied next to last place on the list of resolutions. It is somewhat ironic that the USA, involved in a real was, had put forward a resolution which proposed to create an Inter-American Defense Board to study (but not to plan) the continent's defence at the insistence of the Department of State. It would appear that such military questions were of minor importance to the Conference on the Board. Bilateral joint commissions were to play a far more important role, as will be shown later. The State-War-Navy Co-ordinating Committee clearly realised that the Defence board was only created in order to publicly encourage "hemispheric solidarity" in the military

field.[142] While it played no part in planning the real war against the external energy, the Board later took on the precise function of co-ordinating and diffusing US policy on military questions touching the hemisphere.

The US quest control of the whole continent was also evident in resolutions connected with subversive activities, police and judicial measures and investigation systems. The resolution on *subversive activities* recommended the creation of similar legislation and increasing surveillance systems over foreign nationals by all American countries. It also recommended the adoption of very detailed norms concerning control, naturalization, and acts of aggression committed by such citizens, in addition to common border regulations.

The resolution concerning the *co-ordination of police and judicial measures* is particularly interesting since it recommended that the source of the South American Police Convention of 1920 be extended to include "all countries of the continent", in other words, the USA. The resolution further recommended the creation of an Inter-American register of police files which would permit the identification of all individuals prosecuted for, or found guilty of, subversive activities. Needless to say such an integrated system of political and social control was of immense importance to US war efforts. The improvement of this resolution in hemispheric terms was to prove somewhat embarrassing since Argentina was seen as pro-Axis and her police force was distrusted by US authorities. For that reason, the Inter-American Conference of Police and Judicial Authorities, held in Buenos Aires between May 27 and June 9,

142 The Inter-American Defense Board under its preent Charter is not properly constitued to assume the functions which are considered desirable for the effective operation of an inter-American military agency. Memo by the Acting State Member, February 1, 1946, NA/RG 165 W.D. ABC 900.3295, sec.1C.

did not take many steps towards immediate police co-ordination. Nevertheless, the basis for co-ordination had been established.[143]

In order to strengthen this police co-ordination, another resolution on the *Co-ordination of investigation systems* recommended that the American countries co-ordinate their intelligence and investigation services by providing personnel for inter-American exchange of information, and by co-operating in the prevention, repression, punishment and elimination of subversive activities such as espionage, sabotage, and subversive incitement.

Officially, these resolutions were adopted because of the war and the enemies which the continent faced. In fact they were long-range political decisions that established agencies on at least principles of *permanent* social control on the continent. After the end of the war these principles and agencies were to continue to operate according to the security objectives of each state. The mechanisms which this resolution created would continue to reinforce US hegemony over the continent, keeping the advantage of having been approved by the Conference as necessary.[144]

Latin America agreed to be integrated with the US war effort and to control the domestic situation in order to prevent any future breach of commitment towards the USA. Welles spoke very frankly about the US's pleasure at the outcome of the Rio Conference:

> *It will be observed that many of the projects supported by the United States have been given approve along the lines agreed upon prior to the departure of the delegation, and*

143 On US attitudes see FRUS, 1942, V, pp. 48-57.

144 Acceptance of US leadership by the Conference was so complete that resolution n° XXII decided "to transform the 'Good Neighbor' policy into a norm of the International Law of the continent"! Ata Final XXII, GV 42.01.28.

> *that the remaining ones have progressed favorably so far as the schedule here has permitted.*[145]

Side by side with the Conference, bilateral negotiations on political, economic and military issues took place in Rio de Janeiro. These talks were initiated by the US in order to ensure approval for her policies and were made possible by the inclusion of high-ranking Government officials in the US delegation. Various agreements on economic and financial assistance, arms supplies and military assistance were reached between the United States and Bolivia, Brazil, Chile, Costa Rica, Equador, Honduras, Nicaragua and Uruguay.[146]

Impressed by this dimension of the negotiations, an observer commented in 1943 that "the United States needed freedom of action, bases, and strategic materials; the Latin American Republics needed protection, financial assistance and supplies. The Conference provided for a mutually advantageous exchange".[147] In fact the exchange was not quite so mutually advantageous since the decision-making process was characterized by multiple asymmetry and could hardly have benefitted the Latin American countries as much as was suggested. In the words of a more recent analysis:

> *Despite the stream of pronouncements about the glories of Pan-Americanism at the meeting, it is not difficult to interpret this gathering in terms of simple power politics. The dominant power wanted to arrange for a co-ordinated effort and was willing to say for this in economic and military assistance. Most of the states either stood to profit*

145 Welles to Hull, January 25, 1942, FRUS, V, pp. 40-41.

146 Collado (D.S.) to the Under-Secretary, February 28, 1942, FRUS, V, pp. 45-47.

147 G.H. Stuart, *Latin America and the United States* (New York, 1943), V, pp. 36.

in some way from the co-ordination on were too weak to oppose Washington's wishes (or both).[148]

The battle for the Brazilian alliance

There were two deadlocks in Brazil-US relations at the end of 1941: the question of the arms supplies required by the Brazilian military and the question of the arms supplies required by the Brazilian military and the question of the defence of the North-east. As was seen in Chapter 2, Brazil had already granted the United States a number of privileges earlier that year. These included permission for the South Atlantic Force under the command of Admiral Jonas Ingram to use the sorts of Recife and Salvador, the construction or enlargement of air bases in North and North-east Brazil, and permission to ferry aircraft and supplies via Brazil to aid the British campaign in North Africa. In addition a US naval air squadron arrived to perform naval patrol duties in the Brazilian "bulge". Nevertheless the main objective of the US military – the stationing of US troops in the North-east – had rot, as yet, been attained.

In December the US Government took an important initiative: using the goodwill of Carlos Martins, the Brazilian Ambassador in Washington, and a personal friend of Vargas, the State Department obtained directly from the Brazilian President authorization to send a contingent of US marines to guard the aerodromes of Belém, Natal and Recife. Since a small number of US technicians had already been working in the construction and operator of military basis in Brazil, these marines also came under the guise of being "technicians" although they actually arrived as regular, uniformed armed troops, against the will of the Brazilian

148 V.J. Francis, *op.cit.,* p. 95.

military leadership. They were allowed to stay in Brazil but their arms were confiscated and for some time they had no means of effective action.[149]

Although this trick could be justified from the US perspective in view of the critical situation faced by the Allied forces in North Africa, the move was an unfortunate incident in Brazilian-US relations since it reinforced the resistance of the Brazilian military to any further dispatch of US troops to Brazilian territory. When the US delegation, headed by Welles, arrived in Rio de Janeiro in January 1942, not only were US military objectives in Brazil still partially unattained but the Brazilian attitude to the Conference was unpredictable.

In his inauguration speech President Vargas welcomed the Rio Conference and proclaimed his support for the Pan-American cause without making any concrete promises to the US. Washington, however, was prepared for the occasion and the Vargas Administration received special attention from US planners and executives throughout the Conference. In addition to the selected US team sent to the meeting, President Roosevelt himself maintained direct contact with President Vargas. The two had been in direct communication since Vargas speech of December 31, 1941 when the Brazilian President spoke enthusiastically of continental solidarity, and remind his audience that a country in the western hemisphere had been attacked. This meant, he said, that it was not necessary to invoke obligations agreed on at international meetings – there was no doubt that the correct attitude for Brazil to take was one of solidarity with the USA. But at the same time he warned:

149 The military was not alone in opposing this initiative. Aranha himself did not approve the Brazilian Ambassador actions. Aranha to Martins, December 24, 1941, AHI/MDB/Washinton/Telegramas expedidos. See also Aranha to Vargas, OA 42.02.16/1.

> *We will not fail to live up to our responsibilities; we are convinced that the material element we need will be delivered to us in good time so that we will be able to fulfil our responsibility in the defence of continental integrity.*[150]

At the beginning of the Third Conference of Foreign Ministers the President of the USA sent a personal letter to President Vargas in which he declared that he was ready to pay the price of Brazilian support which the Brazilian President had fixed. After praising Vargas' speech and thanking him for the support which Brazil had given to US actions in the Atlantic, Roosevelt went on to say that he had understood Vargas' references to "the material elements we need" in his speech in December 1941. Roosevelt also promised that, in spite of the needs of the US armed forces due to the Japanese offensive, the US Government would deliver the equipament which Brazil was waiting for. He also reminded Vargas that the Rio Conference would be a decisive factor in the security of the hemisphere and presented his request thus: "I am happy to know about your disposition of support for the main goal of this country (USA) in relation to the Rio de Janeiro Conference".[151]

Foreign Minister Aranha was by that time also a target for the US President's courtesy. Franklin Roosevelt urged Aranha "to implement rapidly and definitely the pledges of solidarity made at previous inter-American meetings".[152]

During the course of the meeting the Axis Ambassadors in Brazil resorted to desperate manoeuvres in order to avoid the breaking of

150 Vargas, *A Nova Política do Brasil* (Rio de Janeiro, 1943), vol.IX, p. 190. Sir Noel Charles, British Ambassador to Brazil, understood this speech as constituting a clear message to the Brazilian military that the Government intended to remain openly on the side of the USA. Charles to Foreign Office, FO 271 30350 (A104/4/60). I would suggest the address implied the opposite: the speech warned the US Governmment that Vargas could not ignore the feelings of the military leadership in Brazil.

151 Roosevelt to Vargas, GV 42.01.07/2 and FRL/PPF, January 7, 1942.

152 Roosevelt to Aranha, AO 42.01.07/1.

relations.[153] They were unsuccessful, however, because Vargas was simply biding his time until the US demonstrated its willingness to comply with Brazilian demands. This meeting gave him an opportunity to tell Sumner Welles exactly what those demands were. After underlining his support for the US position and complaining that in the past eighteen months US promises to supply war materials had not been fulfilled, the Brazilian President declared:

> *that obviously Brazil could not be treated as a small Central American power which would be satisfied with the stationing of American troops upon its territory. Brazil has a right to be regarded by the United States as a friend and ally and is entitled to be furnished under the Lend-Lease Act with planes, tanks, and coast artillery sufficient to enable the Brazilian army to defend at least in part those regions of North-eastern Brazil whose defense is as vitally necessary for the United States as for Brazil herself.*[154]

According to Welles, in his communications with Washington, this issue was of the highest importance and as a result Vargas complaints were answered personally by President Roosevelt. In a telegram to Welles he stated: "Tell President Vargas I wholly understand and appreciate the needs and can assure him flow of material will start at once".

After pointing out that there were shortages of a few items, he continued: "I want to get away as soon as possible from token shipments and increase them to a minimum of Brazilian requirements very quickly".[155]

153 Ugo Sola (Italian Ambassador) to Osvaldo Aranha and Itaro Ishii (Japanese Ambassador) to Osvaldo Aranha and Eurico Gaspar Dutra GV 42.01.16, GV 42.01.17.

154 Welles to Hull, January 18, 1942, FRUS, 1942, v, pp. 633-636.

155 Roosevelt to Welles, GV. 42.01.20. The message was sent to Vargas by Welles, FRUS 1942, v, p. 636. Roosevelt's personal efforts have been stressed by S. Conn and B. Fairchild, *The Framework of Hemisphere Defense* (Washington, 1960), pp. 314-315.

It is surprising that the President was willing to promise to resume the flow of war materials to Brazil immediately, at a time when the US military leadership strongly resisted this concession. The US President had good political reasons for his action since the Brazilian position in the Conference was by no means certain. On the one hand Brazil feared a confrontation with Argentina if radical divisions were to develop at the Conference. On the other hand, Vargas had to cope with the resistance of his military leadership.

The Brazilian Government did not want to oppose Argentina politically or militarily. Vargas, Aranha, and the other Brazilian representatives at the Conference made every effort to reach a political formula on the question of the breaking of relations with the Axis which would also be acceptable to the Argentine representatives.

On the military side, during the conference Gen. Dutra, Minister of War and Gen. Góes Monteiro, the Chief of Staff, had argued for the continuation of diplomatic relations with the Axis powers on the grounds that "our forces are not prepared to ensure the territory's defence in case of military consequences proceeding from the breaking of diplomatic relations".[156] It is clear that this military resistance did not stem from principles or a political ordination – Dutra and Góes Monteiro were speaking in professional terms only. They accepted the principle of continental solidarity but considered a decision to break off relations to be mistaken in view of the unprepared state of the Brazilian armed forces. On the contrary, if the armed forces could obtain adequate resources, they

156 Minister of War to the President, GV 42.01.24. Rumors that Dutra and Monteiro intended to resign underlined the military resistance to the breaking of relations. Caffery to the Secretary of State, January 16, 1942, NA/RG 59 832.00/1462. In addition, Brazilian military leaders were convinced of Germany's military superiority. See interviews with Nelson de Mello, Aristides Leal and Alzira Vargas do Amaral Peixoto, all in H.O. Depoimentos, CPDOC.

would wholeheartedly support Brazil-US collaboration even to the extent of breaking off relations with the Axis.

Thus the US Government was ready to commit itself to supplying not only arms but also other kinds of equipment needed by Brazil. (During the Conference, Donald Pierson, President of Eximbank, entered into discussions with Brazilian authorities on this subject). By the end of the meeting Vargas had obtained sufficient assurances from the US to neutralize the military opposition. On the last day of the Conference Vargas announced the breaking of relations with the Axis and a few days later he sent his Minister of Finance, Souza Costa, to Washington in order to speed up the procurement and dispatch of US armaments to Brazil and to finalise certain economic and financial agreements.

At the Third Meeting of Foreign Ministers, Brazil and the United States took the first steps towards the intimate collaboration that was to last for many years in the future. Having extracted from the US Government agreement to equip the Brazilian armed forces, Brazil entered into a special partnership with the US. Nevertheless, many difficult problems had been left unsolved, among which predominated the US desire to send troops to North-east Brazil. The Brazilian position on the question of the breaking of relations with the Axis had been crucial to US purposes and immediately after the end of the Conference Roosevelt warmly praised Vargas' decision.[157]

The hard bargain

The representative of a third party interested in the Rio Conference, the British Ambassador in Brazil, was of the opinion that the main objectives of the Brazilian Government had been able:

157 Roosevelt to Vargas, January 28, 1942, FRL/PPF.

> *to win whole-hearted support of Brazilians by holding out tempting suggestions for the supply of necessary monetary and technical assistance to build up Brazilian industry and to exploit the valuable resources of the country.*[158]

The Ambassador, Sir Noel Charles, was worried by the degree to which British interests would be affected by these developments. The Foreign Office's evaluation went beyond the economic aspects of US-Brazilian relations:

> *In spite of the high principles of Pan-American solidarity, the results of the Rio Conference were in fact a compromise by which the US Government has obtained the economic mobilization and the politico-military collaboration of Latin America in support of the Allied war effort. We may therefore expect a good deal of hard bargaining and some friction. The price the United States will have to pay will consist of loans, credits, lease-lend agreements for the supply of* inter alia *defence material and the promotion of measures to stimulate inter-American trade.*[159]

These were prophetic words. "A good deal of hard bargaining and some friction" were indeed characteristic of Brazil-United States relations until August 1942, both in economic and military terms.

Brazil-USA military relations

In order to reach concrete agreements on military and economic matters the Brazilian Government sent the Minister of Finance, Souza Costa, to Washington soon after the Rio Conference. His tasks were: a) to try to speed up the delivery of

158 Report from Noel Charles to the Foreign Office, February 17, 1949 FO 371 30360 (A1688/555/6).

159 Notes made by Foreign Office officials in response to Noel Charles report. Source see 156.

war materials and economic equipment to Brazil; b) to discuss economic and financial matters; c) to establish better conditions for the flow of raw materials for Brazilian industry.[160]

The US Government was very anxious to consolidate the Brazilian alliance and for that reason the Secretary of State informed President Vargas that Washington would promptly fulfil Brazilian requirements for defence materials. Furthermore, after studying the military needs of Brazil, the US Government added fifty million dollars to the initial one hundred million dollars agreed during the Rio Conference. President Roosevelt also instructed the State Department to ask the Munitions Allocations board to give special attention and priority to Brazilian requests.[161]

Nevertheless, the talks between the US authorities and the Brazilian delegation were held in a climate of distrust. US military authorities were reluctant to furnish the war materials Brazil was asking for so long as: 1)Brazilian officers such as Dutra and Góes Monteiro, suspected of pro-Axis leanings, remained in control of the Brazilian army; 2) large organized bodies of Germans, Italians, and Japanese, which might prove to be too great a problem for the Brazilian army to cope with, remained in existence; 3) Brazil prevented the USA from providing military personnel to take charge of the guns, tanks, and aircraft already supplied and to protect aerodromes constructed by US engineers as well as strategic points along the coast.[162]

160 Vargas to Roosevelt, GV 42.01.30.

161 Hull to Caffery, February 5, 1942. FRUS, 1942, v, pp. 639-641. Cordell Hull wanted to be kept personally informed about the issue in order to solve any problems as they arose. See also Hull to Caffery February 9, 1942, FRUS, 1942, v, pp. 642-643.

162 N. Charles to Foreign Office, February 5, 1942, FO 371 30360 (A1289/555/6). On American distrust of Brazilian military chiefs see Memorandum of US intelligence about Dutra's orientation for the Army. NA/RG 226 OSS 1291, February 25, 1942.

In Rio de Janeiro, Jefferson Caffery, the US Ambassador, and Col. Millen, his military attaché, held different views on the best method of tackling the conflict with the Brazilian Government. Ambassador Caffery wished to temporise in the hope of arriving at a diplomatic solution but Miller continually pressed for an immediate solution to the problem. He predicted that if the Brazilian argument for the initial defence of Brazilian territory to be undertaken only by Brazilian forces was allowed to prevail, US air and naval forces would arrive too late to give effective assistance in case of invasion. This would mean that the war materials for which Brazil was clamouring would probably be wasted.[163]

Thus US military authorities insisted on the granting of permission for US soldiers and pilots to come to Brazil to defend the new air bases in the North-east. This was in fact their main preoccupation since these bases were not only a part of the hemispheric defence system but were a link in the South Atlantic routes in the direction of Africa and the Middle East. This was in fact the sole route between the hemispheres at the beginning of 1942.[164] Apart from political mistrust of the Brazilian military leaders, the reason for this insistence was that they had no confidence in Brazil's technical ability to handle the equipment and defend the North-east.[165]

By this time the General Headquarters of the US army had prepared detailed operational plans for the occupation of the North-east and Rio de Janeiro in the event of a German invasion

163 Miller to Caffery, January 29, 1942, NA/RG 226 OSS 14891.

164 Conn & Fairchild, *op. cit.*, pp. 304.

165 The Foreing Office shared this lack of confidence. Brazilians "have absolutely no aptitude for technical organization of any sort", "they are the most inefficient people I have come across" – are typical expressions found in notes from officials in charge of South American Section of the Foreign Office at that time. FO 371 30360 (A1259/555/6).

or revolutionary movement assisted by the Axis Powers. These plans show the vital role played by the Natal area in US strategy:

> *The Natal area is not only the spring-board for offensive operations against the Dakar area of Africa, but the terrain feature, if securely held by the US, could effectively control the east and north coasts of South America and secure from Axis attack, from the Atlantic, the vital Caribbean area, including the Panama Canal.*[166]

Control of the Natal area could not only prevent a German invasion from Africa but would secure the USA's strategic control of South America. For that reason the US military planners were asking, in February, for vital concessions from Brazil, including permission to send 750 service personnel to the North-east. These concessions would "make possible the rapid ferrying of large numbers of planes to North Africa and the Far East where they are critically and urgently needed".[167]

The intransigent position of the US military was met with similar intransigency on the part of the Brazilians who considered the sending of armed and uniformed forces to Brazil in December 1941 to have been an insult to Brazilian sovereignty. The Brazilian Government protested strongly and the military leadership refused to allow any further soldiers to be sent to Brazil.[168] The armed forces wanted above all to receive armaments according to promises made by the USA at the Rio Conference. Vargas made

166 Operations Plan of North-east Brazil Theater – Rio de Janeiro Sector, Annex 1, p.18, Special Projects War Plans "Color", February 20, 1942, NA/RG 407 AG 29.

167 Welles to Caffery, February 21, 1942. FRUS, 1942, V, pp. 648-651. Welles to Hopkins, February 21, 1942, NA/RG 218 OSS 400 3295.

168 On the sending of the armed US contigent see note 149. On the refusal to allow further troops to be sent, see Caffery to Hull, FRL/PSL, February 18, 1942. Also Halifax, British Ambassador to the USA, to the Foreign Office, February 25, 1942, FO371 30360 (A2245/555/6) and Washington Chancery to the Foreign Office, February 27, 1942 (A2654/555/6).

it clear that he strongly supported their views and pressed Souza Costa, throughout his mission, to obtain the best deal possible for Brazil in the conditions of the agreement.[169]

Concessions from both sides had to be made if long-term agreements were to be reached between the two Governments. They were, naturally, different kinds of concessions since the asymmetry of power between them was so great. The negotiators drove a hard bargain and Welles described the main problem thus:

> *It has been easy to convince our Army that tanks should be taken from our troops, which are still very insufficiently supplied, to send to Brazil.... The president however had decided that this be given to Brazil because of considerations broader than the purely military, which demand today the closest working relationship between the two Governments*.[170]

These "broader considerations" were political. It was necessary to secure the strongest possible alliance with Brazil since this was the only way of convincing her to co-operate in economic, political and military terms. By giving these war materials to the Brazilian military, the US Government could in return ask for some vital

169 Evidence of pressure on Vargas from the military leardeship can be found in the memo from Donovan to Roosevelt, FRL/PSF, February 27, 1942. Conversations during the Mission can be found in Vargas' and Souza Costa's papers. During the Misson, Vargas was in constant touch with Souza Costa and his letters are full of expressions such as: "it is necessary to speed up the delivery of the materials" (Feb. 9), "delivery of the materials is very urgent" (Feb. 14), "don't waste time, now is the time to arm brazil" (Feb. 23), "we don't want them to send too much, but they should do it at once" (March 13), GV 42.03.13 –Confid. SC 42.06.25 cg.

170 Welles to Caffery February 21, 1942. FRUS 1942, V, pp. 648-651. Disagreement within the US Government over the issue of "war materials for Latin America" had existed since December 1941 when the USA declared war on the Axis, FRUS 1941, V, pp. 130-141. Diplomatic correspondence during the mission of Souza Costa shows that the arms supply issue was the centre of the military deadlock between Brazil and the USA. Caffery to Welles, FRL/PSF Feb. 18, 1943, Welles to Roosevelt, FRL/PSF, February 19, 1942.

concessions from the Brazilian Government in order to support US and British war efforts.[171]

A compromise worked out between the Department of War and the State Department overcame these difficulties and a new Lend-Lease agreement was signed on March 3, 1942. According to this agreement the United States would transfer to Brazil armaments and munitions valued at US$ 200,000,000. The Brazilian Government was to pay for 35 per cent of the cost of the materials delivered, through six payments between 1943 and 1948.[172] Through this agreement Brazilian military demands were fulfilled and the armed forces were substantially strengthened. President Roosevelt and Under-Secretary Welles spoke with great enthusiasm and some exaggeration about the agreement. For Welles it was:

> *one of the concrete answers of Brazil and the USA to Hitlerism and the other declared enemies of the liberties of the Americas, of Christian civilization and of mankind itself.*[173]

Roosevelt wrote to Vargas in the same tone, flattering Souza Costa and the Brazilian Officers and soldiers "whose high qualities had induced the United States Government to make the commitments of the agreements" and to deliver the war materials to Brazil.[174]

For their part, the Brazilian Government rapidly sanctioned US demands for new facilities and more US personnel in the

171 The US Government recognised the relationship between the sucess of Souza Costa in Washington and the chances of reaching agreements with the Brazilian Government over the North-east. Welles to Caffery, February 28, 1942. NA/RG 59 832.24/273.

172 Lend-Lease Agreement between the United States and Brazil, FRUS 1942, V, pp. 815-818.

173 Quoted by Halifax to FO, March 11, 1942, FO 371 30360 (A3269/555/6).

174 Roosevelt to Vargas, GV 42.03.17.

north-east. The US armed forces were granted permission to construct quarters, barracks, and other accommodation; to fly without obtaining the usual approval along a prescribed corridor; to construct underground bulk storage facilities, and to lengthen the runway on the island of Fernando de Noronha.

In spite of these achievements some elements of distrust remained. US military leaders complained that the fifth column had not been efficiently eliminated in Brazil, and openly distrusted many Brazilian officers, including members of the Brazilian Army Chief of Staff, whom they considered to hold pro-Axis feelings. For this reason they did not take seriously the assurances given by the Brazilian military authorities that severe measures would be taken against Axis agents in Brazil.[175] On the other hand the Brazilian military complained that the delivery of war materials continued to be delayed despite constant assurances of goodwill from the US. In the following two months even Vargas echoed military concern at the "many promises and few accomplishments" of the US.[176]

Despite the continued mistrust, the agreements of March 3 paved the way for a more permanent collaboration between the two Governments and armed forces through a *politico-military* agreement on defence matters. The main provision of this secret agreement, which was signed on May 23, 1942, was the setting up of two joint military commissions, one in Washington and the other in Rio de Janeiro. The first would draft joint defence plans for the North-east and the latter would work to raise the standards of the Brazilian forces.[177] In August the Washington Commission

175 Góes Monteiro to Marshall, April 22, 1942; Memo from Col. White (Office of the Chief of Staff) May 8, 1942; both in NA/RG 226 OSS 326.

176 Letter from Vargas, GV 42.03.13 – Confid. Marshall to Goes Monteiro AO 42.05.12/2.

177 Conn & Fairchild, *op.cit.*, pp. 318-319.

started work (see Chapter 4), but even before that date military collaboration between the two countries had begun to increase.[178]

By then US strategy towards the North-east was undergoing significant changes. Instead of insisting on the location of its own air and ground forces in the area, the US army was beginning to accept the idea of preparatory defence measures to be carried out by Brazilian forces. Recommendations from the Joint Military Commission of Washington reflected this new orientation.[179]

Brazil-United States economic relations

The economic mobilization of Latin America by the United States after the Rio Conference was conducted through two types of programme, both designed to contribute to the defeat of the Axis nations. These programmes may be described as "negative" and "positive". The "negative" programme aimed to prevent all pro-Axis economic activities within the American republics, by preparing a "proclaimed list" (black list) of Axis collaborators, implementing controls against nationals of the proclaimed list, preventing undesirables from using US carriers, export control reassures on the part of the other American Republics, eliminating the Axis airlines, controlling telecommunications and the supply of petroleum and immobilizing Axis vessels.

These measures were difficult to implement since they often seemed, and frequently did constitute interference in local national matters. The US "black list" in particular was seen as interference, since it dealt not only with Axis citizens in Brazil but with any

178 AMEMBASSY to Salgado Filho, Minister of Aeronautics, June 15, 1942; Caffery to Aranha July 14, 1942; Caffery to Leão Velloso, July 20, 1942 – all in AHI/RE/EUA/Notas recebidas.

179 Report on JUSBMC's meeting from the Brazilian perspective made by Sen. Leitão de Carvalho for President Vargas. Relatório Geral do Chefe da Delegação Brasileira à Comissão Mista de Defesa Brasil-Estados Unidos, Washington, 1945, IHGB Biblioteca, Arquivo Leitão de Carvalho, lata 506, man.3.

person or organization which appeared to be identified with Axis interests.[180]

This "ideological" rather than a "national" approach to the issue created many problems for representatives of the US, who had to face a strong Brazilian protest when the list was published.

Some sort of understanding had to be reached. The Brazilian Government established its own list in consultation with US authorities and agreed to go beyond its previous policy of control and eventual intervention in suspected firms. The US agencies, for their part, agreed to provide financial resources and technical assistance if it proved necessary to re-organize or eliminate "pro-Axis" companies.[181]

US representatives in Brazil were quite successful in instituting other items in the "negative" programme. These included the establishment of export control measures, the re-organization of Axis airlines in Brazil on a new basis, complete surveillance of Brazilian telecommunications and petroleum control measures.[182]

The objective of the "positive" programme on the other hand, was to strengthen the Latin American economies in order to

180 Caffery to Aranha December 19, 1941, January 6, 1942; Donnelly to Caffery March 7, 1942 all in AHI/RE/EUA/Notas recebidas. Aranha to Caffery December 22, 1941, AHI/RE/EUA/Notas expedidas.

181 The "proclaimed list" included more than 500 Brazilian firms some of which were of considerable importance to the Brazilian economy. See "Action taken by the United States Government in the Economic Field to Eliminate Axis influence from the other American Republics", May 1942, NA/RG 59 740.0011 E.W., 1939/15983-a Supp. A complete dossier on Brazilian complaints against the "Black List" is found in Aranha papers, OA 42.01.23/2. Brazilian reaction to the publication of the proclaimed list and further arrangements, can be found in "Black List" NA/RG 229.1.2, Central Files, Commercial and Financial. See also OA, Documentos Oficiais, Panamericanismo, August 14,1942.

182 An impressive list of US accomplishments in these matters is found in a report made by US Ambassador Caffery on February 27, 1943. Caffery even boasted of having drafted a law on the importation of petroleum products which was accepted by President Vargas and passed on August 27, 1942. NA/RG 59 832.00.4361. The loss of Brazilian subordination to US regulations is exposed by M. Sarmanho, Commercial Counselor of the Brazilian Embassy in the USA, to J. Jobim (OA 42.04.06/1) and to Aranha (OA 42.05.12/1).

avoid Nazi penetration. The measures in this positive programme included increasing the supply of strategic materials, mobilizing and expanding transportation facilities by sea, river, air, rail and road, and extending financial assistance to various countries. A report made by the OCIAA in May 1942 frankly recognised that this "positive" programme was directed less towards the real economic development of this American nations than towards current US strategic interests. In this report the supply of strategic materials by Brazil was considered to be "essential to the war production effort of the United States"; transportation facilities were related to the "efficient transportation of strategic materials to the United States" and the third measure was deemed necessary in order to maintain the domestic economies "at a minimum essential level to avoid widespread economic distress and circumstances favourable to Nazi penetration and subversive activity".[183]

This economic policy was consistently maintained throughout the year. When Souza Costa went to Washington just after the Rio Conference, the US Department of Commerce agreed to extend credit amounting to one hundred million dollars to Brazil under very carefully specified conditions. The projects financed by this credit would "be conditional upon careful investigation and determination that such projects would contribute in an important manner to the progress of *our war effort* and to the security of the hemisphere".[184]

It was inevitable that the only real and growing area of activity was related to the procurement and export of strategic materials from Brazil to the United States, who wished to maximize this kind of production. When the US lost her Asian sources of rubber

183 Report "Action Taken...", see note 181.

184 Jesse Jones to Welles, February, 1942, NA/RG 59 711.32.111A. My emphasis.

to the Japanese, for instance, Brazil became her largest supplier. Brazil also possessed "one of the largest low phosphorous iron ore deposits in the world".[185] In 1942 the US Government added new items to the already long list of strategic materials agreed by both countries in 1941. These included cobalt, tungsten, nickel ore, tantalite, columbite, castor beans and castor oil. Once the USA was actually at war she demanded that the Brazilian authorities increase production as rapidly as possible.[186]

As was seen in Chapter 1, a first agreement on strategic materials had been signed by the United States and Brazil in May 1941. However, the volume of materials purchased in that year were limited, and even these were made by means of frequent changes in buying policy that tended to dislocate the Brazilian economy.[187] This agreement did not operate smoothly largely because the United States was not yet at war and did not yet require large amounts of strategic materials. The main objective of the agreement was to close off Axis sources of supply.

By the beginning of 1942, however, the situation had changed radically and the USA urgently needed these materials. For this reason the presence of Warren Pierson, President of the Export Import Bank, in Rio de Janeiro during the Third Meeting of the Ministers of Foreign Affairs was crucially important. Cordell Hull, the Secretary of State, regarded Pierson's negotiations with the Brazilian authorities as "of utmost importance to the British-American war effort".[188]

185 Hull to Caffery, January 31, 1942, FRUS, 1942, v, pp. 678-679.

186 AMEMBASSY to MRE, January 21, 1942; memo from Donnelly, February 6, 1942; memo from AMEMBASSY February 13, 1942; Donnelly to Santos Filho, February 18, 1942 – all in AHI/RE/EUA/ Notas recebidas.

187 Caffery to Hull, January 30, 1942, FRUS 1942, v, pp. 674-677. Pierson to Santos Filho, SC 41.03.08 cg.

188 Hull to Caffery, January 21, 1942, NA/RG 59 710 – Consultation. The extent to which Brazilian strategic materials were vital to the USA can be seen in a Report from B. H. Namm to Caffery, in

Pierson presented the Brazilian Government with a plan that provided for: 1) the opening of the Itabira iron ore mine and the improvement of rail facilities for transporting the ore to Vitoria; 2) a loan to enable the Central do Brazil Railway to carry larger quantities of manganese and iron ore to the port of Rio de Janeiro and to improve this port.

The Brazilian authorities agreed to Pierson's proposals but made then conditional on the success of Souza Costa's mission, particularly in terms of the procurement of armaments under Lend-Lease assistance. Once the Lend-Lease negotiations had been successfully concluded, the economic agreements signed by Souza Costa and Cordell Hull on March 3, 1942 provided credit for the creation of a corporation to finance development projects, particularly those connected to the Itabira Mine and Victoria-Minas railway as well as a fund for the development of rubber production. Furthermore, it was agreed that the Rubber Reserve Corporation would purchase the entire output of Brazilian crude rubber not required for internal use, for a period of five years.[189] Some days later cobalt, tungsten and nickel ore were included in the 1941 agreement and the benefits of exclusive purchase were also extended to the United Kingdom.[190] Other agreements concerning coffee, cocoa, Brazil nuts and rubber goods were also signed.

October 1943, OA, Documentos Oficiais, Brasil-Estados Unidos, p. II. The importance of the matter grew during the year as can be seen from a report from the British Ministry of Information: "Brazil produces a number of strategic raw materials which are becoming increasingly essential to the American war industries(…) notably rubber, manganese, tungsten and iron ore". June 1, 1942 FO 371 30368 (A5269/4880/6).

189 Caffery to Hull, February 2, 1942, FRUS 1942, v, p. 679. Minute of Contract between Brazil-UK-Eximbank-Metals Reserve Co., OA, Documentos Oficiais, Brasil-Estados Unidos, p.II. The talks also involved British interests (the Itabira mine) and H.M. Ambassador in Washington reported the agreement to the Foreign Office March 7, 1942, FO 371 30350 (9A224/555/6).

190 Caffery to Aranha March 11, 1942; AMEMBASSY to MRE, May 26, 1942 – both in AHI/RE/EUA/Notas recebidas.

Nevertheless implementing the agreements was not an easy task. Rubber was a typical example of US procedures and the friction produced between the two countries. Brazilian raw rubber and manufactured rubber goods were essential to many Latin American countries, but the agreements had given the US Rubber Reserve Corporation complete control of rubber production and trade. This control was evident in two ways: in the attempt to drastically limit the manufacture of rubber goods in Brazil, in the attempt to prevent the Brazilian Government from exporting a small shipment of rubber to Argentina in March 1942. In explaining the reasons for these policies, Welles clearly stated that:

> *the fact the other South American Republics cannot obtain tyres from the United States does not mean that they should be able to get them from Brazil.*[191]

State Department pressures on the Brazilian Government reaped a measure of success in May when Souza Costa instructed the Director of the Export & Import Department of the Banco do Brasil to prohibit the exportation of tyres and tubes and crude rubber in any form except to the United States. Some shipments to Argentina were allowed because licences for these shipments had been obtained before March 3. Thus US insistence was based on the fact that there was insufficient rubber to meet all the essential needs of the United States, the United Kingdom and the American Republics. The US Government took on itself the tasks of judging South American needs and redistributing Brazilian rubber the other American countries.[192]

Since control of the production and distribution of Brazilian rubber has passed completely into the hands of the US, in August Itamaraty sent a strong note to the US Embassy in which it argued

191 Welles to Caffery March 30, 1942, FRUS 1942, V, pp. 697-698.

192 AMEMBASSY to MRE, July 4, 1942 AHI/RE/EUA/Notas recebidas.

that the US-Brazil rubber agreement had not intended to allow the US to redistribute Brazilian rubber among the other American countries. The note also requested that:

> *tyres and tubes for shipment from Brazil to American countries other than the United States be not purchased by Rubber Reserve but be sold and shipped by Brazil to such countries under an agreement between Brazil and Rubber Reserve whereby Brazil would agree that shipments of tyres and tubes from Brazil to each such country would not exceed the quota established by the United States for the essential needs of each such country.*[193]

Despite the advice of the US Embassy in Rio that the Government avoid appearing to dictate or impose arbitrary controls, the State Department did not change its policy, alleging that proper distribution could be attained "only through the exercise of adequate controls''.[194]

The adequate (i.e. complete) control of strategic raw materials and their distribution was, of course, a major weapon for a State which was involved in a large-scale war and was itself becoming a Great Power on the international scene. The same political meaning can be attributed to the control exercised over other economic activities such as the treatment of Axis assets in Brazil, shipping problems, financial operations and Brazilian markets for manufactured goods. All of them could be regarded as subordinate to the needs of the US war effort.

193 Hull to Caffery, August 1, 1942, FRUS 1942, V, pp. 707-708. "Adequate controls" were a constant preoccupation of the US. See for instance its recommendation to the Brazilian Government to restrict the amounts of copper, tin and zinc supplied to Brazilian industry. Caffery to Aranha, October 1, 1942, AHI/RE/EUA/Notas recebidas.

194 Hull to Caffery, August 12, 1942, FRUS 1942, V, pp. 709-712. The complete control of the Rubber Reserve Corporation over the production and distribution of Brazilian rubber during the war was recently analysed by Hirst in his thesis "O Processo de Alinhamento nas relações Brasil-EUA 1942-45" (M.A. IUPERJ, Rio de Janeiro, 1982).

Another achievement of the "positive" programme was the "Cooke Mission", a US initiative to stimulate Brazilian industrialization. It was guided by the same policies, although it did attempt to introduce some innovations. Officially called the "Joint Brazilian-United States Technical Mission", this team of American experts in economic – especially industrial – matters spent several weeks in Brazil during 1942. Led by Morris Cooke, the objective of the Mission was to study the prevailing conditions in Brazilian industry and the possibility of improving them, according to instructions from the Board of Economic Warfare.[195] This "declaration of intentions" stated by the Instructions are sometimes regarded as evidence of a change in US policy towards the industrialization of Brazil. This was not the case. The more immediate motivations of the Cooke Mission were connected with the possibility of encouraging the substitution of imports from the United States in order to relieve US shipping shortages. Besides that, observers had noted that improvement in Brazilian industries could absorb equipment obsolete in the US yet still useful to less advanced countries.[196]

The Cooke Mission produced an extensive report on Brazilian industrial conditions, actual needs and potentialities. Incidentally, the report went beyond economic matters and produced an accurate picture of labour conditions in Brazil in the forties. The final report suggested a series of short and long-term measures designed to improve Brazilian industry and war production.[197]

195 Malan et al. *Política Econômica Externa e Industrialização no Brasil* (Rio de Janeiro, 1977), pp. 27-28.

196 Taub to the Cooke Mission, September 1, 1942, FRL/BC. Also memo from the Commercial Counsellor of the British Embassy in Rio, FO371 33666 (A3934/518/6). Vargas recognised this was the Mission's task, Vargas to Roosevelt, GV 42.07.30/3.

197 Summary of Preliminary Report of Joint Brazil-United States Technical Mission November 30, 1942, NA/RG59 832.60/57. On the basis of his experience in the Mission, Mr. Cooke wrote the book *Brazil on the March* (New York, 1942).

The Mission went far beyond its original brief. The US Government was not prepared to accept and support the long-term measures proposed in the Mission reports – the prevailing opinion in the Department of State was that "it seems to be a backward step".[198] It was held that a serious improvement of Brazilian industries "would involve re-formulation of 180 degrees in the United States foreign economic policy towards Brazil". A Brazilian expert on Brazil-US relations has concluded, however, that the Cooke Mission was guided by the same pattern of US war effort needs: "In concrete terms the Mission did not represent any improvement in North American co-operation with Brazilian industrialization".[199] Well established links between both economies could not be so drastically changed, irrespective of the good will shown members of the Cooke Mission.

The immediate problems that inspired the Cooke Mission concerned the supply of essential goods to Brazil. These questions were inevitably subject to the same economic policy which placed United States interests before those of other countries: even the modest targets of supply established by the American authorities to meet Brazil's needs for essential goods were not usually fulfilled because of shipping difficulties.[200]

These shipping difficulties led to the establishment of a scale of shipping priorities on the basis of their contribution to the United States war effort. Inevitably, the pre-eminence of US needs over Brazilian ones produced shortages of many goods –

198 As Mr. Frank Hodson's proposal on "Promotion of New Brazilian Industries" NA/RG59 832.60/7-2044. Memo by Chalmers July 31, 1944 NA/RG59 832.60/7-3044.

199 Both quotations from M. Hirst, *op.cit.*, pp. 85, 86. See also State Departament's reactions to Cooke's proposals in Long View Economic Relations, NA/RG59 832.60/75; also Collado to Welles, March 15, 1943, NA/RG59 832.60/76. See also McCann *The Brazilian-American Alliance* (Princeton, 1973), pp. 381-388.

200 M. Abreu "Brazil and the World Economy 1930-1945", (PhD Cambridge University, 1977) p. 218.

particularly petroleum and industrial raw materials – as well as fall in the volume of traditional exports during the year.

The same vicious circle hindered attempts to halt the decrease in exports of Brazilian products. For instance, the United States Government assumed certain obligations in connection with the sale of Brazilian coffee in order to increase exports but advised the Brazilian Government that those obligations were "subject to shipping priorities as they are established in the United States".[201]

British reactions

His Majesty's Embassy in Rio was worried in 1942 about the degree to which British interests in Brazil would be affected by this general US economic offensive. The Ambassador had the impression that:

> *while desiring to furnish British requirements during the war, the United States may try to establish unquestioned control over Brazil's economic resources and that this war would provide a providential opportunity for carrying out this objective.*[202]

British fears had in fact two facets. Firstly, it was felt that the war situation could lead to a king of Pan-American "autarchy", providing captive markets for US products. Secondly, Latin America could become a permanent US supplier of certain goods that the British Empire had sold to the USA before the war.[203]

201 Caffery to Aranha concerning the Brazil-US Agreement for the sale of coffee, October 3, 1942, AHI/RE/EUA/Notas recebidas.

202 N. Charles to the Foreigh Office, February 17, 1942, FO371 30360 (A1688/555/6).

203 This was the case of rubber which the USA used to purchase from British Malaya before the war. N. Charles reported Minister Aranha's insistence that Brazil would continue to supply raw materials to the USA after the war, on February 17, 1942. FO371 30360 (A1688/555/6). Aranha's argument can be found in a radio interview given to Drew Pearson on January 20, 1942. OA. 42.01.20 pi.

The question of markets after the war was from then onwards a cause of serious concern to the British representatives in Rio de Janeiro. They were worried by the presence of numerous US researchers gathering information on economic activity in Brazil and tried to ascertain the effect this activity might have on the future of British-Brazilian trade.[204] From their contacts with US diplomats in Brazil, the British learned that the US authorities felt that the United States occupied a "special position" in the country and that the United Kingdom should "keep her hands off Brazil". It was an uncomfortable situation, and some Foreign Office officials speculated that the Brazilians "do not wish to throw themselves entirely into the arms of the United States but regard Britain as a desirable make-weight against United States influence".[205]

Relations between the US and UK Embassies in Rio were strained, and reflected the different views held by the Department of State and the Foreign Office about their respective roles in Brazil. A good example is provided by the problem of the Proclaimed List. For the British Foreign Office, their black listing policy aimed "to limit the liquid resources of which Axis could dispose in Brazil", but US policy would "eradicate all Axis connections and interests, even where they are genuinely indigenous, with a view to commercial domination after the war" (underlined in the original).[206] The British Ambassador in Rio held the same opinion

204 Many British dossiers can be consulted on this matter. FO371, reference numbers 30360, 65, 67, 69. Some US reports also recognised the situation – Memo from Military Intelligence Division, March 14, 1942, NA/RG226 OSS 326.

205 N. Charles to the Foreign Office, February 5, 1942 FO371 30365 (A2674/2674/6). In the same reference, Noel Charles to the Foreign Office, April 13, 1942 (A3542/2674/6); Sir R.I. Campbell to Sir D. Scott, May 25, 1942 (A5224/2674/6).

206 Foreign Office to Ministry of Economic Warfare, June 14, 1942, FO371 (A5693/5146/6). The elimination of all pro-Axis interests was a clear US policy – see memo of Initial Meeting of Joint Committee on Elimination of Axis Interests, May 22, 1942 NA/RG229 1.2 – Committee and Meetings.

and was convinced of the "desire of the United States to oust non-American economic interests from Brazil in the hope of acquiring preponderating influence in the country".[207]

The terms of the competition between the United Kingdom and the United States in Brazil were clearly defined in the following conclusions draw by the Foreign Office regarding Anglo-American-Brazilian relations:

> *The United States looks on South America in general and Brazil in particular as an area in which they must have a special position. They have been lavish with loans and they would expect and desire our political and economic interests to dwindle. In any competition with them in South America we must recognize that it is an area where they are prepared to pay a substantial premium for political prestige.*[208]

The British response was completely defensive in character and aimed to maintain the prevailing British economic position. It was not minor disputes over economic problems but future political and economic pre-eminence in Brazil that was at stake. The United Kingdom could not compete with the US political, economic and cultural offensive, since the strongest political weapon in this dispute was the supply of war materials to the Brazilian armed forces. For that reason the *Foreign Office* could only hope that the situation would change after the war, as a result of other factors beyond the control of either the US or the UK.[209]

207 N. Charles to Foreign Office July 15, 1942, FO371 30369 (A6136/5146/6).

208 Memorandum from the Foreign Office July 15, 1942, FO 371 30369 (A6565/5146/6). Also telegram from N. Charles to the Foreign Office July 24, 1942, FO 371 30367 (A7404/4538/6) and from A. I. Bell (Admiralty) to Gallop (F.O.), October 21, 1942, FO 371 30369 (A9735/5146/6).

209 Some notes from Foreign Office officials clarify this defensive British policy towards Latin America: "We can only hope that the war won't go on long enough to crystallise these arrangements"; "Our

The internal front

Political developments in Brazil during 1942 were more strongly affected by foreign affairs than was usually the case. During that year it became necessary to describe political alliances as "pro-Allied" or "neutral" positions rather than belonging to the "right", "left" or "centre". The pro-Allied position was naturally strengthened by the breaking of relations with the Axis and the growing collaboration with the USA in economic and political matters. Pro-Allied strategy concentrated on amplifying areas of collaboration, and a consequent slow but growing involvement in the US war effort.

The pro-Axis tendency was subdued after January and was confined to attempting to prevent or delay anti-Axis measures. Its activities were clandestine – espionage and eventually sabotage – or more subtle propaganda and bureaucratic delays (as happened in the police force of Rio de Janeiro). Its objective was to maintain Brazilian "neutrality" which meant, in fact, avoiding collaboration with the United States.[210]

Collaboration with the USA was thus stimulated by some agencies of the Brazilian Government and hindered by others. It was for that reason that US and UK representatives in Rio were forced to take a number of concrete anti-Axis measures. One example of this is provided by the arrest of forty members of espionage groups by the police in March 1942 as a result of advice and information from

best hope of preserving something of the position in South America lies in the distaste which these countries have for Yankee economic and political domination". Noel Charles to the Foreign Office, February 17, 1942, FO 371 30360 (A1688/555/6).

210 For complete account of German espionage in Brazil, see S. Hilton, *Suástica sobre o Brasil* (Rio de Janeiro, 1977).

the US Embassy.[211] Both the US and UK diplomatic representations also carried out their own programmes of anti-Axis propaganda in Brazil in collaboration with the Brazilian Department of Press and Propaganda (DIP). Collaboration between the DIP and the US Embassy became particularly intimate.[212]

Having broken off relations with the Axis powers in the name of Pan-American ideals, the Vargas regime was faced with the embarrassing fact that it was a dictatorship. An ambiguous situation was thus created – the Vargas regime, which in many ways was similar to the authoritarian Axis powers, had to fight Axis agents and to keep a close watch on Axis nationals in the country. On the other hand, having chosen the side of the liberal democracies, the regime had to prevent political participation by its liberal or left-wing opponents. At this time, Dutra, Minister of War, was pressing for increased press censorship in order to prevent "communist propaganda through the themes of pan-Americanism". Marcondes Filho, Minister of Labour, regarded communism as the enemy of the Brazilian State.[213]

Vargas had therefore to deal with the problem of maintaining a delicate equilibrium within the Cabinet between "pro-Allied" and "neutral" ministers. The "pro-Allied" faction was led by the outspoken Osvaldo Aranha, while Gen. Dutra, the Minister of War, and Filinto Müller, Chief of the Police, were the main

211 Caffery to Secretary of State, February 27, 1943, pp.18-19, NA/RG 59 832.00/4631. Halifax to the Foreign Office March 24, 1942, FO 371 30361 (A3386/4880/6). In addition the location of secret Axis radio stations, dangerous to the maritime routes, was made possible by experts and equipment from the USA, FRL/PSF March 16, 1942. These resources were eventually used to discover communications among members of the Brazilian Government, Caffery to Secretary of State, October 21, 1942, NA/RG 59 832.00/4305.

212 Caffery to Secretary of State, February 27, 1943, p. 30, NA/RG 59 832.00/4631. Ministry of Information to the Foreign Office, June 1, 1942, FO 371 30368 (A5269/4880/6); June 4, 1942 (A5276/4880/6). N. Charles to the Foreign Office, September 2, 1942, FO 371 30369 (A8126/4880/6).

213 Dutra to Vargas, GV 42.06.15. Report by the D.S. November 13, 1942, NA/RG 59 832.00/4344.

defenders of a "neutral" position. Aranha's group also comprised Francisco Campos, Minister of Justice, Salgado Filho, Minister of Aeronautics, and Lourival Fontes, Director of *Departamento de Imprensa e Propaganda* (DIP). It was necessary to avoid friction between these two groups and any change that could benefit one side or the other. Furthermore, Allied defeats during the first months of the year had exacerbated political uncertainty and were easily used by the Axis propaganda machine. The situation gave rise to many rumours of pro-Nazi uprisings in Brazil.[214] Thus despite Vargas support for the Allied cause, pro-Allied moves had to be made cautiously.

These problems became particularly grave when Vargas activities were severely curtailed after a car accident on May 1. By the middle of 1942 this circumstance had led to great speculation over the future of the Government. Certain groups combined to act against Vargas by indirectly attacking his foreign policy and Minister Aranha. The group was composed of politicians in exile – mainly "integralistas", nationalists – who sought to involve the military chiefs, many of whom openly opposed the USA by proposing a "pro-European" programme for Brazilian foreign policy. This naturally tended to weaken the Brazil-United States alliance and undermine Aranha's position in the Cabinet. A leading figure in this effort was José Eduardo Macedo Soares, who used his newspaper *Diário Carioca* to co-ordinate anti-US activities.[215]

Support for this kind of political alliance already existed among civilian groups as well as the military hierarchy. By this

214 Report from Miller, March 4, 1942, 832.00/4201. Message received by the War Department from Rio, March 11, 1942, 832.00/1458 1/2. Caffery to Secretary of State, May 18, 1942, 832.00/4187. Also N. Charles to the *Foreign Office*, February 6 and March 19, 1942, FO 371 30361 (A1320/677/6) and 303562 (A3926/800/6); Halifax to the *Foreign Office* March 19, 1942, FO 371 30361 (A1953/677/6).

215 Caffery to Secretary of State, July 23, 1942, 832.00/4222. Intelligence Report, August 14, 1942, NA/RG 226 OSS 19691.

time US Intelligence services acting in Brazil had undertaken a thorough study of the political position of the Brazilian army and had concluded that 30 percent of army officers were still pro-Axis.[216] By the summer of 1942 the lack of Allied victories and continued Axis successes enabled anti-USA elements in both the armed forces and the Government to become more active, "Urging Vargas not to get himself identified with the USA".[217] On the other hand, an anti-fascist movement organised by students and workers appeared on the streets. Opposed by Müller, the Chief of Police, it gained the support of Amaral Peixoto, Vargas son-in-law and Governor of the State of Rio de Janeiro. The left strongly supported the Allied cause.[218] Liberal and left-wing military officers were also very active and tried to organise a "Pan-American force of volunteers to fight for the USA".[219]

A clash finally took place at the highest political level between Vasco Leitão da Cunha, Acting Minister of Justice, and Filinto Müller, the Chief of Police. Leitão da Cunha had ordered an inquest into the sinking of Brazilian ships in March. Müller refused to do so on the grounds that it was not in his power to order such an inquest and as a result Leitão da Cunha dismissed Müller in early July. After some hesitation, Vargas approved the action but at the same time asked for the resignation of Francisco Campos, Minister of Justice, who had backed Leitão da Cunha and Lourival Fontes, Director of the DIP, both active supporters of the USA at the time.[220]

216 Intelligence Reports, NA/RG 226 XL, July 3, 13 , 1942: OSS 20128, 20072.

217 Caffery to Secretary of State, July 15, 1942, NA/RG 59 71132/126.

218 Caffery to Secretary of State, June 23, 30, 1942, NA/RG 59 832.00/4209, 4207. Wilton to UP, GV 42.07.01, GV 42.07.03, GV 42.07.06 – all confidential.

219 Miller to Assistant Chief of Staff, May 14, 1942, NA/RG 165 WD OPD 336.6 Brazil Sec. I.

220 A complete dossier on the Müller versus Leitão da Cunha controversy can be found in OA 42.06.27/1. Vargas' hesitations are reported by Caffery to Under-Secretary, July 11, 1942, NA/RG 59 832.00/4214. Reports on developments leading to Muller's dismissal were made to the US Embassy tels. 2595, 2623, 2639, 2804, July 17-30, NA/RG 59 711.32/128, 132, 133, 136, 140. See also GV 42.07.03/2.

By mid-July Vargas had placed the DIP under the authority of the army with Cap. Coelho dos Reis as its Director. Vargas thus tried to please the military leadership in order to avoid any adverse reaction from the army.[221] Colonel Etchegoyen, a pro-Allied officer, was nominated Chief of Police and the Minister of Labour, Marcondes Filho, was placed in charge of the Ministry of Justice as well. By making these moves Vargas was able to maintain the political equilibrium inside the Government. The net result of the whole affair was in fact a gain for the US cause since the fight against Axis agents in Rio had in the past been blocked by Müller's antagonism. This fight was crucial to the maritime safety of both merchant vessels and war ships.[222]

The new Chief of Police was instructed to maintain close contact with the US Embassy in order to perform counter-espionage activities efficiently. Collaboration began immediately – the Embassy gave Col. Etchegoyen a list of pro-Nazi officers in the political police and recommended fifteen officials in whom it had confidence. A clean sweep was made of Müller's suspect bodyguard and the fight against Axis agents then could be renewed in spite of the obstacles left behind by Müller.[223] The Chief of Police left counter-espionage activities in the hands of the US until he was able to organise his own service.[224]

221 Caffery to Under-Secretary, July 20 1942 711.32/132.

222 Walmsley to Welles, July 18, 1942, NA/RG59 832.00/4219. Memo from State Dept., September 18, 1942, 832.00/4287.

223 Caffery July 25, 30 1942, 832.105/46 711.32/140. Report from Bureau of Latin American Research 832.00/4344. According to Caffery "Müller's people wrecked the place before leaving, burning all documents and even sabotaging the police radio system". Caffery in the State Dept., July 23, 1942 711.32/136. According to the UK Ambassador, Müller "took away with him every document that might compromise his friends. They have now been returned to his successor as a result of threats of a severe nature". N. Charles to the Foreign Office, August 31, 1942, FO371 30352 (A8788/4/6).

224 Caffery to Secretary of State NA/RG59 832.105/74. Caffery to Secretary of State, October 26, 1942, 832.00/4309.

Although the military leadership accept Müller's dismissal, Dutra nominated him to a high position in the Ministry of War soon afterwards. They also began to attack Aranha, probably under the influence of Vargas opponents, because they suspected that the Minister of Foreign Affairs had instigated Müller's dismissal. This offensive focused on the accusation that Aranha was leading the country to war. By mid-July a renewed conflict which threatened the delicate equilibrium of the Government had arisen.[225] This time, however, the conflict did not develop further because it was overtaken by the new and tragic events of August 5-17 – the sinking of five Brazilian ships by Axis submarines – that led Brazil to enter the war.

Entry into the war

Since the Rio Conference in January Brazil's contribution to the US war effort had constantly increased. This contribution included the growing production and transportation of strategic war materials, permission for the USA to use air bases in the North-east to transport high priority materials and troops to the Allied forces in Africa, the Middle East and the Far East, and the provision of facilities for Allied ships in the Brazilian dockyards.

This close collaboration with the US war effort attracted Axis hostility and in March some Brazilian merchant vessels were attacked and sunk by German submarines. Air patrols of the northern coast by the Brazilian Air Force began in May with American technical help and at least one German submarine was sunk and another damaged.[226]

225 Caffery to State Dept. July 27, 28, 1942. 832.00/4224/26. N. Charles to the Foreign Office FO371 30369 (A6840/5146/6; /5146/6).

226 Hughes to War Dept., March 11, 1942 NA/RG59 832.00/4198; Hughes to State Dept., March 12, 1942 832.00/4199; Brazilian Air Attache to Air Ministry May 28, 1942 FO371 30351 (A5097/4/6).

In practical terms, this open co-operation with the US placed Brazil in the position of a belligerent but at the same time gave rise to a bitter dispute within the Government over the extension of military collaboration with the USA. The dispute ceased when between August 5-7, five Brazilian ships, several of which were merely carrying inter-state coastal traffic, were sunk by Axis submarines. The loss of life was heavy and included not only the ships crews but also other civilians and troops. Popular indignation soon manifested itself and anti-Axis demonstrations took place in all the major cities of the country, many of them attacking firms belonging to Axis nationals.[227]

As soon as the sinking of the ships was announced on August 17, spontaneous demonstrations erupted at various locations in Rio de Janeiro. Over the next days the demonstrations were encouraged by organized groups of workers, students (through the National Students Union, UNE), professional groups and left-wing parties as well as pro-US individuals. These marches were not, on the whole, violent. On one occasion the Rio Chief of Police, Col. Etchegoyen, led the demonstrators to the Guanabara Palace, the President's residence.[228] The newspapers echoed the popular feeling during the week and demanded that the Government should take a firm stand on the issue.

Until then Ministry of War had been against Brazil's entry into the war; it cast the blame for the sinking of the ships on the United States and Great Britain for not having secured Brazil's defences by supplying war materials and protecting shipping. The fact was, however, that the routes of ships taking troops from south to north had been planned by the Brazilian military authorities and

227 Diplomatic papers reflected this intense mobilization. US Embassy in Rio to State Dept. August 18-28 NA/RG59 832.00/4238, 4242, 43, 44, 47, 48, 49, 55, 57, 58, 59, 63, 65, 68. Also 832.57/93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, from August 18-21, 1942.

228 Intelligence report Sept. 4, 1942 NA/RG226 OSS 21451.

timetables had even been published in *Diário Oficial,* the official newspaper.[229]

During those crucial days all the Ministers were able to agree that drastic action should be taken against the Axis. The only controversy centred on the question of whether or not to proclaim a "state of war" between Brazil and Axis powers. Although Dutra would have preferred not to explicitly proclaim a "state of war", popular feeling throughout the country against Germany was so intense that resistance was undermined and consensus was reached within a few days.[230] On August 22 the Brazilian Government proclaimed war on Germany and Italy.[231]

The situation had changed so drastically that personal and institutional positions had to be rapidly revised. Minister Dutra must have realised that "it was better to gain popular esteem by immediate action rather than wait for further Axis insults to force his hand."[232] Politicians close to Dutra, such as Macedo Soares who had previously led the opposition to Aranha in civilian and military circles, tried to present Dutra's eleventh hour decision as a "magnificent initiative". Writing in the *Diário Carioca*, Soares claimed that the army had "spontaneously (assumed) its position, loyally identifying itself with the popular feelings, establishing a definitive cohesion between civil and military power".[233]

229 Gen. Mascarenhas de Morais classified as "criminal ingenuity" the military authorities attitudes in this affair. M. Morais, *Memórias* (Rio de janeiro, 1969) V1, p. 111. According to N.W. Sodre, *Memórias de um Soldado* (Rio de Janeiro, 1967), pp. 206-208, it was an abnormal event, not explained, until today.

230 N. Charles to the Foreign Office August 20, FO371 30351 (A7703/4/6).

231 On the difficulties of reaching a unanimous decision see Aranha to Carlos Martins (Brazilian Ambassador to USA), AO 42.08.23/2 and Caffery to Under-Secretary August 28 NA/RG59 832.00/4268. Japan was not included in the declaration of war because of the situation faced by Chile.

232 In the words of the British Ambassador in Rio, August 31, FO371 30352 (A8788/4/6). Some rumours also speculated that if he resisted popular pressure Dutra would be dismissed and replaced by Leitão de Carvalho, according to N. Charles report of August 1942, FO371 30351 (A7703/4/6).

233 Intelligence Report, September 4, 1942 NA/RG226 OSS 21451.

It was to be expected that popular indignation would overcome divisions within the Government and force it to declare war on Germany and Italy. One must also bear in mind, however, the fact that the internal antagonism could not have been sustained for much longer since it was clearly detrimental to the country's interests. In the words of a high official of the British Foreign Office:

> *The Brazilian Government may well have argued that as things were they were getting the worst of both worlds: doing a good deal for the United Nations and getting rought treatment from Germany, without any of the advantages which might accrue to them from belligerent status*.[234]

Officially declaring war would allow the Brazilian Government to demand more military supplied and a more advantageous share of her own strategic resources. In the same week that Brazil declared war, the State Department realized that as a result the US Government would be faced with "embarrassing demands for extensive coastal protection and supplies of armaments to Brazil".[235] This proved to be the case – only a few weeks later US officer referred to the "very extensive demands of various kinds which the Brazilian Government was making of the United States". Brazil "expected every kind of armament, from battleship downwards".[236]

The massive popular support for the declaration of war allowed the Brazilian Government to be even more ambitious than merely demanding more armaments from the United States; and Brazilian planners began to talk about the part Brazil would play

234 Perowne (Foreign Office) to Sir Orme Sargent, Aug. 23, 1942, FO371 30351 (A7811/4/6).

235 Lord Halifax to the Foreign Office, August 25, 1942 FO371 30351 (A7960/4/6).

236 Washington Chancery to the Foreign Office, Semptember 29, 1942, FO371 30360 (A9195/555/6).

in the war, that is, the new political role the country would play in international politics.[237]

Allied involvement

The question of how much Allied pressure was placed on the Vargas Administration to produce its declaration is an interesting one. The evidence suggests that in fact little pressure was applied since both the United States and the United Kingdom did not want Brazil in the war.

During the political crisis of July when Filinto Müller was dismissed, a British official unwittingly gave support to those who argued that Brazil's armed forces were unprepared for war. He made the British position clear: "We don't want Brazil to declare war".[238] The reason for this was that Brazil's resources were already fully occupied in supporting the Allies in their own war effort. The United Kingdom was satisfied with benevolent Brazilian neutrality that granted facilities for the repair of British warships in Rio dockyards. H.M. Government did not believe that they could expect to reap further benefits from actual Brazilian belligerency. On the contrary, the Allies might even stand to lose if Brazil reduced supplies of strategic material in order to meet her own needs.[239]

Thus although the British Government officially expressed deep satisfaction at the Brazilian decision, privately their officers felt that the decision was "somewhat unexpected in the light of earlier advice offered by Sir Noel Charles". When the Brazilian Government began to make "excessive demands" from the United

237 Caffery to Secretary of State, August 27, 1942, NA/RG59 740.001. E. W. 1939/23853.

238 Notes made by the Foreign Office officilas about tel. from N. Charles to the Foreign Office, August 2, 1942, FO371 30362 (A7161/800/6)

239 Memo from the Foreign Office Aug. 20, 1942, FO371 30351 (A7938/4/6) and Perowne to Sargent Aug. 23, 1942, FO371 30351 (A7811/4/6).

States for war materials, one Foreign Office officer wrote: "That is why we only want the Latin American countries to break off relations and not to declare war".[240] Taking this general British feeling into consideration it is not difficult to understand why the Royal Air Force delegation in Washington strongly opposed the allocation of aircraft to the Brazilian Governments just after the declaration of war.[241]

The Roosevelt Administration responded discreetly and welcomed the Brazilian decision in very warm terms.[242] The Administration was not preoccupied with changing the Brazilian position of "non-belligerence", and only wanted to assure Vargas' goodwill in connection with the ferrying operations as well as the air and naval patrols in the South Atlantic.[243] In other words, the United States only wanted Brazil to *maintain* her role in the US war effort. For that reason the US Chief of Staff considered that the Brazilian declaration of war did not change the situation, but merely transformed previously covert co-operation between Brazil and the US armed forces into overt co-operation.[244]

The maintenance of Brazil's role in the US effort was absolutely coherent with wider US strategy that did not press for the active participation of Latin America in the war. Roosevelt described to Prime Minister Churchill and Marshall Stalin at Yalta, United States policy for Latin America in 1942 as follows:

240 Document from the Foreign Office Aug. 24, 1942, FO371 30351 (A7780/4/6) and a note from the Washington Chancery to the Foreign Office, Sept. 16, 1942, FO371 30351 (A7811/4/6).

241 Hopkins to Foster, Sept. 14, 1942, NA/RG 218 CSS 400 3259 – Brazil.

242 Roosevelt to Vargas, GV 42.08. 20/1. Also message from Acting US Ambassador in Rio, Aug. 24, 1942, NA/RG 59 740.0011 E.W. 1939/23694.

243 Duggan to MacLeigh, Aug. 15, 1942, 832.00/4240.

244 Conn & Fairchild, *op.cit.*, p. 234. Communications from the Brazilian Embassy in Washington to US Government reactions to the Brazilian declaration of war underlined the *strategic* value (i.e. of air bases) of Brazilian participation. Carlos Martins to Aranha, Aug. 28, 1942, AHI/MDB/Washington/ Ofícios recebidos.

> *Mr. Welles told the South American Republics it was not necessary to declare war on Germany but that it was necessary to cut off diplomatic relations.*[245]

Brazil's declaration of war was unexpected and was most likely to create new problems via increased demands for economic equipment and war materials. It would, nevertheless, involve some advantages by assuring the loyalty of the Brazilian army and a genuine effort to eliminate the fifth column in the country. Furthermore, it should make it more difficult for Argentina and Chile to continue their policy of neutrality and would probably influence the Portuguese attitude to the Allied countries.[246]

The declaration of war also generated new problems for Brazil and her Government. Decisions on how to conduct the war against Germany and Italy had to be made. What new steps beyond co-operation with the United States war effort should be taken? From September onwards the Vargas Administration tried to define the consequence of Brazil's new status as a belligerent. At least one thing was clear to the Brazilian planners: the declaration of war had to widen the extent of Brazilian politico-military action both in the Continent and abroad.

The end of pragmatic equilibrium

A superficial survey of the Latin American situation in 1942 might suggest that the weight of US initiatives was sufficient to produce the complete alignment of the continent to the US cause. It is only when one looks at the Brazilian foreign policy more closely

245 J. Byrnes, *Speaking Frankly* (London, 1947) p. 39.

246 N. Charles to the *Foreign Office* August 31, 1942, FO 371 30352 (A8788/4/6). Perowne to Sargent as in note 239. Notes to telegram from Halifax to the Foreign Office August 25, 1942, FO 371 30351 (A7960/4/6). Also memo from Major V. Strong to Assistant Chief of Staff, August 20, 1942, NA/RG 165, CPD, 336.2, Brazil Section I.

that it becomes clear that the strength of the US was limited by a continual bargaining process in which the Vargas Administration was able to obtain political and economic advantages in exchange for more unequivocal alignment with some success.

The Third Meeting of Ministers of Foreign Affairs in January represented a decisive step towards US hegemony. Besides recommending the breaking of diplomatic and commercial relations with the Axis, the Meeting assured for the United States in the years ahead exclusive purchase of strategic materials and absolute control of their distribution in the continent. The Meeting also assured the United States of preferential treatment in inter-American trade and guaranteed her investments. In the name of the war effort it subordinated economic projects in the continent to US war interests and paid little attention to real industrial development in Latin America. It laid the basis for the establishment of police and military co-ordination throughout the continent under US leadership. And, finally, all these decisions were implemented not as a result of overt US pressure but as part of an effort towards "hemispheric collaboration".

Despite being hemmed in by US initiatives the Brazilian Government was able to secure a number of advantages from the process even though internal pressures only permitted cautions moves. The Vargas Administration continued to follow an overall policy of supporting the United States but bargained over the extent of that support. During and after the Conference it obtained solemn American promises to equip the Brazilian armed forces (especially the army) as well as to support certain sectors of economic activity.

Internal popular pressure against the hesitation of certain Brazilian leaders immediately after the sinking of the five Brazilian ships in August led to the declaration of war against Germany and

Italy. This decision did not come about as a result of US strategy and the new situation created some unexpected problems in relations between Brazil and the United States. New demands and negotiations took place after this declaration of war and by the end of 1942 Brazilian political and military planners worked out the concrete forms Brazil's entry into the war should take. Nevertheless, her fate was sealed on the US side.

The Brazilian-US alliance was neither a "natural" result of common historical links between the two countries nor an example of non-sided "goodwill". Alliance was the result of a process of continued and hard negotiations between the two countries. Naturally, their unequal position in international politics gave each party completely different capabilities and led them to take different demands. While the supply of arms to Brazil would *strengthen her armed forces*, US military control both of the military bases in the North-east and of coastal traffic would permit the strategic *control of South America as a whole*.

Despite her strength, the US leaders needed to "gain" Brazilian confidence in order to build a firm alliance, and in order to do this they had to make concessions. Brazil gained a US commitment to transfer armaments and munitions to Brazil up to the value of US$ 200,000,000 under the Lend-Lease agreements. This transfer amounted to twice the total value of armaments supplied to all the other Latin American states together. Credit of US$ 100,000,000 to mobilise productive resources (i.e. strategic materials) and US$ 5,000,000 for rubber production was granted from the Eximbank. Various programmes of technical assistance were initiated and the supply of some economic equipment was secured. Although many of these projects were linked to US economic or political interests, Brazil nevertheless benefitted from them. Finally, Vargas was able to gain the confidence to support his position and that of the *Estado Novo*. In this way Brazilian decision

in 1942 brought to an end the era of "pragmatic equilibrium" and opened the way to a new stage in Brazilian foreign relations.

In this sense internal – particularly military – resistance to alignment with the United States constituted an important element in the negotiations since US strategy required Brazilian military collaboration. The Brazilian Government used the resistance of its military as a bargaining weapon and was able, as a result, to ensure that the Brazilian armed forces were better equipped than any other Latin American country at that time.

The situation was quite different on the economic level where Brazil's dependence was clearly evident. In the confrontation between the Brazilian and US economies the needs of the former were unquestionably subordinated to the priorities of the war effort of the latter. In spite of this difference, the Vargas Administration made strenuous efforts to foster Brazilian industrial growth and particularly stressed Volta Redonda steel plant.

The Brazilian-US alliance had important consequences for internal political development. The prevailing internal political configuration gave Vargas a key role in the Brazilian decision-making process. In 1942 Vargas' role was particularly important and he was personally involved in all major Brazilian foreign policy decisions. By 1942 the US Government was convinced it was essential for Vargas to remain in power if the survival of the alliance was to be assured. Consequently the Roosevelt Administration supported the stability of the Vargas regime and gave him assurances of protection against any future pro-Nazi uprising.

The resulting clear support for the Vargas Administration plus certain military concessions the US, together with Brazil's alignment with the US policies, constituted a *model* for relations between the two countries and was maintained throughout the

following two years (1943-1944). While this model increased the Brazilian's scope for manoeuvering in its relations with the United States, it also increasingly involved Brazil in the US war effort. This involvement led to direct confrontation with Axis naval forces and to retaliation by German submarines against Brazilian merchant vessels.

4. The war years (August 1942 - 1945)

Brazil is a magnificent ally.

(Warren Pierson, *Correio da Manhã,* Rio, April 28, 1944).

We were pygmees in a war between giants

(Cordeiro de Farias, *Meio Século de Combate*, p. 306).

Part One – Brazil at war (Sept. 1942-1944)

Between the Rio Conference in January 1942 and the declaration of war on the Axis powers in August 1942, Brazil's rulers began to talk about the country's "special position" in international affairs. Just after the declaration of war Jefferson Caffery, the United States Ambassador in Rio de Janeiro, claimed that Oswaldo Aranha was talking: "in an exaggerated and over-ambitious manner of the part Brazil will play in the war".[247]

From August 1942 onwards Brazilian political and military planners had to deal with the new problems arising out of the fact that Brazil was now at war. The country was already giving the Allies all that they needed: political support, strategic materials, air bases and routes, aerial and naval patrols and the elimination of

247 Caffery to Hull, Aug. 2, 1942. NA/RG 59 740.0011 E. W. 1939/23853.

the Nazi fifth column. They therefore had to justify the declaration of war since the allied war effort required no additional assistance. At the same time they expected that closer collaboration with the United Sates would enlarge Brazil's political role in the continent and the world at large.[248]

This intended future role for Brazil was envisaged as an inevitable reality in many Brazilian diplomatic, military and bureaucratic circles. This role was first understood to involve undisputed pre-eminence in South America,[249] but some authorities thought it should also include peace talks and participation in the re-organization of the international system. In the words of Aranha, Brazil would "inevitably (become) one of the great economic and political powers of the world". Fontoura, Brazilian Ambassador in Portugal, told Vargas that "the conclusion that we must extend our political influence throughout the world does not seem to me to be either too bold or excessively optimistic".[250] Even Vargas, usually on eminently realistic politician, began to show an unusual interest in European and US attitudes to peace and post-war matters, in view of Brazil's future status as a "special ally" of the United States.[251]

248 Notes of Brazilian Chief of Staff, GV 43.01.28; Aranha to Dutra, AO 43.08.11/1. This conviction was sustained during the war, as noted by Ambassador Caffery.

249 Batista Lusardo, Brazilian Ambassador in Uruguay, was convinced that Brazil's political and military position in South America would be greatly enhanced after the war. He advised Aranha that Brazilian penetration of the continent should start with the Uruguayan armed forces. AO 43.03.05; AO 43.09.18/2. Col. Mendes de Moraes assured in the same year that "Brazilian supremacy over South America is established", AO 43.09.08/5. See also Lt. Col. O. Silva to Aranha, AO 43.08.07.

250 Aranha to Vargas, Jan. 25, 1943, quoted in F. McCann, *The Brazilian-American Alliance* (Princeton, 1973), pp. 304-305. Fontoura to Vargas, GV 43.07.07. The diplomat Leitão da Cunha also told Vargas that Brazil had the right to perform a role in the world and not exclusively in the Americas: "We do not need ambitions of hegemony... Brazil will be great by the normal flow of things", AO 43.08.22. See also M. P. Serva to Aranha, AO 43.02.04/1.

251 Vargas to Carlos Martins (Brazilian Ambassador in Washington), asking for detailed reports on international affairs, GV 43.04.08/2. From then onwards the Brazilian Embassy sent almost daily reports on the progress of the war, AHI/MDB/EUA, Ofícios recebidos 1943. Aranha himself also sought special channels of information, AO 43.11.04/2.

This conviction regarding Brazil's importance in international affairs was reinforced by the US policy of flattering Brazil and President Vargas whenever possible in order to consolidate Brazilian support for the United States. According to the Brazilian Ambassador Carlos Martins, transmitting a message from Welles:

> *It is obvious that neither President Roosevelt nor his Government would take a position on problems of peace without previously reaching agreement with President Vargas.*[252]

Despite the "over-ambitious" rhetoric of Brazilian foreign policy formulations, it is possible to perceive a great deal of political realism in the statements and actions at the Brazilian authorities, especially those holding vital decision-making positions inside the Government.

In the first place, the Brazilian military and some civil authorities recognized that the country was not prepared for war. Just after the declaration of war on August 22, Minister Dutra confirmed the unpreparedness of the Brazilian army. Similarly Góes Monteiro, the Brazilian Chief of Staff, had no war plan to present to Knox, the American Secretary of Navy, when he visited Rio de Janeiro in October 1942.[253] The Brazilian military also recognized that the leadership of the war was in the hands of the United States, the United Kingdom and the Soviet Union and that nations such as Brazil were of secondary importance and value to the allied war effort. Thus if Brazil was to collaborate with the Allies, she would have to accept any conditions imposed by the United States.[254]

252 Martins to Vargas, GV 43.04.08/2.

253 Report by Dutra, GV 42.09.30/2. L. Coutinho, *O General Góes Depõe* (Rio de Janeiro, 1955), pp. 382-384.

254 Notes by Góes Monteiro, Brazilian Chief of Staff, Jan. 28, 1942, GV 43.01.28.

On the whole Brazilian planners were trying to prepare a policy that would make Brazil an "associate Power" – in other words to create an intimate alliance with the United States that could produce the economic growth and military strengthening necessary if the country was to achieve a "special position" in the post-war era.[255]

At the military level this created a paradoxical situation. The Brazilian Government wanted, in contrast to the US, to achieve direct Brazilian participation in the war and at the same time was demanding armaments and other aid from the United States Government on the grounds that they were needed to improve that participation. This argument was constantly used by Vargas, Dutra, Aranha, Góes Monteiro and other important Brazilian officials in their dealings with United States authorities.[256] The main theme of the present chapter will be a discussion of how this was possible.

The central point is that Brazilian political and military leaders were anxious for Brazil to participate directly in the war. This interest corresponded with definite pressures from pro-US currents of opinion, among nationalist organizations such as the League of National Defence, the Military Club and left-wing organizations such as the Communist Party and the remnants of the ANL.[257] The military leaders were also eager to strengthen

255 Besides Aranha's formulations, see letters between Vargas and Góes Monteiro, April 12, 1943, GV 44.01.15. British representatives in Brazil soon understood this meaning of Brazilian foreign policy: N. Charles to the Foreign Office, Sep. 9, 1943, FO371 33678 (A9032/2506/6); annual report for 1943, Jan. 18, 1944, FO371 37846 (AS873/95/6).

256 See Caffery to Hull, Aug. 28, 1942, NA/RG59 740.0011 E. W. 1939/23856. Also Góes Monteiro to Marshall, AO 43.08.09; Aranha to Dutra, AO 43.08.11/1; Salgado Filho (Air Minister) to Eduardo Gomes (Air Force Commander), AO 43.10.08; Salgado Filho to Gen. Arnold, Army Air Force, Dec.12, 1942 and Marshall to Welles, June 10, 1942 – both in NA/RG165 OPD 336- Brazil Sec.I.

257 See the interviews with Aristides Leal, pp. 113-118 and Nelson de Mello (5th), HO/CPDOC. On the military left-wing, Miller to Assistant Chief of Staff, May 14, 1942, NA/RG165 War Department OPD 336.2 Brazil Sec.I. On the civil left-wing, see E. Carone, *O Estado Novo* (S.Paulo, 1976), pp. 235-240, 298-303.

Brazil's armed forces *vis-à-vis* their southern neighbours, especially Argentina; political leaders were mainly concerned with Brazilian participation in post-war peace talks.

The immediate problem was how to realise collaboration in practical terms, in other words, how to gain access to military know-how and armaments from the United States, and how to assure Brazil's presence at the post-war talks. By late 1942 early 1943, Brazilian political and via a project to create and dispatch an *expeditionary force* to the war theatre.

The *Força Expedicionária Brasileira* (FEB) was thus the nucleus of a political project designed to strengthen the Brazilian armed forces and give Brazil a new position of pre-eminence in Latin America and of great importance in the world as a "special ally" of the United States. The British Ambassador clearly understood the core of Brazil's demands from the United States:

> *...this equipment is not so much intended for the purpose of fighting for a democratic victory against the Axis, as to strengthen her own position in post-war discussions relating not only to South American and hemisphere problems but to questions of even wider importance.*[258]

There was an inevitable obstacle: the logic of the United States hegemonic *power system*. As Sir Noel Charles also observed, Washington would not like "Brazil to become predominantly powerful in a military sense in South America as this would mean laying up future trouble for themselves".

For the British Ambassador the US programme was very clear:

> *On several occasions responsible American officials have in the course of conversation let drop the opinion that we*

258 Analysis of Brazilian foreign policy by Sir Noel Charles, September 20, 1943. FO 371 33678 (A9032/2306/6).

> *British should consider United States relations with Brazil to be on a par with our own relations with Egypt or South Africa (sic) thus indicating that Brazil is regarded by the United States as a special preserve in fact if not in theory.*[259]

Brazilian foreign policy had therefore little room to manoeuvre between United States hegemonic aims and her need to consolidate the Brazilian alliance during the war. But however *limited* the room to manoeuvre was, it was nevertheless quite *real*.

The period of preparation

Brazilian foreign policy from September 1942 onwards was mainly concerned with careful preparation for active participation in the war by means of close military collaboration with the United States. Military collaboration between Brazil and the United States, established by a political agreement in May 1942, took concrete shape in August by the establishment of the Joint Brazil-United States Defense Commission (JBUSDC) in Washington.[260]

The US and Brazilian military authorities held divergent views of the JBUSDC's tasks in the framework of Brazil-United States collaboration. The core of this difference lay in the fact that the US Chief of Staff wanted to determine what measures were necessary to reinforce the *defence* of certain regions of Brazil, particularly the North-east, which were vulnerable to attack by Axis forces. The Brazilian Chief of Staff, on the other hand, understood Brazilian-US collaboration to include all *national activities* connected to Brazil's war potential (including war industries and transportation). These were not directly connected to the defence of the North-east or even

259 Idem.

260 The Brazilian representatives on the JBUSDC comprised General Leitão de Carvalho (Army), Vice-Admiral Álvaro R. de Vasconcellos (Navy) and Colonel Vasco Alves Secco (Air Force). Carvalho was informally considered the chief of the Brazilian delegation.

to a broad internal security system but were more directly concerned with strengthening Brazil's political position in South America.[261]

These differences throw light on some US complaints about the quantity of materials requested by the Brazilian authorities through the Lend-Lease agreements. While United States officials saw these as an abuse of the agreements,[262] the Brazilian authorities felt them to be perfectly consistent with their definition of Brazil-US collaboration.

Brazilian representatives on the JBUSDC did not totally agree with the Brazilian War Ministry and their position was much closer to that of the US representatives.[263] Their efforts on the commission were directed towards achieving closer agreement between Brazil and the United States in order to make the intended collaboration as effective as possible. During its first months of work the JBUSDC approved documents called Recommendations that regulated military activities in North-east Brazil and planned the command of naval and ground forces there. It also established a programme for supplying aircraft and training pilots to improve the aerial defence of Brazil.

In November 1942 – when the commission was working on a strategic plan for the defence of North and North-east Brazil (Recommendation n.14) – the strategic situation was completely changed by the successful invasion of North Africa by Anglo-American forces. The danger of an Axis invasion of Brazilian territory suddenly receded and Brazil's negotiating position at the commission was considerably weakened. Although the US

261 These differences are exposed by Leitão de Carvalho to President Vargas. IHGB, Leitão de Carvalho papers, "Relatório Geral", p. 49. See also L. Carvalho to Vargas, September 9, 1942 and Carvalho, Vasconcellos and Secco to Aranha, September 21, 1942, all in GV 42.08.23/2.

262 Rosas to Alencastre, February 9, 1944, GV 44.02.00/3.

263 Caffery to Aranha, October 2, 1942. AHI/RE/EUA, Notas recebidas.

representatives approved Recommendation n. 14 they insisted on reducing the quantity of armaments to be supplied. The War Department categorically stated:

> *War Department approval (of Recommendation n.14)... does not constitute a commitment on the part of the United States to supply Lend Lease equipment in the amounts and during the periods specified.*[264]

From this time onwards Brazilian attempts to obtain the Commission's approval for recommendations involving the Lend-Lease agreements had to contend with the US delegation's attempts to do the opposite.

The occupation of North Africa by Allied forces created new problems for Brazilian planners. The possibility of an Axis invasion of Brazilian territory had enabled their armed forces to receive substantial material aid from the United States. The Brazilian authorities quickly understood that Brazil merely lay outside the theatre of war and was regarded by the US merely as a source of strategic supplies and a route for the transportation of Allied forces to the front.[265]

Brazil's political and military leaders immediately began to speak at Brazilian forces fighting *outside the continent* – in North Africa. Vargas echoed this idea in a speech made on December 31, 1942 before an audience of about a thousand military officers.[266] Some exploratory consultations about this possibility were then made.

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264 T. L. Handy (Assistant Chief of Staff) to Gen. Ord (JBUSDC), March 10, 1943: NA/RG 218 US JCS, BDC 5400 (1), Conferences and Meetings. The State Department reminded the US Ambassador in Brazil of this attitude of non-commitment, December 22, 1943, NA/RG 59 832.20/567.

265 Martins to Aranha, November 25, 1942, AHI/MDB/EUA/Ofícios recebidos.

266 Report by Braddock (US consul in P. Alegre) on the changing sentiments of young Brazilian army officers, December 10, 1942, NA/RG 59 832.00/4336. Also report by Walmsley Jr. (D.S.), January 5, 1943, NA/RG 59 832.20/515, and Cap. Brown (British Embassy in Rio) to Gallop, January 13, 1943, FO 371 33650 (A566/70/6). The text of Vargas' speech can be found in G. Vargas, *A Nova Política do Brasil* (Rio de Janeiro, 1943), v. IX, p. 325. See also McCann, op.cit., p.346.

The US Government had no intention of involving Brazilian forces in North Africa and this possibility was never referred to at meetings with Brazilian officers or in high-level political communications. When Knox went to Brazil in October 1942 to meet representatives of the armed forces of both countries to review the Brazilian contribution to the war effort he made no mention of Brazilian participation in North Africa.[267]

Unwilling to give concrete answers to the Brazilian demands, the Roosevelt Administration tried, at the end of 1942, to sustain the Brazilian alliance via moves designed to give political prestige to the Vargas Administration. Roosevelt notified Vargas that a US landing in Africa was planned for November[268] and the Department of State requested Vargas' "personal support in the form of appropriate statements or speeches" for the US initiative.[269] Other moves exaggerated Brazil's importance with the same objective of sustaining the alliance by constant diplomatic declarations. A letter from Roosevelt to Vargas, quoted by the British Ambassador, stated:

> *I see in 1943 not only a period in which our forces will reach ever grater striking power, but also one in which the statesmen of our two countries, continuing their traditional collaboration, will draw the blueprints for the new and lasting peace.*[270]

It is certain that Brazil's wish to send troops to North Africa was considered by the State Department but completely dismissed

267 Report on the meeting with Knox, GV 42.10.06.

268 Roosevelt to Vargas, GV 42.11.00/2.

269 Caffery to Aranha, November 9, 1942, AHI/RE/EUA/Notas recebidas.

270 N. Charles to the Foreign Office, January 12, 1943. FO 371 33658 (A1033/333/6). Roosevelt also sent a personal letter to Vargas to wish him and the Brazilian armed forces a merry Christmas, GV 42.12.24/2.

by the War Department and the US Command in Africa: "The War Department considered Brazilian troops could not be used in North Africa because this would produce many problems... The disadvantages far outweigh any possible benefit which might be derived."[271] General Eisenhower considered that Brazilian endorsement of the invasion of Africa "should have a good effect upon Spain" but stated that no advantages could result from direct Brazilian participation in the war.[272]

British reactions to the Brazilian wish to participate in the war must be viewed in the light of Anglo-American competition in South America. His Majesty's Government regarded Brazilian participation in the war as inconvenient, but for political reasons the Foreign Office applauded the Brazilian intention. It was hoped that this would stimulate Brazilian interest in Europe and decrease any isolationist tendency which might develop after the war in the Americas.[273] It might, furthermore have a positive effect on Portugal and Spain's position in the conflict. In practical terms, the British left the responsibility of answering Brazil's demands in the hands of the US Government. Since the US insisted that it occupied a "special position" in Brazil it should: "Carry the baby and with it any odium that may flow from the return of a discouraging answer to the Brazilian offer of cooperation".[274]

After the meeting between Churchill and Roosevelt at Casablanca in January 1943, British diplomats were instructed by

271 Kroner to the Assistant Chief of Staff, December 14, 1942. NA/RG 165-OPD 336-Spain Sec. I. Also Roosevelt to Caffery at the Natal Meeting, January 30, 1943, FRUS 1943, v, p. 655, and Halifax to the British Embassy in Rio, February 11, 1943, FO 128/422 (34/93/43). See also S. Conn and B. Fairchild, *The Framework of Hemisphere Defense* (Washington, 1960), p. 328.

272 J.P. Hobbs, *Dear General* (Baltimore, 1971), p.50.

273 British concern over this issue is documented in FO 371 33666.

274 Notes by officials of the Foreign Office, December 31, 1942, FO 371 33650 (A70/70/6).

the Prime Minister to "pet Vargas" and flatter Brazil for political reasons. Concrete military collaboration was out of the question since British military leaders opposed any form of co-operation with Brazil. This opposition was so great that the Foreign Office experienced great difficulty in convincing the war Department to invite Gen. Dutra to visit the United Kingdom that year because of the Brazilian Minister's pro-German reputation.[275] This British opposition to the involvement of Brazilian troops in the war became known to Brazilians in the United States in spite of Foreign Office efforts to hide British military indiscretions.[276] It was politically advantageous to support Brazil since the weight of any decision would not fall on British shoulders. This complex and even contradictory British approach to Brazilian intentions was perfectly summarised by a Foreign Office official: "However absurd Brazilian participation with war is in practice, we must be ready to discuss it in theory".[277]

In fact, of course, the question of Brazilian participation in the war was in the hands of the US Government. When President Roosevelt returned from the Casablanca Conference and met President Vargas in Natal on January 29, 1943, he had to discuss two problems with the Brazilian President: the need for Brazil to join the United Nations and Brazil's wish to participate in the war.

Despite having declared war on Germany and Italy, the Brazilian Government did not join the United Nations. This attitude was

275 Notes by Foreign Office to tel. from N. Charles, April 2, 1943. N. Charles to the Foreign Office, April 14, 1943; War Office to Perowne, April 24, 1943: Halifax to the Foreign Office, June 6, 1943 – all from FO 371 33650 (A3560, 3897, 5693/70/6).

276 A problem was created when a British officer told Gen. Leitão de Carvalho of this British attitude. The Prime Minister had to intervene in order to assure Brazil that this was not official policy. N. Charles to the Foreign Office, April 2, 6, 1943 FO 371 33650 (A3194, 3285/70/6) and April 11, 1943, FO 371 33651 (A3503/166/6). Also British Embassy in Washington to the Foreign Office, April 13, 1943, FO 128 422-Brazil, political general.

277 Notes to tel. from N. Charles to the Foreign Office, April 21, 1943, FO 371 33650 (A2189/70/6).

dictated by the official anti-Communist policy of the Government which was translated, in international affairs, into hostility to the Soviet Union, despite the fact that Soviet victories were gaining the sympathy of many sectors of Brazilian public opinion – the working classes, middle classes and even certain intellectual circles.[278] On the other hand, "the Army, the Church and the DIP (censorship) run a mile when anything about Russia comes up".[279] Vargas wanted to avoid the implication of being "in the same boat with the Russians" which would result if Brazil joined the Allies.[280] However, if Brazil wanted to participate in the war, the issue of the United Nations would inevitably have had to be raised.

The United States Government and its military planners began to realise that the question of Brazilian participation in the war was of crucial importance to the Vargas Administration and the Brazilian military leadership. Some satisfaction had to be given to their Latin-American ally and some form of concrete co-operation had to be proposed to the Brazilian Government.[281] Apart from an invitation to send a small group of Brazilian ground army officers to North Africa as observers, the US military authorities began to consider the possibility of using Brazil's traditionally good relations with Portugal to influence the latter's attitude of benevolent neutrality towards the Axis powers and to gain better strategic positions in the Atlantic.

Consequently, in Natal, after having reviewed the war situation, Roosevelt raised the desirability of Brazil's joining the

278 According to a OSS report, Jan. 22, 1943, NA/RG 226 OSS n.27998; and N. Charles to the Foreign Office, Dec. 13, 1942, FO371 33650 (A70/70/6).

279 N. Charles to the Foreign Office, Apr. 8, 1943, FO371 33651 (A3877/166/6).

280 N. Charles to the Foreign Office, Dec. 12, 1942, FO371 33651 (A367/166/6). Some proposed attempts of approximation during 1942 were discouraged by Vargas. See Martins to Vargas, GV 42.09.04; and Alzira Vargas to Martins, GV 42.09.28/2.

281 Walsh to the Chief of Staff, Jan. 11, 1943, NA/RG 165 OPD 336-Brazil, Sec.I.

United Nations. Vargas agreed and promised to take the necessary steps but reiterated that "this might be an opportune moment to say again that we need equipment from you for our army, navy and air force".[282]

On the matter of Brazilian participation in the war, Roosevelt expressed his wish that the Brazilian Government convince the Portuguese Government to allow Brazilian troops to be sent to the Azores and Madeira to relieve Portuguese troops there. Vargas agreed to raise the matter with Salazar but emphasized that "we cannot send troops to the Portuguese islands unless you furnish adequate equipment for them".[283]

From the political point of view the Natal Conference afforded Brazil some satisfaction as an ally of the United States and supposedly strengthened her position in the Americas in relation to that of Argentina. Buenos Aires' refusal to break off relations with the Axis in 1942 had relegated Argentina to the bottom of US Lend-Lease supply priorities to the great benefit of Brazil. The Argentine armed forces become increasingly concerned and in August 1942 the Argentine Chief of Staff was convinced that the strategic balance in South America had been tilted in favour of Brazil. Attempts were then made to acquire armaments from Germany.[284] To strengthen Brazil's position, Roosevelt presented a number of propositions on post-war matters, saying he felt "that Dakar should be left after the war in some sort of trusteeship of three commissioners: one from United States, one from Brazil

282 The conference between the two Presidents was reported by Ambassador Caffery, FRUS 1943, V, pp. 653-658. (The quotation is from p. 656.) Vargas also wrote some notes on the conference, in which he outlined Brazil's military and industrial needs, GV 43.01.04/1.

283 Report by Caffery, FRUS, 1943, V, p. 656.

284 Caffery to Roosevelt, Feb. 9, 1943, FRL/PSF. Martins to Aranha, Feb. 12, 1943, AHI/MDB/EUA/Ofícios recebidos. On Argentina's situation, see A. Conil Paz & G. Ferrari, *Argentina's Foreign Policy, 1930-1962* (London, 1966), p. 99.

and one from some other American country perhaps".[285] This exaggerated promise of a political role for Brazil in post-war Africa reveals Roosevelt's basic objective at the meeting: to win the confidence of Vargas and Brazil in order to secure Brazilian support for US policies. In the British Ambassador's words:

> *My suspicion… is that the main object of the meeting, which the dictates of courtesy probably rendered unavoidable, was to flatter Brazil and to enable her better to represent herself as on active ally.*[286]

The possibility of concrete Brazilian participation in the war depended, according to the propositions made by Roosevelt at Natal, on Brazilian political initiatives towards Portugal. Brazil demanded a solution to her needs and received in return a new and difficult problem to tackle in her efforts to join the United States in the war.

The FEB is born

In spite of public acknowledgement of mutual understanding between Brazil and the United States in Natal, the Roosevelt Administration in early 1943 held no clear position on Brazilian demands for participation in the war. It had agreed to invite Brazilian military missions to North Africa to give Brazilian military personnel a picture of the kind of action that was taking place and what would be demanded of a Brazilian expeditionary force.

To the Brazilian Government it seemed most logical for its troops to be involved in the North African war theatre. Some days after the Natal Meeting the Government decided to sign the

285 As note 283.

286 N. Charles to the Foreign Office, Jan. 30, 1943, FO371 33651 (A1147/166/6). See also Ledoux to Gen. De Gaulle, reported by N. Charles to the Foreign Office, Feb.9 1943, FO128/422, 21/93/43.

Atlantic Charter and join the United Nations.[287] At the same time Vargas sent Vasco Leitão da Cunha, a special diplomatic agent, on a political tour of North Africa, while Brazilian military missions were sent to see what a real war was like.

One of the first Brazilian military officers to visit Eisenhower's headquarters was Brigadier Eduardo Gomes, Commander of the Brazilian Air Force. He returned to Brazil very impressed with the power of the US and with the idea, gained from conversations with US officials, that they wished a Brazilian expeditionary force to be sent to Africa. He also took the initiative to write to the US Chief of Staff on this matter. This alleged support from US army officers, if it was in fact expressed, contradicted the propositions made by Roosevelt to Vargas in Natal and Eisenhower's previous opposition to a Brazilian presence in North Africa. Gen. Marshall answered Gome's letter by praising the Brazilian contribution to the war effort in terms of the provision of bases and other facilities, but said nothing about sending Brazilian troops to the war.[288]

Gome's initiative represented a further manifestation of Brazilian military and governmental insistence on participation in the war. The State Department quickly understood that official Brazilian enthusiasm for more active participation could not "be dismissed without a harmful effect on the attitude of Brazil toward the war and its allies". The American military leadership in both Rio and Washington was reaching the same conclusion and their representatives on the JBUSDC expressed this opinion to Leitão de Carvalho. President Roosevelt also supported the Brazilian

287 Aranha to Caffery, Feb.6 1943, AHI/RE/EUA/Notas expedidas.

288 Gomes to the Minister of the Air Force, GV 43.04.18; Caffery to Hull, Apr. 26, 1943, FRL/PSF; Gomes to Marshall, May 1, 1943, and Marshall to Gomes, June 5, 1943, both in NA/RG 165 OPD 336-2 Brazil, Section I.

project.[289] By April 1943 the US civil and military services had determined their response to the Brazilian demand.

Having agreed to create the *Força Expedicionária Brasileira* (FEB), the next step involved deciding where and when to deploy that force. In an attempt to salve this question the State Department tried to explore the possibility, previously proposed by Roosevelt to Vargas, of enlisting Brazilian help in the attempt to obtain Portuguese agreement to allow the allies to utilize the Azores and Madeira as military bases for their forces. The plan stipulated that Brazilian troops would be sent to those Atlantic islands to relieve Portuguese troops which would then return to Portugal.

The British Government opposed the proposal on the grounds that it would not be acceptable to the Portuguese. In fact, the stationing of Brazilian troops in the Azores and Madeira was opposed by both Portugal and the United Kingdom for the simple reason that this would mean a clear-cut US presence in Portuguese possessions. On the basis of her old political alliances with Portugal, the British Government took the initiative and convinced Prime Minister Salazar to collaborate with them by granting facilities for H.M. naval forces on those islands.[290] As a result the decision on where the future Brazilian expeditionary force would be placed had to be postponed.

On the military level plans for the FEB began to take shape in April 1943 when General Leitão de Carvalho presented the US Chief of Staff with a plan to send an expeditionary force

289 Walmsley, Jr. to Bonsal and Duggan, Jan. 5, 1943, NA/RG 59 832.20/515. Memo by Walmsley, Jr. Jan. 21, 1943, RG 59 832.30/502; Walsh to the Chief of Staff, Jan. 11, 1943, RG 165 OPD 336-2 Brazil, Section I. Also Caffery to Hull, Feb. 6, 1943, RG 59 832.00/4349 and Apr. 7, 1943, RG 59 832.00/511. See also Leitão de Carvalho, Relatório Geral, p. 92, and McCann, *op.cit.*, p. 348.

290 Pint to Cadogan, Jun.25 1943, FO954 (LA/43/2). Correspondence between Portuguese Embassy in Rio and Itamaraty, Feb. 12, 1943; N. Charles to foreign Office, Feb. 23, Mar. 3, 1943; n. Charles to Halifax (British Ambassador in the USA), Apr. 2, 1943, all in FO128 422-Brazil.

comprising four divisions to the battlefields. On May 3 the US Joint of Staff approved in principle a plan for the creation of three divisions, including a small air force unit. The Brazilian Minister of War also accepted the plan.[291] A US military mission was sent to Brazil to finalise the details and the Chief of the mission returned to the United States convinced that the Brazilian Government and military leadership were determined to fight overseas and could prepare an expeditionary force "if given four to eight months of modernized training with proper equipment".[292]

Official talks continued within the JBUSDC and their outcome was embodied in Recommendation n.16 approved on August 21 1943 – one year after the Brazilian declaration of war. According to the recommendation, the FEB would comprise three divisions plus a small air force unit. It would follow the lines of US military organization and would be under the strategic and functional direction of the United States High Command. It would receive war materials for training and combat action from the United States and would have recourse to the services and facilities of the US army in the war theatre.[293] Thus all the crucial actions and decisions concerning the equipment, transportation, time and place of deployment of the FEB were in US hands.

This was possibly the cause of the conflicts of orientation which arose between the JBUSDC and the Brazilian Minister of War and why the organization and training of the FEB proved so slow and laborious. The command of the expeditionary force constantly complained of the badwill of the War Ministry on

291 Caffery to Hull, Feb. 6, 1943, NA/RG 832.00/4349; Apr. 7, May 17, 1943, both in 832.20/511,525. See also McCann *op.cit.*, p. 348.

292 Ord to the Assistant Chief of Staff, June 16, 1943, NA/RG 165, OPD 336-2 Brazil, Sec. I.

293 Relatório Geral, pp. 100-101, IHGB, Leitão de Carvalho papers.

matters connected to the FEB. The question became a political dispute of who would command the force and was manipulated by the Government in the hope of gaining political support.[294]

Only one of the three divisions was ever organized. It was commanded by General Mascarenhas de Moraes and was formed from different battalions, against the guidelines laid down by the JBUSDC. Its formation was however delayed for months and its training was hampered by an acute lack of materials, human resources and organizational skills.[295] The slow progress of the FEB had serious consequences for foreign policy, particularly in terms of her political and military relations with the United States.

Finally the Brazilian Minister of War, Dutra, tried to obtain more precise information regarding US plans and to intervene more decisively in the organization of the FEB and in August 1943 went to the United States to hold talks with the US military leadership. During his most important discussions with Gen. Marshall, Dutra suggested that new kinds of armaments (tank destroyers) should be delivered to Brazil. At the same time he tried to change the programme laid down by the US for the organization of the expeditionary force and request precise information as to when and where Brazilian troops would be deployed. Marshall responded evasively and observed that the first FEB division

294 A voluminous bibliography on the conflicts and difficulties in the organization of the FEB exists, and many books were written by participants in the events. See J.B.M. Moraes, *A FEB pelo seu Comandante* (S. Paulo, 1947) and *Memórias* (Rio de Janeiro, 1969); F.L. Brayner, *A Verdade sobre a FEB* (Rio de Janeiro, 1968) and *Recordando os Bravos* (Rio de Janeiro, 1977). *Combate* (Rio de Janeiro, 1981); N.W. Sodré, *Memórias de um Soldado* (Rio de Janeiro, 1967) and *História Militar do Brasil* (Rio de Janeiro, 1968). A thorough bibliographical account can be found in M.L. Lins, *A Força Expedicionária Brasileira*, (S. Paulo, 1975).

295 Mascarenhas' complaints on the organization of the FEB can be found in a *A FEB pelo seu comandante, op.cit.* The need for specialists and the problem of poor organization are frequently referred to by FEB officers in *Depoimento de Oficiais da Reserva sobre a FEB* (Rio de Janeiro, 1949). See also N.W. Sodré, *História Militar do Brasil, op.cit.,* p. 256.

had not yet been organized and could not be transported to the battlefields until the beginning of 1944.[296]

While Dutra's visit to the United States did not change the situation of the FEB it did lead the US military to conclude that the Brazilian Minister wanted to use the FEB as a means of acquiring more armaments from the United States and increasing his political prestige at home. In their view:

> *Dutra wanted to organize the entire Army corps at once in order to make an impression on the people of the country and on the Army... He had selected the material which was most difficult of all to obtain, as some of our most modern equipment of this type was not yet in full production.*[297]

The Brazilian Government tried to transform Dutra's visit into proof of Brazil's real desire to actively participate in the war[298] although the circumstances and aims of Dutra's visit in fact led the US military to suspect Brazil's real commitment and real capability to organize the proposed force. In September 1943 US military intelligence services pointed out that:

> *FEB was used as a matter of political manipulation... but little progress is being made toward the training of troops, organizing instruction centres, preparation of cadres etc.*[299]

They alleged that the reasons for this inefficiency lay in the "inertia and lack of initiative of Brazilian staff officers",[300] and

296 Conversation between Dutra and Marshall, Sept. 2, 1943, Memo drom Gen. Ord to the Assistant Chief os Staff, Aug. 12 1943, NA/RG 165 OPD 336 Brazil, Sec.I.

297 Conference between Dutra and Marshall (notes), Sept. 20, 1943, NA/RG 218 JCS BDC 9930.

298 Caffery to Hull, Aug. 9, 1943, NA/RG 59 832.20/541; Aranha to Dutra, AO 43.08.11/1; Góes Monteiro to Marshall, AO 43.08.09.

299 American Intelligence Service, Sept.1, 1943, NA/RG 218 JCS BDC 9930.

300 Idem.

reached the same conclusion – that the FEB represented a means for the Brazilian military to obtain more armaments through Lend-Lease. For that reason the war Department asked the US Embassy in Rio de Janeiro to investigate:

> *Brazil's sincerity in active participation in the war before any action was initiated in Washington to obtain specific approval for the employment of Brazilian troops.*[301]

On the Brazilian side the lack of a clear commitment by the US was seen as evidence of the War Department's lack of interest in the FEB.[302] Although the Brazilian position was supported by the State Department, the fall of Under-Secretary Sumner Welles and his replacement by Edward Stettinius Jr. in August 1943 made the FEB negotiations even more difficult. The fact that Stettinius was not fully aware of the subtle agreements and bargains that sustained the Brazil-US alliance and tended to confer little importance on Latin American subjects in general, and Brazil in particular, was stated by a resume of reports sent from the USA to Aranha.[303]

As a result of these circumstances the end of the year 1943 was a period of mutual recrimination. Brazil accused the US of having extracted many gains from Brazil and of having lost their previous interest. Evidence of this was US hesitation over the dispatch of the FEB to the war theatre.[304] The US responded 'tit for tat' by claiming that the Brazilians did not wholly accept the War Department's orientation and had not even completed the organization of

301 Department of War to State Department, Oct. 1943, NA/RG 165 OPD 336-Brazil. On the use of the FEB to obtain armaments through Lend-Lease, see Lampert to Faria Lima, Oct. 26, 1943, GV 43.10.08.

302 Caffery to Hull, October 27 and November 25, 1943, NA/RG 59 711.32/190, 193. Also Caffery to Duggan, November 24, 1943, RG 59, 832.20/581.

303 Resumé of reports – GV 43.12.06.

304 Caffery to Hull, November 25, 1943, FRUS, 1943, v, p. 647.

the FEB units.[305] Although they were officially still interested in the FEB, they expressed doubt that it would ever be activated. Furthermore they did not consider themselves committed to send arms to Brazil under Recommendation n.14 of the JBUSDC. In fact it rapidly decreased at the end of the year. From their contacts with Brazilian authorities US officials concluded that the demands for arms were determined less by training needs than by the desire to strengthen the Brazilian armed forces. Viscount Halifax, British Ambassador in Washington, reported that the US used lack of shipping as an excuse for preventing a very large supply of arms to Brazil since they did not wish to create a powerful and modern army in Brazil.[306] At this point Vargas himself began to blame the US Government.[307]At the end of 1943 the United States was rapidly approaching deadlock from the Brazilian perspective. The British Foreign Office had completely discredited the possibility of sending the FEB to the war theatre.[308] The internal situation can hardly be described as much better for the Vargas Government.

The internal front

From 1943 onwards the apparently quiet *Estado Novo* began to be disturbed by political and social problems. The war had created an industrial boom connected with import substitution

305 Caffery to Hull, October 4, 1943; Hull to Caffery , October 6, 1943; Duggan to Caffery, October 8, 1943 – all in FRUS, 1943, v, pp. 641-643. Also Hertford to Duggan, November 26, 1943; Hull to Caffery, November 29, 1943; Duggan to Caffery, December 15, 1943, all in NA/RG 59 711.32/193, 196. See also Hull to Amembassy, December 22, 1943, NA/RG 59 832.20/567; and Rhodes' Report to the Foreign Office, January 10, 1944, FO 371 37838 (AS670/18/6). Aranha tried to give the FEB command a similar status to its US counterpart in the war theatre: Dawson to Bonsal and Duggan, November 16, 1943, NA/RG 59 832.20/594.

306 Halifax to the Foreign Office, December 23, 1943, FO 37137838 (AS18/18/6). See also Salgado Filho, Brazilian Air Minister, to Arnold (W.D.), December 20, 1943, NA/RG 165 OPD, 336-Brazil, Sec. I; and memo by the D.S., December 29, 1943, NA/RG 59 832.00/4521.

307 Caffery to Hull, December 13, 1943; Hull to Caffery, December 13, 1943, NA/RG 59 832.20/567.

308 Notes by Foreign Office officials to tel. from N. Charles to the Foreign Office, December 31, 1943, FO 371 37838 (AS30/18/6).

but, although stimulated by Governmental aid, this economic activity was frequently speculative rather than conducive to the real production of wealth. Some sectors linked to foreign markets – such as coffee, cotton and meat – and to industry were generally favoured by international agreements and regulations, governmental aid and even by growing markets.[309]

In general, however, the war produced serious dislocations in the Brazilian economy and stimulated some changes in Brazilian agriculture. The cultivation of export goods such as coffee and cotton was expanded but concurrently suffered from the diversification of agricultural activities. The production of many staple goods was dislocated by cattle breeding as a response to high meat prices in the international market. Many contemporary reports describe the living and working conditions of the rural workforce as "intolerable" and noted the volume of migration from traditional rural areas to the cities or other rural zones of the country.[310]

Although these migrations were not created by the war they were certainly reinforced by the economic dislocation provoked by the war. The migrants came from the North-east, Bahia and Minas Gerais and even from southern states. The Government dealt with the problem by trying to encourage movement towards the "agricultural frontiers", particularly the states of São Paulo and Paraná. In certain special cases the Government itself sponsored population movements, as in the case of the "rubber battle" when thousands of workers were transferred from the North-east to the Amazon basin.

309 E. Carone, *op. cit.*, part I.

310 Carone, *op. cit.*, p. 11. On migration to cities, see P. Singer, *Economia Política da Urbanização,* (S. Paulo, 1976) p.122. See also reports "Exodus of rural workers from the state of São Paulo", September 21, 1944, NA/RG 226, OSS n.98634; and "An economic analysis of the coffee situation", São Paulo, NA/RG 59 832.61333/12-644.

The economic situation of the urban working classes was similarly hard. Food prices rose as a result of the stagnation of food production and the increased food requirements of the growing urban population. To these problems must be added the obsolete transport system, the result of import restrictions on means of transportation (such as lorries and railway wagons) as well as the increasing demands of industrial and military activities for means of transport.[311] The result of this pressure on prices was a growing inflationary process and acute shortages of the necessities of everyday life. In the big cities long queues formed at butchers and grocery stores.[312] A British observer noted: "The rich have used the war to make money and the poor are in a mood bordering on despair".[313]

From 1942 onwards the Government tried to solve these food shortages by increasing wages and regulating prices. A Coordinator for Economic Mobilization was nominated in order to tackle these and other economic questions. The Coordinator, a former *tenente*, João Alberto Lins de Barros, was given extended powers over industry, mining, foreign trade and prices – in short, practically every aspect of Brazilian economic life. João Alberto also collaborated with the Cooke Mission in producing studies of Brazilian industries and with the Rubber Reserve Corporation and its "rubber battle", the results of which were far from brilliant. In order to control prices of consumer goods and ration fuel, power and certain essential

311 Memoradum "Controle sobre inflação no Brasil", sent to Pres. Vargas, April 24, 1944, GV 44.04.24/2. Memoradum to Pres. Roosevelt, December 20, 1944, FRL/BC.

312 On the food supply crisis, see M.Y. Linhares & F. C. Silva, *História Política do Abastecimento (1918-1974)* (Brasília, 1979), pp. 108-113. A lively discussion between economic speculation and shortages of necessities can be found in Sodré, *Memórias de um Soldado, op.cit.*, pp. 200, 205-206 and the diplomatic correspondence: see N. Charles to the Foreign Office, April 20, 1943, FO 371 35651 (A4061/166/6); Simmons to Hull, March 3, 1944; Caffery to Hull, June 29, 1944, in NA/RG 59 832.00/4542, 6-2944; Gainer to the Foreign Office, August 2, 1944, FO 371 37842 (AS4452/51/6); political report by Tewell, August 10, 1944, NA/RG 59 832.00/8-1044. See also Caffery to Hull, March 22, 1943; memo by Walmsley Jr., March 25, 1943, both in NA/RG 59 832.00/4366, 4378; Brunner to Roosevelt, April 24, 1944; and Stettinius to the US Embassy in Rio, June 10, 1944, both in NA/RG 59 711.32/239a, 241, 05.

313 Gainer to the Foreign Office , January 1, 1945, Annual report for 1944, FO 371 44806 (AS687/52/6).

commodities, a complex administrative structure was created. In this sphere the actions of the Coordinator failed completely. Wage increases were rapidly nullified by spiralling prices, and industrial production and commerce were disrupted by the imposition of controls.[314] A "black market" in food grew up during the war:

> *...never in the history of this region (Minas Gerais) have there been such a large number of prosperous speculations dealing in the necessities of life in opposition to the controlled market, and prospering financially as individuals to the detriment of the general public.*[315]

Some attempts were also made to reduce income differentials and raise funds for the State. In 1943 a drastic increases in income tax for corporation and individuals was decreed. There were good reasons for enforcing these since:

> *For Brazilian trading and manufacturing companies the median ratio of net profit to invested capital in 1942 was 34.4%; and almost 1-10th of 256 trading and industrial companies made last year a net profit larger than their invested capital.*[316]

Early in 1944 the Government also decreed a drastic excess profits law in order to "appease the public" and produce an "anti-inflationary effect".[317] The reasons behind this move were also evident:

314 On the creation and failure of the Coordination for Economic Mobilization, see M.Y. Linhares & F. C. Silva, *op.cit.*, pp. 115-117. See also R.A. Humpherys, *Latin America and the Second World War 1942-1945* (London, 1982) pp. 70-72.

315 Report by the US Consul, May 4, 1944, NA/RG 59 832.00/4378. Brazilian correspondence also shows the failure of food rationing: Viriato Vargas to Getúlio Vargas, GV 43.05.25.

316 Report by US Embassy in Rio, May 14, 1943, NA/RG 59 832.00/4387.

317 Simmons to Hull, January 6, 1944, NA/RG 59 832.00/4520; Viriato Vargas to Getúlio Vargas, GV 43.05.25.

> *The old established manufacturing and commercial houses have in these three years been making notoriously heavy profits, while maintaining wages at a level which can only be described as miserable and below any decent subsistence line.*[318]

These laws engendered strong reactions from the *Confederação das Indústrias*. Although entrepreneurs from São Paulo, and newspapers that expressed the interests of big business reacted fiercely, the law was maintained.[319]

The State agencies also tried to regulate the consequences of economic dislocation by means of a policy of active legislation in order to control social tensions and to secure "social peace". Two good examples of this action were the Consolidação das Leis do Trabalho in 1943, which aimed to regulate individual and collective labour relations in the cities and *Estatuto da Lavoura Canavieira*, which was intended to balance the large and small suppliers of sugar cane and the employers and employees in the *usinas* (sugar mill) through a quota system.[320] Nevertheless, as we have seen, the Government was not able to control inflation, food shortages and wage deterioration and opposition groups started to use governmental inefficiency for political propaganda.

The worsening social situation had another repercussion as it become increasingly difficult to mobilize the nation to actively support the main project of Brazil's foreign policy, namely participation in the war. Submerged under social tensions, Brazilian

318 N. Charles to the Foreign Office, January 2, 1944, FO 371 37856 (AS669/278/6). See also Basbaum, *História Sincera da República* (S. Paulo, 1977), pp. 155-157.

319 N. Charles to the Foreign Office, January 25, 1944, FO 371 37856 (AS1011/278/6).

320 See L.A.Barsted, "Legalidade e Conflito Social: uma análise das práticas e representações sociais sobre o Direito", in M. Rosa, *Direito e Conflito Social* (Rio de Janeiro, 1981); J.C. Gnoccarini, *Latifúndio e Proletariado* (S.Paulo, 1980), pp. 92-93; C. P. Neves, "Crescentes e Miguantes" (M.A., PPGAS, Museu Nacional, Rio de Janeiro, 1979).

society was quite indifferent to the efforts of the political and military leadership to raise the nation's enthusiasm. Although sectors of the middle classes were mobilized and leftist and liberal movements and parties supported the expeditionary force, the majority of the population was indifferent towards the whole issue.[321]

Vargas combined labour policies on the one hand with the FEB on the other to secure support for the regime, to neutralize the growing political opposition, and to unite the military leadership around the project of increasing Brazil's international influence. Nevertheless the United Nations victory, that is the victory of democracy over fascism, highlighted the institutional contradiction of the dictatorship. In addition, the Constitution of 1937 had itself established a six-year Presidential mandate which was due to expire in 1943. In mid-1943 debate over the legal basis of the regime provoked heated discussion. Men such as Marcondes Filho, Minister of Justice and Labour, believed that no action should be taken until the end of the war; others such as Aranha called for immediate elections. Vargas tended to adopt the point of view of the Minister of Justice and was supported by the Minister of War.[322] For the regime it was the very process of democratization that was not stake.

The maintenance and even reinforcement of the dictatorship was defended by the authoritarian right wing and its remaining pro-fascist allies. They were convinced that democratic discourse

321 See D. Arruda, "Nossa participação na primeira e segunda guerras mundiais", in *Depoimento de Oficiais da Reserva sobre a FEB* (Rio de Janeiro, 1949), p. 41. See also diplomatic correspondence: Caffery to Hull, May 17, 1943, NA/RG 59 832.00/4389; N. Charles to the Foreign Office, Nov. 6, 1943, FO 371 33670 (A9887/2506/6); Annual report for 1943 and 1944, FO 371 37846, 44806 (AS873/95/6, AS 687/52/6); Perrowne to Butler (Foreign Office), Aug. 31, 1944, FO371 37867 (AS5077/1130/6); Rosas to Alencastro, GV 44.02.09/3).

322 A global approach to the political forces and process of the period can be found in Carone, *op.cit.*, part IV. On the dominant position in the Government , see A. Marcondes Filho, *O momento constitucional brasileiro* (Rio de janeiro, 1943). Diplomatic correspondence also reflected the contriversy: Caffery to Hull, Jul. 31, 1943, NA/RG 59 832.00/4428; Harrison to Walmsley Jr., Apr. 6, 1944, RG 59 832.00/4428. Also Simmons to Hull, Mar. 22, 1944, RG 59 832.00/4551.

was a prelude to communist action. In order to counter pressures in favour of social reform and democratization – inevitable by-products of a victorious war – they approved the concessions of certain rights and advantages to the workers but would not allow an independent trade union movement to be formed. They urged censorship and more decisive action against individuals in positions of authority and organizations that adhered to a democratic model.[323] This authoritarian lobby wielded considerable influence inside the State apparatus and successfully campaigned for Filinto Müller's nomination to the *Conselho Nacional do Trabalho* (National Labour Council), the most important court for *dissídios coletivos* (collective bargaining) between employers and employees.[324]

Pressures for the transformation of the regime originated from external as well as internal sources. Although the policy of the United States Government was one of unrestricted support for Vargas there were indirect signs that political representativeness of the Vargas Government would fall.[325] Although it still adhered to the same position, by the end of 1943 the US Government showed signs of being disturbed by the close identification of its foreign policy with support for the Vargas government: "Our own position in Brazil may deteriorate along with the Vargas regime".[326]

323 Viriato Vargas to Getúlio Vargas, GV 43.03.24, GV 43.04.25; Dutra to Vargas, GV 43.01.12/1; Vieira de Mello to Vargas, GV 43.04.08/1; Dutra to Vargas, GV 43.12.17. See also Broddock to Caffery, March 18, 1943, NA/RG 59 832.00/4388; report by Simmons, March 22, 1944, NA/RG 59 832.00/4551.

324 Caffery to Hull, Jul. 15, 1943, NA/RG 59 832.00/4420. Pro-fascist tendencies were also influential in the police force. See, for instance, Caffery's complaints over the release of German spies in São Paulo: Caffery to Aranha, March 4, 1943, AHI/RE/EUA, Notas recebidas, 1943.

325 See, for example, Roosevelt's conversation with Ávila Camacho, the Mexican President, in 1943: Cavalcanti to Vargas, GV 43.04.29. Also memo by Duggan, Jul. 25, 1943 and memo by the State Departament, Aug. 3, 1943 – both in NA/RG 59 832.00/4426, 8-343. Also British annual report on Brazil for 1944, Jan. 10, 1945, FO 371 44806 (AS687/52/6).

326 Harrison to Dawson, Nov. 24, 1943; memo from the State Departament, Dec. 29, 1943, both in NA/RG 59 832.00/4500,4521.

Internally some political mobilization – particularly by the middle classes – could be detected by 1942. Student meetings, clandestine newspapers, manifestos, new associations, and a whole range of political activity against the regime were created or re-activated. Liberal-leftists and liberal-conservatives formed a united front for democratization. Although there was no clear ideological definition among the various groups which joined to form a united front against the *Estado Novo* and to agitate for democratization, two broad tendencies can be isolated within this ill-defined opposition – a liberal-conservative and a left-wing opposition.

This "left" wing comprised most commonly the students and intellectuals and naturally the socialist and communist militants. Their programme demanded the end of the *Estado Novo* and the democratization of the country, beginning with an amnesty for exiles and political prisoners. Their criticisms also included the war effort against the Axis. On the other hand, the left criticized the economic and social measures taken by the Government and its compromises with totalitarian elements.[327] These "left-liberal" groups were very active throughout 1943. One of them, the *Sociedade Amigos da América*, headed by Gen. Manuel Rabello, was said to have Aranha's support and was accused by the dictatorial elements of the Government of maintaining good relations with the liberal and left-wing opposition. The existence of the *Sociedade* was a matter of frequent conflict between Rabello and Minister Dutra. Another very active civil association was the *Liga de Defesa Nacional*. The student movement – both the *União Nacional dos Estudantes* and the regional unions – were also active: in 1943

327 Pedro Motta Lima to Herbert Moses, AO 43.02.12/2; report to Vargas, GV 43.12.00/4. Also Aranha to Lusardo, AO 43.09.15/3; Simmons to Hull, Feb. 17, 1944, RG 59 832.00B/195. On different ideological and *op.cit.*, pp.187-193, 216-235, 235-249 and A. Spindel (ed.) "Do Estado Novo a queda de Vargas" in *O Partido Comunista na gênese do populismo* (S. Paulo, 1980).

the Sixth Congress of the UNE was held and a series of meetings in a *Semana Anti-Fascista* (Anti-Fascist week) were organised.[328] A massive demonstration in São Paulo was violently repressed by the police and produced an impressive show of solidarity.[329]

The liberal-conservative opposition to the Vargas regime was never subjected to physical violence or imprisonment. This was a combination of old liberal members of the *Congresso Nacional* (Parliament), whose struggle against the regime was based on a liberal model and the return to the ideals of the Constitution of 1891. Distinguished personalities in this group included Otávio Mangabeira and Armando de Salles Oliveira, abroad and, in Brazil, Elmano Cardin, J.E. Macedo Soares, Henrique Dodsworth, Georgino Avelino and others. They were either remnants of the old "oligarchic" groups overthrown by the *revolução de 1930* or regional political leaders "betrayed" by the revolution (for example, the *mineiros* Virgílio de Mello Franco, Pedro Aleixo, Milton Campos, Afonso Arinos and Dario de Almeida Magalhães).[330] The political activities of these groups in 1943 were not highly successful. They tried to enlist the support of diverse social sectors as well as organized movements or prominent figures in their opposition to Vargas.[331]

328 Dutra to Vargas, GV 43.01.12/1; Vieira de Mello to Vargas, GV 43.04.08/1; Dutra to Vargas, GV 43.12.17. Also Braddock to Caffery, Mar. 18, 1943 and Caffery to Hull, Oct. 25, 1943 – both in NA/RG 59 832.00/4388, 4463. On the League of National Defence, see Simmons to Hull, Apr. 25 1944, NA/RG 59 832.00/4378. See also Carone, *op.cit.*, pp. 292-310.

329 Manifesto from the Faculty of School of Law, São Paulo, AO 43.11.08/1. Report to Vargas, GV 43.11.08, GV 43.12.00/4. On student activity in Rio and São Paulo, see AO 43.04.24, AO 43.09.01/5. See also Caffery to Hull, Nov. 10,15,22 1943, NA/RG 59 832.00/4500,4497,4503.

330 M.V. Benevides, *A UDN e o Udenismo* (Rio de Janeiro, 1981), pp. 32-40. See also Simmons to Hull, Apr. 20, 1943; report by the Liaison Office, Oct. 22, 1943 – both in NA/RG 59 832.00/4377, 4482. Also M.P. Servo to Aranha, Feb. 4, 1943, OA 43.02.04/1; Adolfo Konder to Aranha, OA 44.04.05/1; Mangabeira to the New York Post, OA 44.05.25/2.

331 See, for example, the attempt to involve Marcondes Filho: Caffery to Hull, Oct. 25, 1943, NA/RG 59 832.00/4463.

Their attempt to gain the support of white-collar workers and organized labour movement proved unsuccessful since Vargas' social policies of wage concessions, labour legislation and the encouragement of labour unions counter-balanced the facilities given to entrepreneurs in general.[332] The attempts of this opposition to gain support among the rural and urban upper classes – against the increased income taxes and the "excess profits low", were academic rather than real since the Government strongly favoured the economic activities of these classes, while at the same time securing "social peace" through its labour policy. Ambassador Caffery was quite accurate when he observed that the rich *paulistas* would defend "democracy" and "freedom" only if they felt their economic interest was threatened.[333]

This "oligarchic" opposition also tried to involve the Brazilian armed forces, or at least their leaders, against Vargas by means of anti-US speeches directed towards those officers who were critical of the United States presence in Brazil.[334] Here again they did not meet with great success since the general military aspiration for modernization was being fulfilled, the foreign adventure was being carefully prepared and the military leaders were firmly opposed to internal strife.[335] Attempts to openly involve Dutra and present

332 See Caffery to Hull, Feb. 6, July 15, Nov. 5, 1943 and June 29, 1944; and Simmons to Hull, Mar. 3, 1944 – all in NA/RG 59 832.00/4349, 4420, 4495, 6 – 2944, 4542. See also Gainer to the Foreign Office, Aug. 2, 1944, FO 371 37842 (AS4452/51/6) and Caffery to Hull, Nov. 8 1943, NA/RG 59 832.00/4495.

333 Caffery to Hull, May 22, 1943, NA/RG 59 832.00/4393. Sir N. Charles also noted that Vargas had the support of the "Brazilian industrial, mining and commercial interests" – N. Charles to the Foreign Office, FO371 33651 (A1527/166/6). On attempts to mobilize coffee planters, businessmen and industrialists against the Government see Caffery to Hull, Apr. 15, 1943; Donnely to Hull, Apr. 22, 1943; Caffery to Hull, Nov. 5, 1943 – all in NA/RG 59 832.00/4374, 4379, 4595. Also see J.M. Bello, *História da República*, (S. Paulo, 1964), p. 406.

334 Caffery to Hull, Jun. 14, 1943, NA/RG 59 832.00/4400.

335 Caffery to Hull, Nov. 5, 1943, NA/RG 59 832.00/4495.

him to the public as a founder of liberal democracy in contrast to Vargas were ridiculous: the identification was weak and Dutra stood by Vargas and the army remained loyal to the regime.[336]

The most prominent manifestation of this opposition in 1943 was the *Manisfesto dos Mineiros* which encouraged the old politicians to express and attempt to organize their opposition to Vargas and attempted to neutralize the President's political initiative in the process of democratization by labelling his promises of political normalization a manoeuvre to remain in power.[337] In the beginning of 1944, rumours of conspiracy both in Brazil and in the United States were common. These rumours implicated the US Embassy in Rio as well as the Catholic Church but only succeeded in convincing a few army officers. Some US representatives in Brazil noted, not without satisfaction, that many *tenentes* were becoming "good democrats", that is, they favoured liberal democracy, and Pan-Americanism, and the good neighbour policy to the United States.[338]

Lack of progress over the dispatching and destination of the Expeditionary Force became in this context a matter of propaganda against the regime. Rumours tried to prove that the FEB was the result of Vargas' personal decision,[339] to ridicule its delay or even to suggest that it should not be used abroad but at home,

336 Report on the political situation, GV 43.05.25; Simmons to Hull, Apr. 20 1943, NA/RG 59 832.00/4377. Also N. Charles to the Foreign Office, Jul. 2, 1943 FO 371 33678 (A7127/2506/6).

337 M.V. Benevides, *op.cit.*, pp. 34-36; O. Cavalcanti, *Os insurretos de 43*; (Rio de Janeiro, 1978); V. Mello Franco, *op.cit.*, p.11.

338 According to Simmons, Report, Mar 22, 1944, NA/RG 59 832.00/4551. On conspiracies, see Simmons to Hull, Jan. 6, 20 1944, NA/RG 59 832.00/4520, 4530, 4531. Also memo from the State Departament, Feb. 4, 1944; Caffery to Hull, Mar. 7 1944 – both in NA/RG 59 832.00/2-444 – and Martins to Vargas, GV 44.03.28/1.

339 See Afonso Henriques (pseud.) *Ascensão e Queda de Getúlio Vargas*, (Rio de Janeiro, 1966), pp. 307-309. The author was one of the most active Brazilian opponents of Vargas in the United States.

to fight Vargas himself.[340] The armed forces supported Vargas and accepted the FEB as a necessary expression of Brazilian foreign policy but the indefinite delay in the FEB's dispatch produced some irritation, since it could have incurred the withdrawal of US support for Vargas and his military projects. The cancellation of the expeditionary force would mean the end of the political capital gained by Vargas through his foreign policy for his domestic policy. In brief, the Vargas administration faced at that time increasing problems on both the internal and external fronts.

The period of participation

The growing difficulties of the Brazilian domestic situation and the deadlock in Brazil-United States collaboration over the expeditionary force were overcome in the first months of 1944 by a combination of unexpected events in South American politics and new developments in United States foreign policy. These developments in North and South America enable the Brazilian Government to dispatch its expeditionary force to the battlefields and gain a number of benefits from this unique Latin American involvement in the Second World War.

Towards the end of 1943 an extremely tense political situation developed in the River Plate Basin. To gain a better understanding of this situation, one must begin by studying Argentine politics one year earlier.

The rigid commitment to neutrality of the conservative government of Castilho in Argentina had placed the country in an uncomfortably isolated position in the continent by 1942. It seems that at that time the conservative party itself was revising its position and moving in the direction of clear support for the

340 Caffery to Hull, Nov. 10, 22, 1943, NA/RG 59 832.00/4500,4503.

Allies – a policy which would be effected by the next President to be elected that year. Meanwhile a secret group of army officials known as GOU (apparently, *Grupo de Oficiales Unidos*), which was clearly nationalist in orientation and favoured on authoritarian regime for Argentina, overthrew the government on June 6, 1943 and established the former Minister of War, General Ramirez, as the new President. In addition to accusations of corruption and political incompetence, the Castilho Government was also blamed for Argentina's weakness and declining power in South America. Thus the coup aimed also to counter Brazil's growing military strength and secure Argentine pre-eminence in South America.[341]

Although GOU was not directly represented in the Cabinet, it retained important positions in the Ministries of War and the Interior, as well as some army commands. Col. Perón, one of the most influential members of GOU, took over the War Ministry Secretariat and in November he was also appointed Secretary of the National Department of Labour.

In the second half of 1943, Washington put pressure on Buenos Aires to fully comply with the resolutions of the Rio Conference. The Ramirez Government was somewhat indecisive. It first promised to break off relations with the Axis and then failed to do so, and simultaneously requested military aid from the United States while trying to purchase arms from the Germans. These moves began to worry the Brazilian Government and their military leadership. From October 1943 onwards the steadily growing volume of news on the growth of the Argentine army

341 The most recent evolution of Argentina's role during the war can be found in R. A. Humphreys, *Latin America and the Second World War, 1942-1945* (London, 1982), ch. VI and VII. See also T. H. Donghi, *História Contemporânea de América Latina* (Madri, 1970); and A. Conil Paz & G. Ferrari, *Argentina's Foreign Policy, 1930-1962* (London, 1966), ch. 3,4,5. The following description of Argentina's situation is largely based on these sources. A contemporany evaluation can be found in R. Alves (Brazilian Ambassador in B. Aires) to Aranha, OA 43.07.27/3 and OA 43.08.11/2, OA 43.10.13/2.

and increasing surveillance of the Brazilian borders alarmed the Brazilian Government.[342] At the same time some sources claimed that the Argentine Government was attempting to widen its influence over the armed forces of its neighbours, particularly Bolivia, Uruguay and Paraguay, as a means of enlarging its sphere of influence.[343]

The Brazilian Government tried to obtain detailed information on the domestic and foreign policies of the countries of the River Plate Basin. In addition to using normal diplomatic channels, General Góes Monteiro himself was personally charged with this task. He left his position as Chief of Staff in the Brazilian army and was nominated Brazilian representative to the Hemisphere Political Defence Committee in Montevideo. That city was a strategic location and enabled him to observe, among other things, Argentine policy in the whole region (the South Cone).[344]

In neighbouring Bolivia the situation seemed to favour the Allied cause since her Government had declared war on the Axis in April 1943, although continuous social agitation and the political weakness of the Penaranda Government paved the way for a military *coup d'etat*[345] and just before Christmas General Villaroel overthrew President Penaranda. Although the new Bolivian Government had expressed friendship toward Brazil, the coup was interpreted in Rio as having been markedly influenced by

342 Aranha to Dutra, November 22, 1943, AHI/DI/MG/ F. Relations to War Ministry, 1943. Also Rodrigues Alves to Aranha, OA 43.10.20/3; Muniz de Aragão to Aranha, OA 43.10.21/3; Rodrigues Alves to Aranha, OA 43.12.21.

343 Dutra to Aranha, May 6, 1943, AHI/DI/MG/ War Minister to F.R. Also L. C. Silva to Aranha, OA 43.09.02/4; J. D. Pimentel to Aranha, OA 43.09.12/2; M. P. Brandão to Aranha, OA 43.11.01/2; A. T. Soares to Aranha, OA 43.11.15/1; Rodrigues Alves to Aranha, OA 43.11.23/1.

344 Correspondence between Góes Monteiro and Aranha, OA 43.12.27/1; OA 44.02.19/3; OA 44.04.03/1; 44.04.12/2; 44.04.21/1; 44.04.16/1. See also Góes Monteiro to Vargas, GV 44.01.05 – dossier.

345 Brazilian Ambassador in La Paz to Aranha, OA 43.12.09/1.

Argentina and perhaps even the Nazi party.[346] The US Government reacted similarly. Although the connection between the Bolivian conspirators and the Argentine military was reasonably clear, there was no evidence that the coup had been Nazi-inspired. It was thought to have been primarily an authoritarian, nationalist-oriented movement.[347]

Argentina's military mobilization and the nationalist, Argentine-inspired coup in Bolivia substantially altered the political balance in the continent, creating a coalition that the Brazilian and US Governments interpreted as contrary to both countries' interests. The Roosevelt Administration threatened to make public the Argentine involvement in the Bolivian coup, and organised naval demonstrations in Montevideo. Possibly as a response to this US threat, President Ramirez broke off relations with the Axis on January 26, 1944.[348] The nationalist reaction was inevitable: alleging that the Government had acted under foreign pressure GOU forced Ramirez to resign on February 25, 1944 in favour of Vice-President Farrel. Perón was nominated to the position of Minister of War and Secretary of Labour.[349]

The Brazilian Government made some gestures to suggest that it was willing to compromise with the new Argentine Government but, at the same time, tried to reinforce her southern border.[350]

346 Brazilian Ambassador in La Paz to Aranha, OA 44.01.14; Baldivievo to Viriato Vargas, GV 44.01.17; Rodrigues Alves to Aranha OA 43.12.21 and OA 43.12.30. Also dossier in OA 44.01.03 and GV 44.01.10/2; Simmons to Aranha, January 11, 12, 1944 and memo from the US Embassy, January 17, 1944 – both in AHI/RE/EUA/Notas recebidas, 1944.

347 R.A. Humphreys, *op.cit.*, ch. IV.

348 Rodrigues Alves to Aranha, OA 44.01.27/2; D. Coimbra to Aranha, AO 44.01.28/2; Góes Monteiro to Aranha, OA 44.02.24/1.

349 Rodrigues Alves to Vargas on January 28, 1944, GV 44.01.15 – dossier; R. Alves to Aranha, OA 44.01.27/2, OA 44.02.24/2; D. Coimbra to Aranha, OA 44.02.29/1.

350 Aranha to Hull, OA 44.04.10/5.

Vargas made strong demands for arms from the Roosevelt Administration and Góes Monteiro even proposed using the expeditionary force in the River Plate Basin in case of emergency. Furthermore the Brazilian Government demanded that the US immediately build two airfields in Southern Brazil with left-over US equipment from the North-east.[351]

Fortunately for the Vargas Administration, the United States Government and military agencies had also concluded that the best way to face the danger represented by the Argentine-Bolivian coalition was "to give Brazil an effective force near to the Argentine border".[352] As a result the arms so anxiously demanded by Brazil during the previous months started to flow rapidly to the southern part of the country at the beginning of 1944.[353]

The Argentine *coup d'état* on February 26, 1944 deeply alarmed the United States Government and both reinforced its policies of sending arms to Brazil and engendered attempts to oppose the resulting Argentine anti-US political offensive.[354]

In addition, however, even more important issues were at stake in the continent at the beginning of 1944. The United

351 Assistant Chief of Staff to the Munitions Assignment Committee, January 10, 1944, NA/RG 165 W.D. OPD 336-Brazil, Sec. II. See also Vargas to Martins January 15, 1944, GV44.01.08; Memo from Góes Monteiro, March 13, 1944, GV 44.01.15; R. Alves to Aranha, OA 44.03.24/1; Góes Monteiro to Aranha, OA 44.04.03/1; G. Vargas to Góes Monteiro, GV 44.01.15; MRE to War Minister, January 14, 1944, AHI/DI/Avisos/MRE to MG.

352 Roosevelt to Hull, January 12, 1944, NA/RG 165 W.D. OPD 336 – Brazil, Sec. II. The US Government had recalled Ambassador Caffery to Washington and he had probably exerted some influence on the process: Caffery to Simmons, January 7, 1944, NA/RG 59 832.00/4519B; on the same subject, Carlos Martins to Vargas, January 11, 1944, GV 44.01.08; also Martins to Vargas, January 14, 17, 18, in GV 44.01.08; Hull to Roosevelt, January 8, 1944 and Handy to the Chief of Staff, January 11, 1944 – both in NA/RG 165 W.D. OPD 336-Brazil, Sec. II.

353 Hull to Roosevelt Jan. 22, 1944, FRUS, 1944, VII, pp. 569-570; Caffery to Hull, Feb. 1, 1944, NA/RG 59 711.32/205 – all in GV 44.01.08.

354 Caffery to Aranha, Feb. 28, Mar. 6, 1944. AHI/RE/EUA/Notas recebidas. In July the US Government gave assurances of military support to Uruguay, Paraguay, and Chile in case of Argentine aggression. Research Project n .90, Dec. 1948, NA/RG 59 832.20/12-1348.

Nations victory of 1943/1944 led the United States Government to accelerate the preparation of post-war plans. Naturally European and Asiatic matters as well as US-USSR relations remained the main preoccupation of US planners. International conferences of that period already reflected the predominance of these issues and revealed the central role played by the United States in the outlining of the "new international order".

In this context Latin America occupied a secondary place in US plans although it did have some political weight inasmuch as it could constitute a harmonious area of US influence. The war given the US a unique opportunity to exercise this hegemony and the Brazilian alliance had provided political support and physical bases for US control over the continent as a whole. Although in 1944 the United States planners had not yet determined the specific political and military instruments of this indisputable hegemony, initial attempts to do this were begun. One of the first steps in this direction was the elaboration of a plan to maintain the military bases of North and North-east Brazil under US control or, at last, to secure their use in the post-war period.[355]

It was not easy to put this plan into action since, as Ambassador Caffery recognized: "it involves a most unusual request for privilegies in an independent foreign country".

Naturally the US Ambassador could argue, in the framework of Brazilian-American collaboration, "the unquestionable mutual necessity (of the bases) from the point of view of the defences of our two countries".[356]

355 Roosevelt to Hull, Jan. 7, 1944, FRUS, 1944, VII, pp. 546-547. To the War Department the ideal would be "to own or become long-term lessers of the base and facilities": Secretary of War to the Secretary of State, Jan.10, 1944, NA/RG 165 ABC (6.11.43).

356 Caffery to Hull, Feb. 12, 1944, NA/RG 59 711.32/209.

In fact a far more important issue lay behind this hypothetical "need for the defense of our two countries". The proposed agreement over new air bases was to constitute part of an extensive military security system that United States Army General Staff was preparing under the direction of President Roosevelt for the post-war period in various parts of the world.[357]

In relation to Latin America this plan would establish the basis of a bilateral security system which would be much more convenient for the US in terms of securing the direction of the process. The plan included the supply of war equipment and the adequate military training of Latin American armed forces. An important element in the unity of the system was the effort to standardize the equipment, particularly the combat equipment being used. This was to be supplied by the United States and not by any European Power. The quantity and type of arms to be supplied to the Latin Americans, control of these supplies and even "the nature of the forces to be maintained in each of the republics" was to remain under strict US Government control.[358]

The importance of the issue explains the urgency felt by US officials and the tactics they used. Under instructions from President Roosevelt himself, Caffery offered Vargas "Brazilian post-war participation in an air base either in West Africa or in the Cape Verde Islands". Vargas gladly accepted the offer and on the same occasion the US Ambassador stressed the US interest in maintaining some presence in the military bases in North-east Brazil.[359]

357 Berle to Caffery, Mar. 2, 1944, FRUS, 1944, VII pp. 556-557. Memo by Berle, Feb. 17, 1944, NA/RG 59 711.3227.

358 Stettinius Jr. to Leahy, Feb. 29, 1944; Hull to Roosevelt, n. d., Stettinius Jr. to Caffery, June 10, 1944; Hull to Caffery, June 27, 1944 – all in NA/RG 59 832.20/6-1244.

359 Caffery to Hull, Feb. 1, 14, 1944, NA/RG 59 711.32/206,209. Also Martins to Vargas, GV 44.01.12. On the urgency felt by the US, see memo by Berle, Feb. 17 1944 NA/RG 59 711.3227.

Vargas was prepared to discuss the US demand. Conscious of the bases' strategic importance he was willing to sign an agreement but insisted on three basic conditions: (1) the promised munitions were to be sent without delay to South Brazil; (2) the United States Government had to offer Brazil the means to construct the two air bases in the South; (3) the FEB had to be sent abroad.[360]

Strong resistance to the agreement arose in both the Brazilian army and air force, who felt that it might give the US a "right" to establish their armed forces permanently on a Brazilian territory. Furthermore it appeared to be a "one-way street: we give everything and get nothing". Information about the agreement was leaked to the press and a public debate began.[361] These complications did not deter Vargas from using the agreement as a bargaining tool in order to strengthen the country militarily and politically. He insisted on "a continuing guarantee of assistance to Brazil in the event of attack – not only by an extra-continental power but by any other country of this hemisphere". Although the Brazilian military alleged the reality of the Argentine threat, Vargas' demand must be understood not as a real fear of Brazil's southern neighbour but as an attempt "to maintain Brazil better prepared than Argentina from a defense standpoint", as Secretary Hull told Roosevelt.[362]

Vargas' game produced positive results for the FEB and the military strengthening of the country. Although the US Government regarded the price demanded by Vargas as high, the exchange was nevertheless felt to be worthwhile. In the spring

360 Caffery to Hull, Feb. 1, 1944, NA/RG 59 711.32/206.

361 On this resistance, see Caffery to Hull, Apr. 11, 18, May 11, 1944, NA/RG 59 711.3227/40, 80. On press debate, see Caffery to Hull, May 3, 6, 12, 1944, NA/RG 59 7113227/79, 80, 96. See also Caffery to Walmsley Jr., May 10, 1944; Hull to Caffery, May, 11 1944 – both in NA/RG 59 711.3227/87,88.

362 Hull to Roosevelt, commenting on Vargas' demands, April 7, 1944, FRL/PSL. The same theme was also present in Góes Monteiro's correspondence with Vargas, GV 44.01.15. See also Caffery to Hull, Mar. 29, 1944, NA/RG 59 711.3227/28, and Simmons to Hull, Mar. 29, 1944, NA/RG 59 832.00/4552.

of 1944 the construction of two air bases in Southern Brazil was authorized by Washington due to "political reasons", and the US military was invited to prepare plans for transporting the Brazilian expeditionary force "in view of our pending negotiations" (i.e. the air bases agreement).[363]

Brazilian insistence had finally convinced the US that the FEB was not a mere project of arms acquirement but a determined attempt to become involved in the anti-Axis fight. In the spring of 1944 the War Department formulated plans for transporting a Brazilian Division, and General Eisenhower approved plans to attach the FEB to his forces in the Mediterranean.[364]

Despite this agreement, the FEB had nevertheless to face another obstacle. Allied forces in the Mediterranean were transferred to the British command and approval for sending a Brazilian force had to be obtained from the Combined (British and US) Chiefs of Staff.[365] British military officers were particularly unhappy about the presence of a Brazilian force in the Mediterranean and the British War Office clearly told Washington that "we do not relish the prospect of receiving this reinforcement" and simultaneously pleaded for the dispatch of the force to be postponed.[366] This is the reason why one the items of Stettinius' Mission in London (April 1944) was the inclusion of the FEB in war in the Mediterranean.

363 Caffery to Hull, Mar. 28, 1944, NA/RG 59 832.20/608; Duggan to Gen. Ord (JBUSDC), Apr. 7, 1944, NA/RG 59 832.20/610; Hull to Gen. Leahy, Apr. 15, 1944, NA/RG 59 832.20/611. Marshall recognized the importance of Brazilian co-operation at that time: Marshall to Hull 725.35/7-2744 (ref. In 832.20/12-1348).

364 Memo from Duggan, Apr. 6, 1944, NA/RG 59 832.20/611. Ord to Duggan Apr. 13, 1944, NA/RG 218 JCS BDC 9930 BEGF. Memo from US Chiefs of Staff to the CCS, Apr. 18, 1944, NA/RG 165 W. D. ABC 400.3295 (Brazil (5-4-43)).

365 Memo from the State Department, Apr. 10,13, 1944, NA/RG 59 740.0011 Stettinius Missian/14ª–34–a.

366 Simpson to McNair (Joint Staff Mission), Jan. 21, 1944, FO 371 37838 (AS 1026/18/6).

The Brazilian expeditionary force faced a real risk of failure at this moment. The problem of the FEB was presented to Churchill and, in agreement with his war Cabinet, the Prime Minister opined that "it would be a serious error to allow more than a brigade from Brazil". For the British War Cabinet "there were already contingents from too many different nationalities in that area" and the Brazilian force would simply be an additional problem. Under-Secretary Stettinius accepted Churchill's evolution.[367] It was necessary for the Secretary of State to intervene promptly in order to avoid a negative decision. Hull reported to the Under-Secretary the reasons that lay behind the United States acceptance of Brazil's proposal to prepare an expeditionary force:

> *In other words, the Brazilians have offered a military force for combat duty and we have accepted. The commitment is firm. President Vargas has made the Brazilian Expeditionary Force a pillar in his policy of military Cooperation with the United States and other United Nations. He has gone so far in arousing public support for it that his political reputation is now involved. To brush him off now with what might be regarded as a deprecating suggestion to send simply a brigade will involve us in serious embarrassment and may even weaken his Government, whose record of co-operation in the war has been wholehearted.*[368]

Mr. Hull did not present his arguments in full but, in addition to all the concessions which it had already made, the Brazilian Government was considering the "air bases agreement" and it was necessary for the US to secure Brazil's "wholehearted cooperation"

367 Stettinius Jr. to Hull, Apr. 18, 1944, NA/RG 59 740.0011/Stettinius Mission/41. Memo by Hallis, Apr. 20, 1944, FO371 37838 (AS 2313/18/6).

368 Hull to Stettinius, Apr. 21, 1944, NA/RG 59 740.0011 S.M./46i.

in this matter as well. Brazil could also counter-balance Argentine influence on South America and had to be given prestige. Stettinius re-opened the question with Churchill and persuaded him to send precise instructions to the British representatives in the Combined Chiefs of Staff.[369] The British and US military agreed and the dispatch of the FEB was decided on May 5th.[370] The United States had thus accomplished one more item in her dealings with the Brazilian Government for its collaboration in the war period.

On the other hand, in the same month the Brazilian Government signed an agreement with the United States over the utilization of air bases in the post-war period. The agreement gave 10 years free use by military personnel and aircraft at all times, in peace or war, of all airports in either country designated by both Governments as strategic. Apparently giving equal rights to both countries, the agreement was in fact a great increase in the US military presence in Brazil, since the ten airports designated as strategic were all in Brazil.[371] Due to its importance and obvious meaning the agreement was kept secret and remained unknown to the public. Even the British were not informed.[372]

The FEB and foreign policy

Motivated by anti-Nazi, fascist ideals, and comprised of peasants, rural and urban workers and employees in commerce,[373] the FEB was an instrument of a political-military programme

369 Churchill to Foreign Secretary and to Gen. Hollis, May 1, 1944; W. Churchill, *The Second World War*, (London, 1952), v. V. p. 623.

370 From J.M.S. Apr. 21, 1944; Chiefs of Staff Commitee to Prime Minister, May 3, 1944; Foreign Office to the British Embassy in Washington, May 5, 1944 – all in FO371 37838 (AS2313/18/6).

371 Powley, US Ambassador in Brazil, to Dean acheson, NA/RG 59 711.32/3-1247. The text of the Agreement can be found in GV 44.06.21.

372 Annual report for 1944, Jan. 10, 1945, FO371 44806 (AS687/52/6).

373 D. Arruda, "Nossa participação na primeira e segunda guerras mundiais", in *op.cit.*, p. 44.

aimed at strengthening the regime and enhancing the prestige and power of sections of the Brazilian civil and military ruling class. The purpose of the FEB was to obtain international prestige for the country. The dispatch of FEB to the war was felt to confer on Brazil "the right to an active voice in the peace conferences that are now imminent". Others foresaw "the country's probable projection as a great international power".[374] The FEB was represented as an instrument of a policy of "associate Power" in the thinking of the Brazilian ruling classes.

The FEB consisted of about 25,000 men. They were assigned to the Italian theatre as a Division of the US Fifth Army under the command of General Mark Clark. Between July 1944 and February 1945 five contingents of the force sailed from Rio to Naples in US ships and, after some training and patrol duties, went on active service. The material and weather conditions faced by the Brazilian *pracinhas* were not easy, and they fought in some difficult battles (Castelnuovo, Montese, Monte Castelo). According to Gen. Cordeiro de Farias, at that time the Brazilian artillery commander, many of them were basically diversionary actions in order to permit US troops to concentrate their effort on their main targets.[375] The FEB's effort was rewarded in the last days of the war by the unconditional surrender of the 148th German Division to the Brazilians.

Despite the dedication of the Brazilian soldiers in Italy, and despite their recognized value as a combat force, the role of the FEB in the war was extremely modest and could not result in the political capital that many Brazilian authorities had hoped for. By

374 Martins to Aranha, Aug. 10, 1944, AHI/MDB/Washington Ofícios; Martins to velloso, Oct. 20, 1944, AHI/MDB/Washington, Ofícios; Vargas' speech on May 20, 1944, Broadmed to the Foreign Office, FO371 37838 (AS2923/18/6); Vereker (Montevideo) to the Foreign Office, June 3, 1944, FO371 37838 (AS3649/18/6).

375 A. A. Camargo & W. Goes, *op.cit.,* pp. 319-320.

the time the Brazilian Government planned its direct participation in the war, the United States was already planning the post-war era. This immense gap generated the FEB's presence in the war. The consequences generated were mainly domestic – the Brazilian armed forces were well supplied with armament, gained combat experience as a modern army, and overall emerged after the war as the major armed force in Latin America. The army had consisted of about 80,000 men before the war; at the end of 1944 its strength was about 200,000, divided into 8 infantry and 3 cavalry divisions, 1 mixed brigade, coastal artillery, engineering battalions and frontier guards. The navy had also grown by acquiring new vessels and 20% more personnel between 1942 and 1943. The air force had about 500 aircraft, making it small by European or US standards although it was undoubtedly the largest air force in South America.[376]

The FEB was not created as an answer to Allied demands but as a result of a Brazilian demand from the Allies, particularly the United States. Public and private declarations by US Government officials during 1943/1944 invariably emphasized Brazilian strategic contributions (bases and facilities) to the African campaign without ever suggesting the sending of Brazilian troops to the war.[377] Furthermore the US Ambassador in Brazil reported in detail all his accomplishments, that is, all the demands made by the United States from the Brazilian Government, and made no reference whatsoever to the need for Brazilian troops to fight abroad.[378] Most direct references to the FEB – such as Roosevelt's answer to a letter from Vargas – clearly show that it was a completely Brazilian initiative:

376 Reports by British Military Attaches, Aug. 1944, FO 371 38224 (AS4646/4361/51 and AS4467/4361/51).

377 Statement by Hull; Caffery to Aranha, December 5, 1943, AHI/RE/EUA/Notes (received). Also Roosevelt to Vargas, GV 44.01.08.

378 Reports from Caffery to Hull, February 6, 1943, September 16, 1944 – both in NA/RG 59 832.00/4349, 9-1644.

> *I have asked Gen. George Marshall...and his colleagues to consider carefully with General Dutra the measures which can be taken to facilitate your generous desire to have a Brazilian expeditionary force serve overseas.*[379]

Furthermore, the FEB was not created by the Joint Brazil-United States Defense Commission, as suggested by General Leitão de Carvalho and repeated by other officers and experts of the period.[380] The JBUSDC merely embodied an idea that many Brazilian military leaders and policy makers had been discussing since the successful Allied invasion of North Africa in November 1942. The FEB was a "legitimate child" of a sector of the Brazilian ruling classes which was supported by anti-fascist movements and pro-US groups. It is commonly believed, even today, that the Allies needed Brazilian military help in Europe and in return rewarded Brazil with substantial benefits.[381] On the contrary, the expeditionary force was a burden for the Allied military services and Gen. Marshall talked of it as "an additional headache".[382] The US conceded to allow its formation in view of continuous Brazilian collaboration in terms of providing bases, strategic materials and political support for United States policies in the continent.

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379 Roosevelt to Vargas, GV 43.04.20/2. US military documents all refer to the FEB as a Brazilian proposal. See Minutes of J.C.S. 77th Meeting, May 4, 1943, NA/RG 165 ABC 400 3295 Brazil. See also the British documents, memo from Sexton, annex to McNair in the War Office, January 29, 1944, FO 371 37838 (AS1026/18/6). Vargas recognized that "no demand was made from us in this direction" (i.e. to create the FEB), Caó, *Dutra*, p. 146.

380 As in M.T. Castello Branco, *O Brasil na Segunda Guerra Mundial*, (Rio de Janeiro, 1960), p. 124.

381 See, for example, Cordeiro de Farias' interviews with opinion in A.A. Camargo & W. Goes, *op.cit.*, p. 306. See also interviews with Gen. Nelson de Mello who thought that Roosevelt came to Natal in January 1943 to ask Getúlio Vargas for a Brazilian force to fight in North Africa. HO/CPDOC (5th interview). Moniz Bandeira insists that the British demanded three Brazilian divisions for the European front, in *Presença dos Estados Unidos no Brasil*, (Rio de Janeiro, 1973), p. 289.

382 JSM to AMSSO, April 21, 1944, FO 371 37838 (AS2313/18/6). There is an extended diplomatic correspondence to this question in FO 371 37838, 1944.

From the US military point of view there was one advantage to agreeing to the creation of the FEB, namely, the growing influence of the United States military on their Brazilian counterparts in the post-war period. As was observed at a Meeting of United States Joint Chiefs of Staff on the question of armaments for training the FEB:

> *In addition to the military advantages, this seems a small price to pay to secure the cooperation of the largest country in South America and should have the advantage of greatly promoting hemisphere solidarity. The beneficial effect or the training and indoctrination of Brazilian officers in the United States should extend into the post-war period...*[383]

The ties of military collaboration in the hemisphere – the need to unite the American power system – began to be clearly formulated during the war. In this sense the FEB provided valuable experience in coordinating the military establishments of the United States and Brazil in such a way as to improve military dependence on the inter-American system without projecting Brazil as a Power in the post-war period.

Nevertheless the Brazilian Government encouraged ideas of "associate Power" status by sending the FEB to the Mediterranean in 1944 and waited to be recognized as such. An attempt to formalize Brazilian status as an "associate Power" was made by Itamaraty in a document that discussed various Latin American questions. Aranha stressed that friendship between Brazil and the United States:

> *has always been founded on reciprocal comprehension of our interests and of our common and correct intentions and in the necessity of vigilant co-operation for the defense of the*

383 Notes on J.C.S. 77th Meeting, May 4, 1943, NA/RG 165 W.D. ABC 400 3295 – Brazil.

North American position in the world and ours (Brazil's) in South America.[384]

Aranha went on to note that the United States had always received Brazilian support and had always given Brazil assistance for her own domestic problems as well as: "toward the maintenance of our historical and natural pre-eminence which is becoming increasingly necessary in the political affairs of the people of South America".

Brazilian "pre-eminence" in Latin America was unacceptable to the US Government since her own pre-eminence over the continent was taken for granted.[385] However, US reasons for not accepting Brazil's proposals were presented in the appropriate terms, those of Pan-American political ideology: "Our interest is to promote inter-American cooperation among all countries". The acceptance of Brazilian propositions by the Roosevelt Administration would imply an alignment between the United States and Brazil against the other American countries of Spanish origin.[386]

Nevertheless the State Department did recognize Brazil's discontent over the way Brazil, until then a "special ally", was being treated by United States policy in relation to post-war arrangements. A series of measures were suggested to give the Brazilian Government special attention and early information: "We have much to gain from treating Brazil as a Power".[387]

This was the core of US policy towards Brazil. From the political point of view Brazil was one of the "smaller allies". She was not a Power but should be treated as one, due to US strategic

384 Aranha to Hull, May 17, 1944, NA/RG 59 832.00/5-3144.

385 N. Charles to the Foreign Office, September 20, 1943, FO 371 33678 (A9032/2506/6).

386 Memo from Wendelin (State Department), June 10, 1944, NA/RG 59 F.W. 832.00/5-3144.

387 Memo from Walmsley Jr. (State Department), June 5, 1944, NA/RG 59 711.32/6-544.

and political interests in South America. During the critical war years the Brazilian Government was able to obtain certain benefits from its position as a "special ally", but after the middle of 1944 this rhetoric enjoyed no further support. The dispatch of the FEB was Brazil's last major gain as a "special ally".

Brazil at war: an evaluation

Brazilian alignment with US policy during World War II has been understood in diverse and even contradictory manners. Different authors have perceived *alignment* as a policy that exploited US goodwill with Machiavellian opportunism in order to obtain political, military, and economic advantages for Brazil,[388] or as a movement that meant no less than the inauguration of US political and economic hegemony over Brazil.[389]

A study of Brazil's involvement in World War II shows that the most significant trait of Brazilian foreign policy was her *capability to negotiate* the terms on which from circumstances which could be manipulated by the Brazilian Government with relative success.

The war generated economic, strategic, and political needs on the part of the Allies. US strategic needs (for air and naval bases for example) and economic requirements (for vital raw materials for her war industries) have been frequently mentioned. It is important to remember, however, that Brazil was also useful to the Allies in political terms, not only as a mediator between the countries of South America, but also as a sponsor of the United States point of view in inter-American meetings and as a representative of Latin American interests to the Roosevelt Administration, and as an ambassador of Allied interests to the Government of Portugal in

388 Hilton, Brazilian Diplomacy and the Washington-Rio de Janeiro "Axis" during the World War II Era, *Hispanic American Diplomatic Review*, v. 59, n. 2, May 1979.

389 McCann, Critique of Stanley E. Hilton's "Brazilian Diplomacy and the Washington-Rio de Janeiro 'Axis' during the World War II Era", *Hispanic American Historical Review*, v. 59, n. 4, November 1979.

the Allies' attempt to halt the supply of wolfram, a vital strategic material, to Germany.[390]

Dependent as the Brazilian economy may have been during the war, the political, strategic, and economic needs of the Allies, especially those of the United States, widened Brazil's capability for negotiation. As a result it was possible to sustain the process of industrialization during the war (via the construction of the steel plant at Volta Redonda), to equip the army and navy more fully, to create the Brazilian air force, and to form the FEB which succeeded in directly participating in the war. These gains derived from the US need to negotiate the Brazilian alliance. In brief, Brazil's scope for negotiation was not imaginary but real.

On the other hand, however, the scope for negotiation was *limited* by the radically different position occupied by the US and Brazil in the international system. Unable to see that the process of negotiation took place within narrow limits, Hilton described the relationship between Brazil and the United States during the war years as being characterised by "goodwill" on the part of the US, in contrast to the "Machiavellian opportunism" of the Brazilian leaders who successfully converted an accident of geography into economic, military and political concessions from Washington.[391] According to this view, the United States derived no advantages from her alliance with Brazil.

390 On Brazilian mediation in Latin America, especially between the United States and Argentina, see Caffery to Hull, February 6, 1943, NA/RG 59 832.00/4349; memo of conversation (State Dept.) September 25, 1944, NA/RG 59 711.32/9-2544. See also interview given by Vargas to the UP, GV 44.07.18 and Farrel to Vargas, GV. 45.02.15. On the question of Portuguese wolfram, see Caffery to Aranha, September 20, 1943; Aranha to Caffery, September 23, 1943; Caffery to Aranha, May 11, 1944 – all in AHI/RE/EUA/Notes (received), 1943, 1944. Also see J.N. Fontoura to Vargas, GV 44.07.10/1.

391 Hilton *op.cit.*, p. 202. The author's conviction is based on the fact that he did not find, in the archives, written reference to Brazil's concessions and sacrifices or aspirations of hegemony of the United States policy. I have criticized the methodological assumptions of this argument in "A Revolução de 1930 e a política externa brasileira: ruptura ou continuidade?" (Rio de Janeiro, 1980).

The purpose of this chapter has been to elucidate the manner in which Latin America, and Brazil in particular, constituted an important basis for the take-off of the United States as a Great Power during World War II.

In *military terms*, the securing of improved operational for the US armed forces in the conflict was at stake. For this reason there was no room, in the inter-American system, for a military alliance between the United States and Brazil which would give the latter a position of primacy in Latin America. US authorities constantly insisted on maintaining "equality" among Latin American countries,[392] which meant equality in terms of the subordinate position all such countries occupied within the American *power-system*. From this arose the need to restrict, as far as possible, the supply of arms to Brazil, using a lack of shipping facilities as an excuse.[393] The special agreements that the US military signed with their Brazilian counterparts were frequently referred to as "models" to be applied in the future to the other Latin American nations. These agreements concerned the training, indoctrination and organization of Latin American Forces in accordance with US military ideology and organization. Although they were presented as agreements that provided for "reciprocal privileges",[394] it is clear that "reciprocal privileges" between countries of unequal capability meant unequal results in terms of power.

In *political terms*, it was not a question of ensuring that Brazil operated on a liberal democratic model but of maintaining the

392 See, for example, Bissel, Assistant Chief of Staff G-2, Information, June 6, 1945, NA/RG 165 OPD 336-Brazil Sec. IV.

393 Halifax to the Foreign Office, Dec. 23, 1943, FO 371 37838 (AS18/18/6).

394 Hull to Admiral Leahy, April 20, 1944, NA/RG 218 JCS 686.9 Brazil (2–14–44); Roosevelt to Caffery, June 21, 1944 and Roosevelt to Vargas, June 21, 1944, NA/RG 165 OPD 320.2 and in GV 44.06.21. Kroner to Caffery, Feb. 4, 1944, AHI/RE/EUA Notes (received). The same suggestion appears in Wooten to Vargas, GV 1026/2.

adherence of Brazil, as well as the other Latin American countries, to Washington's leadership. It is this fact that explains the conflict that frequently erupted in Argentina, Chile, Bolívia and elsewhere, when movements based on nationalist tendencies gained support. It is true that during the thirties and forties nationalism was frequently related to fascist ideals and it was in the name of fight against the Axis that the United States Government attacked nationalist governments. It is not surprising, therefore, to find that leftists also supported the efforts of the US in that fight. At the same time, however, the nationalist, anti-fascist experience of Cárdenas in Mexico was strongly condemned by Washington, a fact which demonstrates that the US Government fought against fascist influences *as well as* nationalist Latin American tendencies, since *both* constituted formidable obstacles to the creation of her *power system*.[395] Reciprocal political support between the Roosevelt and Vargas Administrations made it easier for the United States Government to deal with the situation in Latin America.

In *ideological terms* we have shown how the political imbalance in the continent was interpreted in terms of *harmony* and *equality* among all nations of the hemisphere, in both juridical and propaganda terms. R. Barnet has noted that "in every century, powerful nations have reluctantly 'come of age', playing out their imperial destiny by carrying on a *mission civilizatrice* on the land of same weaker neighbour".[396] "Hemisphere collaboration" and "Pan-Americanism" represented such a powerful political ideology, that even the more realistic officials of the State Department viewed the United Nations as an arena guided by a *power struggle*, although they simultaneously viewed the inter-American system as an

395 The challenge presented by Argentina to US power was recognized by Lord Halifax, British Ambassador in Washington: Halifax to the Foreign Office, Sept. 14, 1945, FO 371 45018 (AS3328/317/5).

396 R. Barnet, *Intervention & Revolution* (New York, 1972).

arena guided by *principles* and as a locus of harmony and equality among nations.[397] By 1945, United States ideological influences had gained great support among political and military leaders as well as the general population.

In *economic terms*, a virtual monopoly over Latin American markets, and industrial raw materials and consumer goods, not only permitted the United States to manipulate such supplies but also enable her to present them as concessions to the Latin American countries. Thus, the US could establish a purchasing policy and dictate the prices of Latin American raw materials as well as determine a redistribution quota throughout the continent. Naturally these efforts were presented to her neighbours as beneficial although in fact they were directly tied to the objective of securing Latin American markets for US industry in the post-war period. Efforts to minimize industrialization in the southern part of the continent can also be explained this way, as can the difficulties experience by Brazil in her attempts to improve her industries during the war.

It was the enormous superiority of US military, material and political resources that allowed her to become a Great Power with an indisputable relationship of hegemony with the capitalist world, including of course Latin America. In the Brazilian case, these relations were somewhat obscured during the most critical years of the war by the US need to make some concessions in order to secure Brazil's support for her cause. This not only gave Brazil the opportunity to negotiate but also gave her the illusion that she enjoyed much greater potential that was actually the cause. The US Government itself stimulated this overestimation of Brazilian strength on an international level, by constantly referring to her supposed status as an "associate Power". At the end of the war the

397 Berle Diary, Mar. 221945, FRL/BC.

US righted the situation – the real event of the asymmetry was made clear and Brazil's bargaining capacity acutely declined.

The contradiction between *Brazilian gains* versus *United States hegemony* has confounded many analysts who have only seen *one side* of the historical movement, emphasising either Brazilian gains *or* US hegemony. Both of these were, however, concurrent and mutually conditioned phenomena. Due to the fact that United States hegemony was established through a process of negotiation and not through coercion, it allowed for and even implied that substantial concessions would be made. Until 1944 Brazil gradually aligned herself with the United States, extracting political and economical benefits in the process. From 1945 onwards the exercise of this power by the Brazilian Government declined and alignment became a dogma which brought no political or economic rewards.

Part Two – Peace (1945)

The United States, a world power

While Brazil was making strenuous efforts to participate in the war in 1944, the Great Powers were already taking steps to set up world peace. Successive meetings were sponsored by the "Big Three", some of these representatives of the "smaller Allies" but most were restricted to economic, political and military experients from the Great Powers. In July 1944 the Conference of Bretton Woods established the basis of the post-war economic order. The purpose of the conference was basically to secure the growth of international commerce and remove barriers to, and regulations of, international trade. Two powerful institutions emerged from this meeting: the International Monetary Found and the International Bank for Reconstruction and Development. Souza Costa, the Brazilian Minister of the Treasury, participated in the conference and naively observed that the discussions concerning

the International Monetary Fund were technical in character, and had no political dimension.[398] The resolutions passed at Bretton Woods did, in fact, incorporate a major political dimension since they contributed to the expansion of commerce and liquidity, and to the concentration of power in the hands of the Great Powers.[399]

In August 1944 the Great Powers began to deliberate on the form of the United Nations organization during preliminary talks at Dumbarton Oaks (Georgetown). They reserved for themselves the largest quota of power in the Security Council, the main decision-making arena of the organization. While the United States Government claimed to want the "complete participation of Latin American countries" in the discussions over post-war arrangements it saw no inconsistency in the fact that the initial talks were confined to the Great Powers.[400] At Dumbarton Oaks the Great Powers also decided that regional organizations would have power to settle local disagreements only with the approval of the Security Council of the United Nations.[401] It is not surprising that the Latin American nations began to feel suspicion and animosity towards the USA as a result of these conferences.

In February 1945 Roosevelt, Churchill and Stalin met at the Yalta Conference. Besides delineating the general boundaries of their respective spheres of influence and agreeing that the Soviet Union should enter the war against Japan, they also gave further consideration to the future of the United Nations and clearly established the main outlines of its organization. Stalin insisted

398 Souza Costa to Vargas, July 3, 1944, GV 44.07.01/2. Costa's opinion has followers until today. See interview by Eugenio Gudin, for whom the formula of Bretton Woods did not favour the United States, but helped countries in difficulties. Gudin, HO/CPDOC, p.130.

399 Celso Lafer, *Comércio e Relações Internacionais* (S. Paulo, 1977), ch. 2 and 3.

400 Memorandum by the United States Government, GV 44.07.14/1.

401 See R.A. Humphreys, *op.cit.*, pp. 209-213. Also I. Gellman, *Good Neighbor Diplomacy* (Baltimore, 1979), p. 215.

on the special rights of the Great Powers by virtue of their efforts and sacrifices during the war. Their power of veto in the Security Council was definitely set to the detriment of smaller countries.[402]

An inter-American Conference on the Problems and War and Peace was held in Mexico City in February/March 1945 with the aim of determining the position of the Latin American countries in the new international order. The only absent country was Argentina, whose government still maintained a "negative attitude" to the war, and held a position of apparent participation rather than real commitment, as expressed in an analysis at the US Government.[403]

Known as the Chapultepec Conference, the meeting presented the United States with a dilemma. On one hand, Latin American governments, involved with their own security problems, advocated a *regional* approach to international security questions. On the other hand, the opinion of minor powers was not taken into consideration by the Big Three that emphasised the world character of the future organization in charge of ensuring the maintenance of peace.

The hemisphere, which had been the basis of the United States' war effort, was now becoming a strait-jacket for her international role. The political ideology of Pan-Americanism successfully used in previous years was giving way to the more ambitious project of an "Open World". Strengthening a regional organization would mean weakening that of the world. And, more importantly, it could encourage others – the Soviets for example – to create similar competing systems.

402 P. Renouvin, "Las crisis del siglo XX", in *Historia de las Relaciones Internacionales*, (Madrid, 1960), t. II, v. II, pp. 1201-1204; Deutscher, *Stalin*, (Rio de Janeiro, 1970) t. II, pp. 478-479; Yergin, *Shattered Peace*, (Boston, 1978), pp. 62-64.

403 Itamaraty to the US Embassy, "Memorandum on suggestion of a Conference of Ministers of Foreign Relations" Nov. 17 1944, AHI/RE/EUA/Notas expedida, 1944. Also memo from the State Department, GV 44.11.29/2.

Making full use of its influence and counting on the unquestioning support of the Mexican Government, whose Minister of Foreign Relations agreed to sponsor the United States line, the US Government successfully overcome initial Latin American resistance. It obtained the approval of the conference for the decisions of Dumbarton Oaks despite many protests at the imbalance between the power of the major and the minor states in the future organization of the United Nations. With US agreement the Conference also approved a number of amendments to these decisions in terms of granting additional participation for the minor states. These were presented to the other Allies at the San Francisco Conference.[404]

Some State Department officials, known as the "globalists", were not in favour of a regional security pact since their policy was to strengthen a world organization. Nevertheless they had to accept the ideas of their "regionalist" colleagues since these corresponded to the post-war plans of the US military. Consequently the Act of Chapultepec entitled "Reciprocal Assistance and American Solidarity", which provided for mutual defence against external or internal aggression, was approved by the conference. Nevertheless the "globalists" were able to postpone concrete commitment on this issue to another conference.[405] The extraordinary aspect of the Act of Chapultepec was that it restored the right of "multilateral intervention" in the internal affairs of the Latin American countries.[406] Although the resolution was basically directed

404 The British observers at the conference regarded Latin American demands for equal voting rights in the future world organization as a demostration of "vanity and egois". Hodow's report, from Halifax to the Foreign Office, March 12, 1945, FO371 45017 (AS1611/317/5).

405 On political and military talks auring the conference, see T.M. Campbell, *Masquerade Peace*, ch.5. Also T. Campbell & G. Hering, *The Diaries of Edward Stettinius Jr., 1943-1946* (New York, 1975).

406 According to Cordell Hull, in Chapultepec "the American Republics agreed in effect to intervene militarily in any one of them in certain circumstances". *Memoirs*, (New York, 1948), II, p. 1467.

against "Argentine militarism"[407] it is clear that it intended to secure the unity of the inter-American system or, in other words, unquestioned US hegemony in the years ahead.

Economic talks during the conference resulted in an "Economic Charter for the Americas", which managed to reconcile two broadly different positions. Many Latin American countries wanted economic development, industrialization and protection; they also envisaged a need for governmental participation in the economic process. The United States delegation insisted on a "open door" policy, which was summed up by Prof. Humphreys as follows:

> *non-discrimination; the abolition of restrictive trade practices; the effective reduction of trading barriers; the elimination of economic nationalism 'in all its forms'; the just and equitable treatment of foreign enterprise and capital; the promotion of private and the discouragement of state enterprise in the conduct of trade; the necessity that industrial development should be 'soundly based'; and, in addition, the need for higher living and progressive labour standards.*[408]

The Economic Charter tried compromise between these very different positions and the US delegation made moderate promises of assistance to the Latin Americans to maintain their purchases of raw materials at war-time levels. Nevertheless, considered as a whole, the Economic Charter was a reaffirmation of the principles of the Atlantic Charter and provided for the acceptance of the Bretton Woods principles and other similar international agreements.[409]

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407 Gellman, *op.cit.*, p. 207.

408 R.A. Humphreys, *op.cit.*, p. 216 (pp. 212-217 for the whole conference). Other accounts of the meeting can be found in S.L. Baily, *The United States and the Development of South America, 1945-1975* (New York, 1976), pp. 43-48, ana J.L. Mecham. *The United States and Inter-American Security, 1989-1960* (Austin, 1961), pp. 260-268.

409 According to Rockefeller, the stipulations of the Economic Charter were designed to take into account the needs of Great Britain and the USA. Hadow's report, Halifax to the Foreign Office, Mar. 12, 1945, FO371 45017.

Finally, the United States Government managed to persuade this conference to issue a clear-cut condemnation of Argentine policy. The closing session expressed its sympathy with the Argentine people and its hope that the Argentine Government would declare war on the enemy, adhere to the United Nations Declaration and sign the Act of the Chapultepec in order to be re-admitted to the inter-American family.

Although they were committed to the creation of a world organization, the United States could not eliminate the impression that the Latin American countries were a cohesive bloc under her leadership. All previous US policies plainly justified that impression and the inevitable discussions on inter-American security at Chapultepec merely served to reinforce it.[410]

After Roosevelt's death in April 1945 this ambiguous situation of ostensibly favouring a world organization while actually creating a regional security system was somewhat reduced. The new Truman Administration favoured an autonomous regional security system of friendly countries backing US initiatives. Roosevelt and his "Open World" idea, tried to convince the Russians not to create a regional system. Truman was challenging them to do the opposite, and, at the same time, affirming the United States intention to support an international organization. The Truman Administration was, in the words of D. Green, "moving towards a Closed Hemisphere in an Open World".[411] The US Joint Chiefs of Staff claimed that if the Act of Chapultepec was not fully implemented "the door will be opened for demands of non-American nations for base privileges in Latin America..." In a sense the Mexico Conference can be regarded as the first act in the Cold War, since it laid the

410 This was expressed by Adolf Berle to the British Ambassador in Brazil. Gainer to Perrowne, FO371 45017 (AS1980/317/5).

411 D. Green, "The cold war comes to Latin America" in Bernstein (ed.), *Politics & Policies of the Truman Administration* (Chicago, 1972), p. 165

foundations for the future struggle against the Soviet Union and "international communism".[412]

Despite this fact, the United Nations Conference in San Francisco (April-June/1945) had to cope with an open conflict within the US delegation itself between "globalists" and "regionalists". An alliance with Latin American representatives gave the "regionalists" a victory when the conference recognized the autonomy of regional organization to settle problems without the Security Council's interference. However, although regional arrangements might be consistent with the objectives of the UNO the last word in case of military action was reserved for the Security Council. In brief, the foundations of organizations such as the OAS, NATO, and the Warsaw Pact were laid.[413]

The specific Latin American claim for a permanent seat in the Security Council (or alternatively a widening of the General Assembly's powers) was not fulfilled. The resolutions made at Yalta were reconfirmed.

The only Latin American victory at the conference was the admission of Argentina to the United Nations, a compromise which was made possible by the precedent established by the Soviet Union in relation to the Ukraine and White Russia. The United States also agreed to convene in 1945 an inter-American conference in order to formalize in a treaty the Act of Chapultepec. These victories were more apparent than real. The strategies adopted by the Latin American countries to defend themselves against the Great Powers and their monopoly in the United

412 As observed by Trask, "The impact of the cold war on United States-Latin American relations, 1945-1949", *Diplomatic History*, v.1, n.3, 1977 (p. 273). A similar opinion can be found in T. M. Campbell, *op. cit.*, p. 175. On the opinion of the Joint Chiefs of Staff, see Leahy to Secretary of War and Navy, Sept. 18, 1945, NA/RG165 W.D. OPD 336 TS Sec. VI.

413 For a discussion of the political manoeuvres at San Francisco see Gellman, *op. cit.*, pp. 217-224; and J. L. Mecham, *op. cit.*, pp. 268-277.

Nations Organization concentrated on strengthening their own regional organization. This organism, however, was no more than the juridical and political framework for irreversible United States hegemony over the continent.

Brazil falls into line

The sending of the FEB to the war in Europe was the last real political gain made by Brazilian foreign policy during the war. It seemed, in mid-1944, when the first contingent of the FEB was embarking for Italy and the US Government invited Minister Aranha to visit Washington in August that the situation had not changed. Also in June 1944 Roosevelt had expressed his opinions on the peace talks to Vargas thus: "I believe that these discussions should include examination of Brazilian participation in extra-continental arrangements".[414] In spite of these demonstrations of goodwill neither the Roosevelt Administration nor the British and Soviet Governments were prepared to allow Brazil to play a prominent role in post-war arrangements.

The invitation for Aranha to visit Washington was not, as many observers today still believe, a sign of positive approval at Brazil's aspiration to become an "associate Power",[415] but was rather merely a demonstration of goodwill, a gesture intended to give the Brazilian authorities a feeling of prestige, useful to the maintenance of the US-Brazil alliance. At this very moment, the Big Three were deciding the destiny of the world, and only China was included as an extra interlocutor. It is significant that the invitation proffered to Aranha proposed that the concrete agenda of the talks include:

414 Roosevelt to Vargas, GV 44.06.21 or NA/RG59 832. 20/6-2144. See also Hull to Aranha, OA 44.07.02/1, and Hull to US Diplomatic Missions, NA/RG59 832. 20/7-1844.

415 As stated in the interview given by Cordeiro de Farias, in A. A. Camargo & W. Goes, *op. cit.*

> *the various factors which may be likely to govern during the next few years the course of relations between our two countries.*

The invitation was particularly subtle in its references to Brazil's position in international relations:

> *I would particularly value your suggestions as to the status and participation of powers like Brazil in the new world security organization...*[416]

There was, of course, no evidence to suggest real Brazilian participation in the world organization if one remembers that the subsequent meeting at Dumbarton Oaks to prepare peace was to admit only representatives of the United States, the United Kingdom and the Soviet Union. Secretary Hull proposed to "hear suggestions" about the participation of countries "like Brazil" in the future organization. Brazil was an interesting and important element in the hemisphere, but this hemisphere had lost the vital importance it had had until then for United States foreign relations. Even this modest participation was not realised since Aranha resigned as Minister of Foreign Affairs on August 22, 1944 as a result of domestic political events. He was replaced by the diplomat Leão Velloso, Itamaraty's General Secretary. Thus the Brazil-US alliance was now defined in terms of the new directions of the leading Western Power's desire for hegemony.

It is true that Roosevelt and Hull thought it might be possible to find ways of allowing Brazil wide participation in the United Nations. At Dumbarton Oaks Roosevelt suggested the possibility of increasing the number of permanent seats in the Security Council to include a Latin American country, possibly Brazil. The Soviet and British representatives opposed the proposal and, in

416 Hull to Aranha, July 17, 1944, AO 44.07.17/1. Also NA/RG 59 711.32/7-1744.

the face of this, the US Government let the matter drop in favour of more important issues.[417]

This decision of the Big Three was not made public and the Brazilian Government nurtured its illusions until the Mexico Conference, continuously applying pressure on Washington in the months that followed Dumbarton Oaks and receiving only elusive responses in reply. [418] In November 1944 Itamaraty still insisted on the idea of Brazil as an "associate Power". While Vargas assured Roosevelt that "Brazil would follow the United States in all matters", the Brazilian Ambassador in Washington insisted on a permanent seat for a South American country in the Security Council, a seat that should, by rights, belong to Brazil.[419]

At this point the US Government argued that giving Brazil a seat in the Security Council would give rise to jealousy among the other American states and would also entail heavy military responsibilities for Brazil. This argument had not prevented the same possibility from being suggested by the US in the past, when Brazilian pressures were still effective and her support for the United States was not yet taken for granted.[420]

In February 1945 Secretary of State Stettinius flew directly from Yalta to Rio de Janeiro for talks with Vargas. This visit provoked "a mixture of surprise, pleasure and pride" in the

417 Campbell and Herring, *op. cit.*, pp. 111, 113, 118. Stettinius himself had reservations about the idea, according to Gellman, *op. cit.*, p. 215.

418 Memo from Stettinius, Sept. 27, 1944. NA/RG 832. 00/9-2744; memo from Chalmers, Oct. 18, 1944, NA/RG 59 711.32/10-1844. At this point the US Ambassador told the British Ambassador in Rio that "he had formed a definite impression that his Government were beginning to disinterest themselves in Brazil": Gainer to the Foreign Office, Oct. 13, 1944, FO371 37842 (AS 5664/51/6).

419 Stettinius to Roosevelt, Nov. 14, 1944, NA/RG 711. 32/11-1944, AHI/MDB/EUA/ Despachos, 1944.

420 Stettinius for the Acting Secretary, NA/RG 59 711.32/2-1845. Also memo for the President, Dec. 20, 1944, FRL/BC or NA/RG 59 832.00/12-2044. See also Chalmers to Warren (S. Department), Jan. 27, 1945, FRL/BC.

Brazilian press. According to current opinion, it took place thanks to the clear vision of Vargas, who knew how to place Brazil in a position of remarkable prominence at the side of nations of greater prestige.[421] This visit reinforced Brazilian illusions of being a "special ally" and permitted Stettinius to obtain extraordinary concessions from the Brazilian Government with no significant US counter concessions. Stettinius discussed general matters and satisfied Vargas's curiosity about Yalta and the main personalities at the conference. He also exposed his understanding of the role of the inter-American system in the context of the United Nations and counselled Vargas to renew Brazil's relations with the Soviet Union. Vargas took the opportunity to ask Stettinius about the chances of Brazil gaining a permanent seat on the Security Council. Stettinius's answer was that there had been no change since the Dumbarton Oaks discussions on that point".[422] At the end of the conversation the Secretary of State spoke of post-war economic collaboration and asked which immediate Brazilian Economic needs the United States should attend to. The statement deeply pleased Vargas and the Secretary of State went on to say:

> *I said... there is a certain product "T" (monazite sands) of which you have a supply. It so happens that India has a supply of this product, and with India's low labor cost she would be able to undersell you in the world market unless you and we can make some immediate arrangement whereby you give us an option for the next five or ten years.*

421 *O Estado de São Paulo*, Feb. 20, 1945. A similar opinion had been expressed by Ambassador Martins to Vargas, GV 45.01.03. See also Cross to Daniels, Feb. 21, 1945, NA RG 59 832.00/2-2145. Vargas' daughter was present at the meeting and thought Stettinius came to Brazil to ask Vargas to persuade Argentina and Chile to break off relations with Japan. HO/CPDOC, Alzira Vargas A. Peixoto, pp. 72-73. The interview with Stettinius pleased Vargas greatly, according to witnesses, Gainer to the Foreign Office, Feb. 22, 1945, FO371 44812 (AS149/63/6).

422 T. M. Campbell & G. C. Herring, *op. cit.*, p. 264. Also memo from Stettinius, Feb. 18, 1945, FLR/BC.

Monazite sands were required to produce thorium, a critical material for the atom bomb, which the United States was developing and would use six months later in Hiroshima and Nagasaki. Stettinius promised to help Brazil to overcome Indian competition by purchasing the total Brazilian production of monazite sands, on the lines of the old pattern of the good neighbour policy. Stettinius explained the need for monazite sands thus:

> *I then stated that this product was a very important one and we need it particularly from the standpoint of radio tubes, electric bulbs, etc.*[423]

Vargas agreed to renew the agreements concerning this and other raw materials in order to meet US needs during the period. The outcome of these talks pleased Roosevelt enormously.[424] This fantastic dialogue underlines not only Stettinius' qualities as a businessman but also the immense technological gap between the two countries which ensured that the Brazil-United States "partnership" was, in fact, a relationship based on domination.[425]

Brazilian initiatives in Chapultepec and San Francisco highlight this loss of power by the Brazilian Government. Brazil's attempts to establish a different basis for economic collaboration between the United States and Latin America were defeated, as were her attempts to specifically influence the sugar and coffee markets. The United States would only agree to maintain the pre-war situation on these matters. Nevertheless, when Leão Velloso, the Minister of Foreign Affairs and Brazilian delegation, returned

423 Campbell and Herring, *op. cit.*, p. 266

424 Roosevelt to Vargas, NA/RG 59 711.32/2-1245.

425 At the end of his talk with Stettinius, Vargas expressed a wish to issue a joint statement to the press. A note was written by two assistants and which was "word by word exactly the draft which I had prepared… before I left for Petropolis in anticipation of such a need". Memorandum from Stettinius, Feb. 18, 1945, FLR/BC. Also in NA/RG 59 711.32/2-1845

from Mexico, "the Brazilian authorities endeavoured to build up the part which he and his delegation had played".[426]

The Brazilian delegation took to the San Francisco Conference those unrealistic illusions, fostered by the US at Dumbarton Oaks, concerning Brazil's claim to a permanent seat on the UN Security Council. Although the US was obviously unwilling to concede this point, Leão Velloso still insisted that it would be an "act of justice".[427] Still living in the past, the Brazilian Government feared that Europe would attempt to exert some sort of influence on inter-American affairs, and for this reason it vigorously affirmed her alignment with US foreign policy on every extra-continental issue. The behaviour of the Soviets at San Francisco only served to strengthen this conviction.[428] Brazil's greatest hopes lay in her bilateral relations with the United States. On June 5, 1945 the US suggested that Brazil declare war on Japan, reminding her that this would prolong the state of war and entitle her to continued Lend-Lease supplies.[429] An agreement on the purchase of monazite sands by the USA for the next three years was signed on July 10.[430] At the same time, Brazil requested that the proposed inter-American Conference to improve the Act of Chapultepec be held in Brazil.[431]

426 Annual report on Brazil for 1945, Jan. 22, 1946, FO371 51899 (AS486/13/6). Some high Brazilian officials thought they had played an important role in the conference: Bouças to Vargas, Feb. 5, 1945, GV 45.01.23.

427 Velloso to Vargas, May 4, 8, 10, 20, 23, 1945, GV 45.04.30.

428 Velloso instructed the Brazilian Delegation in San Francisco to follow the US vote: Brazilian naval attaché to Vargas, July 4, 1945, GV 45.04.30. See also memo from Berle, May 24, 1945, FRL/BC; Berle to Truman, June 2, 1945, HTL. Also memo from the Brazilian Embassy, Aug. 1, 1945, HL/Grew papers.

429 See communication between Velloso and Vargas on the subject, May 23, 26, 29 1945, GV 45.04.30. Also Gainer to the Foreign Office June 5, 7, 18, 22 1945, FO371 44854 (AS 2970, 3309, 3355, 3518.2970/6).

430 Truman to Berle, June 19, 1945; Chalmers to Berle, Aug. 29, 1945, bath in FRL/BC.

431 Truman to Berle, June 19, 1945; Chalmers to Berle, Aug. 29, 1945; report by E. Brown, Aug. 31, 1945; Berle to Chalmers, Sep. 4, 1945 – all in FRL/BC. See also memo from Joseph Grew, Jul. 3, 1945, HL/Grew papers.

This was a typical fight for prestige and the US deeply exploited this Brazilian trend.[432]

While the organization of the American states was still being established, bilateral military talks between representatives of the United States and the main Latin American countries took place. At the same time a multilateral, permanent inter-American organization was being planned.[433] The bilateral military talks between Brazil and the United States, which had been initiated in 1944, concerned the future of the Brazil-United States Military Commission as a means of ensuring military collaboration.[434] Their main aim was to provide Brazilian personnel with military instruction from US experts. The consequence of this form of collaboration was to be the continuation of the supply of arms through Lend-Lease to the Brazilian armed forces. There were evident advantages for the USA in such collaboration: 1) arms and instructors would not be supplied by European countries; 2) it provided a means for the US to dispose, at the end of the war, of large quantities of surplus materials which she would not need, could not use and would probably replace by more modern types of armament.[435] The Brazilian military programme would be completely dependent on that of the US, whose programme of standardization made her plans for continental military coordination under her leadership quite clear.[436]

The Brazil-United States military programme represented only a small part of a larger project: the creation of an inter-American security system which was in reality a system of bilateral

432 Berle to the Sec. of State, NA/RG 59 711.32/5-945; memo from J. Grew, 711.32/6-1345.

433 Berle to Stettinius, July 26, 1945 FRL/BC. Joint Chiefs of Staff to Secretaries of War and Navy, Sept.18, 1945, NA/RG 165 W.D. OPD 336 TS (S. II).

434 Act of the first sessions of Brazil-United States Military Commission, GV 44.10.10/1.

435 Berle to Stettinius, July 26, 1945, FRL/BC.

436 Annual report for 1945, Jan. 22, 1946, Gainer to the Foreign Office FO371 51899 (AS486/13/6).

assistance agreements between the United States and the Latin American countries, unified into a formal organization in the hemisphere. Those agreements would establish:

- the continuation of hemispheric military collaboration in the post-war period;
- the determination of the type and strength of the armed forces to be maintained after the war by the other American republics;
- the adoption by the other American republics of standardized armaments based upon those used by the United States;
- the opening of US training establishments and other technical education facilities to members of the armed forces of the other American republics;
- the maintenance in the other American republics of US army, naval and air missions to replace the German and Italian missions which had been maintained before the war.[437]

The US military used as an excuse for the constitution this system so-called "external menaces". Discussions within the military establishment, however, made it clear that their real preoccupation was with "disputes arising in the Western Hemisphere", most probably connected to the Argentine problem. Nevertheless they ran the risk that the United Nations would take for itself the right to regulate "disputes arising in the Western Hemisphere", a development which the United States military would find unacceptable in view of their belief that the Americas should constitute an exclusive sphere of US influence. This explains the urgency with which the US formalized the system in the terms of the Act of Chapultepec.[438]

437 Dreir to Warren (State Department), NA/RG 59 810.20 Defense/1-945. See also various memorando from the D.S. on the subject, NA/RG 59 810.20 Defense. 1-1545.

438 JCS to the Secretaries of War and Navy, Sept. 18, 1945, NA/RG 165 W.D. OPD 336 TS Sec.VI. United States "exclusive responsibilities" in the defence of the hemisphere were recognized by the British;

From the military point of view the inter-American system was of minor strategic importance since there was no "possibility of major military operations being directed at the United States from South American bases". To the US War Department: "The important overall military interest... lies simply in having a stable, secure, and friendly flank to the South not confused by enemy penetration – political, economic or military."

The military reasons behind this attitude were mainly political:

> *... it is greatly to the national interest to capitalize on the benefits of wartime relationship and retain the maximum possible solidarity.*[439]

For this reason the United States Joint Chiefs of Staff prepared plans:

> *to provide for training, equipping and indoctrination of Latin American armed forces for purposes of closer cooperation for Hemisphere defense.*[440]

The urge to formalize the system in political terms also arose as a result of the danger which internal disagreements in the Continent would pose to US hegemony. After Chapultepec, State Department experts made efforts to establish a *rationale* for this neo-interventionism. Under the guise of "multilateral action", US intervention could be justified in cases of:

> *Breach of obligations assumed looking towards the collective defense of the hemisphere; and breach or threatened breach of the peace of the hemisphere...*

Annual Report for 1945, Jan. 22, 1946, FO371 51899 (AS486/13/6). Also see Hadow's report on the Conference of Chapultepec, Mar. 12, 1945, FO371 45017 (AS1611/317/6).

439 Secretary of War to Secretary of State, NA/RG 59 FW 810.20. Defense/12-1844, and in 810.20 Defense/9-2645.

440 State-War-Navy Coordinating Committee: "An Inter-American Agency to Implement the Treaty of Rio de Janeiro and the Act of Chapultepec", Oct. 30, 1945, NA/RG 165 W.D. ABC 900.3295 (7-3142) Sec.I-C.

And: "failure by a country to observe the standards of civilized nations in with its own people".[441]

The inter-American security system was to be formalised in October 1945 at the Conference of Rio de Janeiro. Conflicts with the Argentine Government caused these plans to be changed and the United States Government suggested to Brazil that the meeting be postponed, alleging that Argentina had not fulfilled the commitments she made in Mexico. Nazi influence had not been suppressed and human rights were not respected. In fact, the US Government feared that the Argentine presence in Rio could transform in a triumph for Buenos Aires with whom the Truman Administration was once again in open conflict.[442]

It is clear, by 1945 that Brazilian plans to gain the status of an "associate Power" had been exhausted. Brazil's bargaining position had been greatly weakened and US promises of a relevant role for Brazil in the post-war period had remained empty declarations. The conditions that had sustained the Roosevelt Administration's unconditional support for the Vargas regime were changing rapidly and as a result the domestic political benefits that Vargas extracted from his conduct of Brazil's foreign relations also tended to decrease rapidly that year.

The fall of Vargas

The struggle against nazi-fascism gave rise to two main movements in Western societies: the fight for the *democratization* of authoritarian regimes and the struggle for *social reform* in liberal

441 Memorandum on Economic Assistance and Non-Intervention, Sept.15, 1945, from A. Berle Jr., FRL/BC. An analysis of this neo-interventionism as an instrument of United States policy in the immediate post-war period was made by M. Hirts, "O Processo de alinhamento nas Relações Brasil-Estados Unidos, 1942-1945", (Rio de Janeiro, 1982), ch.III.

442 Memo from Acheson, Oct.1, 1945, NA/RG 59 710. Consulation (4) 10-145. See also Martins to Vargas, GV 45.10.01/2; Berle to the Sec. Of State, Oct.2, 4 1945, NA/RG 59 710. Consultation (4)/10-245, 10-445.

countries. Brazil was not immune to these, partly because she had taken an active part in the war. The "Estado Novo" had been undermined as the war gradually drew to a close. By 1945 the United States Government no longer needed to support the authoritarian Brazilian regime in order to satisfy its strategic objectives. Many of the forces – including the military leadership – that had sustained the *Estado Novo* quickly accommodated the new international tendencies and affirmed their support of the democratic cause, while the President found himself under attack by a wave of discontented people.[443] Whether they were neo-democrats by conviction or convenience, the fact is that the conversion of these leaders played a major part in eroding support for the *Estado Novo*.

Meanwhile, the authoritarian elements in the Government tried to sustain the regime. In 1944 they successfully obtained the nomination of Cel. Coriolano de Góes as Chief of Police in the Federal District[444] and the resignation of Aranha from the Ministry of Foreign Relations. Aranha's contacts with the liberal opposition had been growing steadily and he had also been elected Vice-President of the *Sociedade Amigos da América*, whose programme included an amnesty for jailed or exiled opposition leaders together with legislation to project public and individual liberties. The police prevented Aranha from being inaugurated as Vice-President of the *Sociedade* and Vargas also did not support his position.[445] Aranha's

443 A. A. Camargo, "Carisma e personalidade política; Vargas da conciliação ao maquiavelismo" (Rio de Janeiro, 1979), p. 6. On the conversion of many officers to the "democratic cause" see Harrison to the State Department, Jan. 27, 1945, FRL/BC.

444 Maciel Filho to Benjamin Vargas, GV 44.07.05/1.

445 Aranha did not hide his political position regarding the regime, Aranha to A. Whately, OA 44.02.29/4; letter to Aranha, OA 44.02.29/5. It was for this reason that is power in the Cabinet was eroded, GV 44.07.06/2. On the Aranha affair, see the extensive dossier in OA 44.08.17/5 and GV 44.08.17. Relevant information can also be found in Rabello to Aranha OA 44.05.25/1; Aranha to Rabello, OA 44. Or. 27/2; Aranha to Vargas, OA 44.08.21/1; Aranha to Diplomatic Missions, OA 44.08.22/1; Aranha to Góes Monteiro, OA 44.08.00/1; Góes Monteiro to Vargas, GV 44.08.17. See also Sobral Pinto to Aranha, AO 44.08.26/1.

resignation did not resolve, however, the basic problems faced by the authoritarian regime which found itself an active participant in the victorious struggle of democracy against nazi-fascism and faced growing pressure from political groups and the various classes in Brazilian society. Brazil had to liberalize in order to play a significant role in post-war world organization and early in 1945 the Government was obliged to take concrete steps towards democratic normalization. Press censorship was removed and freedom for political organizations was restored. Also elections were announced in late February. In April the communist leader Luiz Carlos Prestes was released after eight years imprisonment together with 600 other opposition leaders, and the Communist Party was made legal. In late May an electoral law decreed that presidential elections would be held on December 2nd, 1945 and state elections would take place five months later. A large number of presidential candidates appeared and around them the main political parties were formed. The liberal, oligarchical opposition nominated Brigadier Eduardo Gomes as its candidate and formed the União Democrática Nacional (UDN). The Government's political machine supported General Dutra and created Partido Social Democrático (PSD).[446]

A moment of glory was experience by the FEB in July when the first contingent disembarked in Rio and was received by Vargas and Gen. Mark Clark and again in August when the other contingents returned home. The expeditionary force was nevertheless immediately demobilized and the soldiers sent back to their home towns because it is commonly argued, democratic propaganda inside the FEB could have transformed these highly trained troops

446 See M.C.C. Souza, *Estado e Partidos Políticos no Brasil* (S. Paulo, 1976); L.L. Oliveira, "Partidos Políticos Brasileiros: o Partido Social Democrático" (M. A. Iuperj, Rio de Janeiro, 1973); M.V. Benevides, *op.cit.* On the opposition to Vargas, see reports to the President in GV 44.11.04/2, GV 44.11.06. Also Dutra to Vargas, GV 45.01.11/1.

into a real danger to the regime.[447] Another explanation suggests that the continuation of FEB would give its commander and officers greater political prestige than the two military candidates for the Presidency, Gen. Eurico Dutra and Brig. Eduardo Gomes.[448]

While the wave of democratic reform opposed the *Estado Novo*, the liberal/oligarchical opposition was unable to retain a monopoly over social reform. Vargas seized the opportunity to widen his political basis among the poorer classes. A powerful labour union movement was growing in 1945 and Vargas tried to control it by stimulating trade-union organization and popular demands under the guidance of the State. Vargas was thus linking his political future (or his continuity in power) to forces that tactically or strategically defended substantial reforms in the structure of Brazilian society. This coincided with a demand for a Constituent Assembly (Assembleia Constituinte) as a first step towards the democratization of the country by the political movement known as "Queremismo" (whose name derived from the phrase "Queremos Getúlio – We want Getúlio"). They pressed for the Constituent Assembly to be convened under Getúlio Vargas and not after the presidential elections. They argued that presidential elections under the shadow of the dictatorial constitution of 1937 would allow the new President to adopt a similar dictatorial policy.

The communist party accepted the "Constituinte" as the best means of achieving both social change and propaganda for its own programme. This awkward union between *Queremistas* and communists was in a sense based on the slogan "Constituinte com Getúlio" – the communists stressed the *Constituinte* and the

447 This is the argument put forward in the main books on the subject. See M.T. Castello Branco, *op.cit.*, p. 540, M.L. Lins, *op.cit.*, pp. 194-195. See also Comacho to Allen, Mar. 5, 1945, FO371 44804 (AS1450/6/6).

448 A. A. Camargo & W. Goes, *op.cit.* Also noted by the British Military Attaché in Rio, Nov. 22, 1944, FO 128 433-FEB. On the FEB as a *locus* of prestige for generals see Alzira Vargas A. Peixoto, HO/CPDOC, pp. 82-83.

"Queremistas" emphasised *Getúlio*.[449] The political mobilization of the working class also involved the patronage of Vargas, in the new *Partido Trabalhista Brasileiro* (PTB).

The danger of the *restoration of democracy* being lost in the wave of *social reform* in Getúlio's *Constituinte* led the liberal oligarchical opposition to seek protection in the US Embassy and to suggest that it intervene. Simultaneously contacts with the army were enhanced and plans for a preventative coup against Vargas were laid. The fear of social revolution among military leaders was shared by the liberal oligarchical opposition. Plans for a conspiracy could have met with success in this situation.[450]

The US Government attentively followed political developments in Brazil and favoured a transition to democracy and an end to unrepresentative governments. More than adapting the Brazilian political regime to the US model, it was the new regime's adherence to the US political leadership that was at stake. For this reason the main preoccupation of the American Embassy was not the programme of the Brazilian communists but the links of the Brazilian Community Party with Moscow, in other words, the substance of its international affiliation.[451] In other words, the problem was to ensure that the

449 There are interesting notes by Vargas on the Brazilian social question and the need for a Constitutional Assembly in GV 45.03.00/1. On the mobilization of the "Queremista" movement see report to Vargas, GV 45.10.17. On its association with Prestes (the communist leader), see Berle Diary, May 18, 1945, FRL/BC. Also Berle to Stettinius, May 28, 1945, NA/RG 59 832.00/5-2845, and summary of telegrams, June 1, 1945, FRL/BC.

450 On contacts with the US Embassy, see Donnely to Stettinius, Jan.13, 1945; Berle to Stettinius, Jul.14, 1945 – both in NA/RG 59 832.00/1-1345, 7-1945. See also R. J. Chancery to the Foreign Office, Mar. 28, 1945, FO371 44807 (AS2065/52/6); memo from Berle, Feb. 15, Aug. 18, Sept. 4, 1945, all Carone *op.cit.*, p. 344. During the year these contacts were frequent, see interview given by British Press Attaché to José Americo, Mar. 8, 1945, FO371 33806 (AS1703/53/6); also Berle to Stettinius, Mar. 22, 1945, NA/RG 59 832.00/3-245. Military conspiracy was denounced in October by Gen. Paquet to the Minister of War, GV 45.10.01/3. A chronological account of these events can be found in M.V. Benevides, *op.cit.*, pp. 56-57.

451 Berle to Stettinius, Aug. 22, 1945, NA/RG 59 832.00/8-2245. On Prestes' programme see L. Basbaum, *op.cit.*, p. 128.

forces involved in the transition from the *Estado Novo* to democracy had firm links with Washington. Ambassador Berle's analysis of the Brazilian situation divided the political forces into "pro-United States" and "pro-Soviet Union" groups.[452] Washington favoured neither Eduardo Gomes nor Dutra who were felt to be equally reliable. Another communist candidate for the Presidency, Yedo Fiúza, was not feared since he had no chance of winning the elections and, even if he did win, of being inaugurated as President.[453] A much greater threat was posed by connection between the communist and a prestigious politician such as Vargas.

Vargas was trusted by the US Government since he had already effected a change in the regime and enjoyed great popularity among the working classes.[454] This Government trust began to decline when it became apparent that the movement to keep him in power was associated with the Community party. When the US Embassy became convinced that Vargas was manipulating "Queremismo" by accepting communist support in order to stay in power, Adolf Berle, the US Ambassador publicly intervened by defending elections and the transfer of power. On September 29 he made a speech to journalists during a banquet in his honour, and reminded the Brazilian Government of its promises to hold free elections and move towards constitutional democracy. The speech gave rise to indignation in government circles and applause from the opposition. It doubtless opened the door to those who opposed Vargas and conspired for his fall. The speech was definitely not merely a personal statement by the Ambassador but was made with the full knowledge and approval

452 Berle to Stettinius, May 9, 1945, NA/RG 59 832.00/5-945.

453 "... if Fiúza is elected he will never be inaugurated", General Benício da Sila, Commander of the first military region, to the British Military Attaché, Nov. 28, 1945, FO371 44809 (AS6178/52/6).

454 As in Gainer to the Foreign Office, Dec. 20, 1944, FO371 44806 (AS287/53/6); P.D.C. to the Ambassador, March 22, 1945; Berle to Truman, Apr. 17, 1945; political situation by Berle, Aug. 22, 1945; Berle Diary Sept. 3, 4, 1945 – all in FRL/BC. Also Truman to Berle, Sept. 13, 1945, HTL.

of the State Department whose only objection was that the speech should have been made by a higher official in the US Government, possibly even the Secretary of State himself.[455]

Berle defended his policy by claiming that a vigorous intervention as that being used against Argentina would have been as unsuccessful as none whatever. Mild intervention would have been more suited to the Brazilian situation,[456] and would also have prevented a *coup d'état*. Nevertheless Berle himself realized soon after his speech that military opposition to Vargas was not only continuing, but was even increasing in intensity.[457] When Vargas tried to suppress this opposition and ensure the continuity of the regime, the military leadership finally took note of the appeals of the oligarchical opposition. On October 29, 1945, the military chiefs that had created and maintained the *Estado Novo* formally participated in his downfall.[458]

The authoritarian ideology as well as the juridical and political structures of the "Estado Novo" were not easily eliminated. During the same *coup* that removed Vargas from power, trade union leaders and politicians linked to the Communist Party, not to mention leaders of "Queremismo", were arrested. The US Embassy intervened once more and recommended that those who had supported Vargas be treated gently. It also advised that power be transferred to

455 Berle's diary, Sept. 18, 27, 28, 1945, FRL/BC. Chalmers to Berle, Oct. 2, 1945, FRL/BC. Also in NA/RG 59 832.00/9-2945. Byrnes to the US Embassy, Nov. 13, 1945, 832.00/11-745. See also Braden's approval of Berle's speech, COHP, Braden papers, pp. 2134-2135.

456 Berele to Truman, Oct. 1, 1945; Nash to Berle, Oct. 25, 1945; summarty of tels. Oct. 31, 1945 – all in FRL/BC.

457 Memo from Berle, Oct. 5, 1945, FRL/BC. Military opposition is evident in correspondence between Gen. Ary Pires and Góes Monteiro: Sept. 24, Oct. 8, 16, 1945, NA Góes Monteiro papers. The British Ambassador also reported military meetings contrary to Vargas' support to the Constituint Assembly, Gainer to the Foreign Office, Oct. 24, 27, 1945, FO371 44808 (AS5575/52/6).

458 Complete documentation of the circumstances, actors and actions involved in Vargas' fall can be found in H. Silva, *1945: Por que depuseram Vargas* (Rio de Janeiro, 1976).

civil hands, in order to destroy any impression that the repressive structure of 1937 remained untouched.[459] And it was, in fact, true.

According to the British Ambassador in Rio, Berle's initiative was unmistakeably "flagrant intervention in Brazilian internal affairs".[460] It was received with pleasure by the liberal oligarchical opposition. The Ambassador made no secret of his action in Brazil:

> *We have got Brazil onto a democratic basis without violence or bloodshed and she has peace, freedom and a clear opportunity to salve her own problems by men of her choice.*[461]

The US Embassy in Brazil would have preferred the transition to democratic to have taken place under the leadership of Vargas.[462] It was neither his personality nor his actions in the past that constituted a problem for Berle, but rather it was the political compromises that he had gradually accepted during the process of democratization. These compromises were viewed as proof that Vargas had given up "the standards of civilized nations in dealing with his own people", something that Berle regarded as justifying his intervention.[463] But in the absence of a clear definition of the "standards of civilized nations", the final judgement remained in the hands of Washington's representatives.[464]

459 Berle's Diary Oct. 31, 1945. Summary of tels. sent by Berle, FRL/BC. Also US Embassador's communications to the British Ambassador, Gainer to the Foreign Office, Nov. 6, 1945, FO371 44809 (AS6094/52/6).

460 Gainer to the Foreign Office, Oct. 5, 1945, FO371 44808 (AS5517/52/6). Also notes by Foreign Office, Jan. 14, 1946, FO371 51904 (AS443/15/6).

461 Berle to Truman, Nov. 26, 1945, FRL/BC.

462 Berle to Truman, Sept. 4, 1945, FRL/BC.

463 See note 441.

464 The role of the USA in relation to the "stability" or "instability" of the Brazilian Government at that time was underlined by M. Hirst, *op.cit.*, chapter IV.

The fight against fascism during and after the war generated support for a democratic government in Brazil. But, similarly to 1937, the question of the nature of the political regime was subordinated to a more important issue - that of adherence to US international policy, something that the left-wing or nationalist government that might have arisen from the "Constituinte com Getúlio" possibly never intended to uphold. The US Government was less concerned that if Vargas remained in power the administration might remain undemocratic but that a Vargas-Perón alliance could easily adopt an anti-US political position.[465] The Truman Administration was certainly alert to the danger of a nationalist government in Brazil. For this reason, while applauding in a letter the process of democratization in Brazil, President Truman did not hesitate to also state that

> The important thing *is that both countries continue to work together toward the attainment of the ideals which have been accepted as the basis for our national lives in the Western Hemisphere* (my emphasis).[466]

465 Berle to the Sec. of State, Nov. 7, 1945, NA/RG 59 832.00/11-745.

466 Truman to Berle, Nov. 9, 1945, FRL/BC.

5. The post-war years (1946 - 1950)

... it always seemed to me that the last chance for peace would be a united front of the West built around the United States.

(Raul Fernandes to Oswaldo Aranha, November 16, 1947)

The Second World War produced drastic changes in the international situation. The old-established European powers lost their strength, a wave of democratic movements wiped out dictatorial governments, revolutionary activity developed from the struggle against fascism, the colonial empires began to disintegrate and in many regions the fight for national liberation assumed the form of social revolution. It seemed at the time that the world would be reconstructed in radically new terms. However, a new configuration of the Great Powers was also taking shape in the post-war years – at the end of the war the United States and the Soviet Union were clearly the most important powers in the world. It is true that the USA had suffered no destruction at home, had doubled her productive capacity, lost few lives and had acquired a monopoly over the atom bomb. On the Soviet side, twenty million people had died, large areas of her territory had been devastated

and food production was extremely low at the end of the war.[467] Nevertheless, in military and political terms, the USSR enjoyed great influence in European and Asian matters.

The history of the immediate post-war years was one of growing erosion of the US-UK-USSR alliance. The US explanation for this "alliance reversal" mainly related to the military presence of Soviet troops in Central Europe, a fact which was interpreted as an imminent military threat to Europe as a whole, and to successful or attempted social revolutions, interpreted as being directly instigated by Moscow.[468] The compromises reached at Yalta by Roosevelt, Churchill and Stalin became more difficult to uphold as the Truman Administration adopted a tougher attitude in its dealings with the Russians. Disagreements were already evident at the Potsdam Conference (July/August 1945) and in the successive peace conferences of 1946 and 1974 which led to the solution of "two Germanys". In the United Nations the tendency to form two blocs was soon apparent. The doctrine of "containing the USSR" gained official blessing in Truman's speech in March 1947 on the Greek situation, in which he launched the Truman Doctrine "to help people to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes". The "Marshall Plan" was formed in June 1947 in order to give effective economic aid to nations under threat. Military aid – both material and human – came soon afterwards with the creation of NATO, which was largely sustained by US resources.[469]

467 T. G. Patterson, *Soviet-American Confrontation* (Baltimore/London, 1937), p. 261; and T. G. Patterson, *On Every front* (New York/London, 1979).

468 The inability of the US to correctly understand the deep roots of social revolution is stressed by G. Kolko, *The Politics of War* (London, 1968), pp. 620-621. A detailed diplomatic history of this period can be found in D. Yergin, *Shattered Peace* (Boston, 1976).

469 The use of economic power by the USA as a political weapon in Eastern Europe which created a deeper rift between the USA and USSR was studied by T.G. Patterson, *Soviet-American Confrontation* (1973), pp. 207-234, 261. The Truman speech can be found in *Documents on American Foreign Relations, 1947*, v. IX (Princeton University Press, 1949), p. 6.

Soviet foreign policy was somewhat ambiguous. Despite its self-proclaimed internationalism, the Stalin regime was strongly nationalist and very concerned about Soviet security. Most of its actions were directed towards the creation of a "security belt" of friendly nations around the USSR. Nevertheless, the Stalin regime was heir to the socialist revolution of 1917 and actively supported socialist revolutions although it advised some communist leaders such as Tito and Mao Tse Tung not to attempt to take power. For the West these revolutions were proof of a vast conspiracy directed by Moscow. In Moscow itself the economic and military aid provided by the USA to her new allies and to regimes opposed to socialist revolution was seen as a direct threat to the USSR or as evidence of Western intentions to intervene in the socialist bloc. The borders of the frontier countries were closed (creating the "iron curtain") and the formation of NATO was balanced by the creation of the Warsaw Pact.[470]

The new arms race and passionate ideological propaganda became known as the "Cold War". The competition for influence between the Superpowers was masked by a dense fog of ideology, each side defending the "truth" of its own Crusade. The USA defended "freedom" and the USSR defended "peace", and each sought to undermine the opponent's truth. The political effect of any war is polarization, and the Cold War which was no exception to this, divided the world into two incompatible halves. In this context the institutions and mechanisms created in order to secure peace after World War II were transformed into battlefields for the Superpowers and their allies rather than being used as a way of collaborating in the creation of a new and peaceful international order.[471]

470 I. Deutscher, *A Revolução Inacabada* (Rio de Janeiro, 1968), ch.4.

471 The Cold War as a failure of "power politics" is the theme of W. LaFeber, *America, Russia and the Cold War* (New York/London, 1967).

After the fall of Vargas on October 29, 1945, a provisional Government, headed by José Linhares, President of the Supreme Court, ruled Brazil until January 1946. General elections took place on December 2, 1945 and representatives for a Constituent Assembly and a new President were chosen. General Eurico Gaspar Dutra, the candidate of the *Partido Social Democrático* (PSD) won the Presidential election with the support of the *Partido Trabalhista Brasileiro* (PTB). The former represented the conservative sectors of the *Estado Novo* and regional oligarchies linked to the central power. The latter united followers of Vargas and its ill-defined programme of social benefits for the workers (*trabalhismo)*. Dutra himself was known to be a conservative legalistic-minded administrator. His first Cabinet comprised members of the PSD although some seats were reserved for the PTB.

The best analyses of the period underline the economic discontinuity and politico-institutional continuity of the Dutra Government *vis-à-vis* the *Estado Novo*.[472] It is true that elections were held in 1945 and 1947, that political parties had arisen and a legislative body was created. Nevertheless, these formal instruments of democratization were unable to counter-balance the authoritarian nature of the State established by the new Constitution. Authoritarianism was supported by many of the provisions contained in the new Constitution, by the important influence retained by remnants of the *Estado Novo* (mainly in the PSD), in the legislative and executive branches of government, and by a very complacent liberal opposition. By the end of 1946

472 P. Malan, "Relações Econômicas Internacionais do Brasil, 1945-1964", in B. Fausto (ed.) *História Geral da Civilização Brasileira* (in press); M.C. Souza, *Estado e Sistema Partidário no Brasil* (S. Paulo, 1976), p. 125. Diplomatic representatives did not fail to note this continuity between the *Estado Novo* and Dutra's Government, as in Annual report for 1946, January 22, 1947, FO 371 61204 (AS490/45/6). See also T. Skidmore, *Politics in Brazil, 1930-1964* (New York, 1967), p. 55.

the majority of the *União Democrática Nacional* (UDN) supported a "party alliance" (coalizão partidária) with the PSD known as the "national alliance". The UDN was represented in the Cabinet and therefore the repressive measures which were taken from 1947 onwards faced few political opponents.[473]

In foreign affairs Dutra's policy was apparently a continuation of Vargas' concerns with the alliance with the United States. Vargas himself retained great influence over Brazilian foreign policy. The new Minister for Foreign Affairs, João Neves da Fontoura, was a politician and diplomat who maintained close ties with Vargas, with whom he frequently conferred, even though Vargas had been deposed.[474] Dutra's Administration was convinced of Brazil's special links with the Western World and was certain that the best way of facing a new global conflict was close alignment with US policy.[475] This perspective on international affairs was also encouraged by the Truman Administration for whom:

> *in this continent, as throughout the world there are forces at work which tend to create suspicion and divide the nations, deterring the efforts of those who are attempting to establish a system of peace and order.*[476]

Common fears concerning both international and internal order led to both countries adopting a common policy. The major Brazilian demand was to be consulted by the US authorities before events reached a crisis so that she would not be confronted with surprises on important issues.

473 M.C. Souza, *op. cit.*, pp.159-160; M. V. Benevides, *A UDN e o Udenismo* (Rio de Janeiro, 1981), p. 62.

474 Correspondence between Fontoura and Vargas, GV 46.01.18/3, GV 46.01.01/2, GV 46.01.22/3, GV 46.02.28, GV 46.02.00/1, GV 46.03.15/2, GV 46.04.06.

475 Berle to the Secretary of State, NA/RG 59 832.00/1-1946.

476 Truman to Dutra, March 21, 1946, HTL/OF.

Brazilian planners expected alignment with the USA would to confer a number of special advantages. The most important would be a unique military position in South America and the corresponding political consideration to which such a position would entitle her. The second advantage would be clear participation in post-war talks on peace and the establishment of the new international order.[477] Official formulations of Brazilian foreign policy after the war emphasised two themes: friendship and collaboration with all nations of the continent and collaboration with all democratic nations in order to consolidate world peace.[478] In practical terms, this policy would mean that: "Brazil will follow the foreign policy of the United States".[479]

Despite the apparent similarity in approach, Dutra's implementation of this policy was quite different from that of Vargas. Whereas under Vargas "alignment with the United States" was regarded as an *instrument* of Brazilian foreign policy, under Dutra's rule this alignment actually became the *objective* of that policy, both in multilateral and bilateral terms.

In addition, the foreign policy decision-making process had also changed. In the new constitutional government foreign policy was under the supervision of the National Congress and, furthermore, the relative power of certain officials in the Executive Branch had been modified. Under Vargas the direction of Brazil's

477 Vargas to Fontoura, GV 46.01.22/3. Daniels (AMEMBASSY) to Braddock (DS), NA/RG59 711.32/6-446.

478 Report from the MRE for 1946, AHI/Maço nº 361.71.

479 La Guardia to Truman, Feb. 13, 1946, transmitting the words of João Neves da Fontoura in 1946, HTL/OF. The same formula was repeat on many other occasions, as in Brazilian Ambassador Martins' statement that "Brazil would follow United States lead in its foreign relations", memo of conversation, NA/RG 59 711.32/2-646; in Dutra's statement that Brazil would collaborate closely with the US, NA/RG 59 R & A Report n.3562, Feb. 20, 1946; Góes Monteiro even spoke of "close collaboration for all time", Nugent (Military Attaché) to Chamberlain (WD), NA/RG 59 810.20 Defense/7-1746. See also W. Pawley (US Ambassador in Rio) to the DS, 810.20 Defense/7-1746.

political orientation lay in the hands of strong personalities such as Oswaldo Aranha and Vargas himself. By contrast Dutra was felt to be unfamiliar with foreign policy questions and the main orientation now stemmed from the bureaucratic agency in charge of foreign relations – Itamaraty, the Ministry of Foreign Relations. This bureaucratic body was much influenced by literal views and juridical preoccupations. Itamaraty was certain to support a pro-US and pro-British position in international affairs. Their natural allies in the Dutra Government were the *cosmopolitas* (those who defended the "neo-liberals") and their opponents were the *nacionalistas* (those who sought a protective policy for Brazilian development). Thus in 1946 Itamaraty was ready to formulate a clear pro-Allied policy.

It must be remembered that Brazil was no longer the vital area for US global strategy that it had been between 1942 and 1944. European and Asiatic matters occupied the core of US preoccupations and Latin America support for US policy was taken for granted. While the Truman Administration recognized Brazil's importance to the political and military unity of South America, particularly in relation to Perón's Argentina, the US made it clear that no special concessions or benefits, either economic or military, should be anticipated by her "special ally". Naturally the policy of "gestures" continued and frequent statements of sympathy and friendship "by deeds as well as by words" were made, but the vital issues were to be determined solely by US strategy and interests.[480] The pattern was evident both in the meetings of the United Nations and in inter-American affairs.

480 Truman to Dutra, NA/RG 59 711.32/3-1246 and Truman to Dutra, March 21, 1946, HTL/OF. See also memo of conversation, DS, NA/RG 59 711.32/3-646. The British Ambassador even considered Itamaraty to be a dependency of the State Department, Gainer to Hadow, Dec. 28, 1945, FO371 51899 (AS220/13/6).

Brazil and the United Nations

Brazil participated in the organization of the United Nations from the beginning. There was a Brazilian delegate to the Conference on Food and Agriculture hold in 1943 and on the United Nations Relief and Rehabilitation Administration (UNRRA) in 1943. Although Brazil assumed the responsibilities of a full member at both meetings it should have become clear to her that post-war reconstruction was primarily a matter for the Great Powers. In spite of the independent position assumed by Eurico Penteado, the Brazilian representative at both Conferences, Brazil and other Latin American countries could only approve US proposals during the meetings.[481] Brazil was involved with the activities of the Executive Committee, the Security Council in London in 1945, the Preparatory Committee and the General Assemblies from 1946 onwards. This participation followed the rule of strict adherence to United States international policy.

The Brazilian delegation to the United Nations was headed in 1946 by Leão Velloso (Minister of Foreign Affair from Aranha's resignation in August 1944 until December 1946). After Velloso's death, Aranha was invited to take his place as head of the Brazilian delegation and as Brazilian representatives on the Security Council in 1947.

Although Brazil did not succeed in obtaining a permanent seat on the Security Council at the Conference of San Francisco in 1945, in 1946 the US Government supported Brazil's nomination to a non-permanent seat on the Security Council for a two-year mandate.[482] For the Chief of the Brazilian delegation this meant

481 Penteado to Aranha, AO 43.06.05/1; AO 43.08.31/4; AO 43.12.06/1.

482 MRE to DELBRASONU, Nov. 7, 1945, Dec. 4, 10, 1945. MRE to the delegation at the Preparatory Commission, Jan. 6, 1946. AHI/DE/ONU/Telegramas recebidos.

that his country was counted as "one of the six Powers of the World". Itamaraty viewed the result as a "significant triumph" despite the fact that the US was merely upholding a promise made at the Conference of San Francisco.[483] The fact that Brazil was chosen to participate in several important committees of the General Assembly was also taken as evidence of the "brilliant conquests achieved by Brazilian foreign policy".[484]

The main directives given by Itamaraty in Rio to the Brazilian delegation at the United Nations in the beginning of 1946 appealed to "traditional historic reasons", the realities connected to our economic, social and cultural progress" and the idealistic sense of our foreign policy".[485] Translating this general orientation into the common decisions of the committees, the General Assembly and the Security Council was not an easy task, but a fairly concrete orientation emerged rapidly as delicate problems were discussed by the United Nations. An examination of Brazilian positions during the first years of the UN suggests that three main attitudes guided her foreign policy. The first was to vote with the United States on all important questions;[486] in the case of questions vital to the United Kingdom the orientation was to follow the voting of His Majesty's Government since it was not opposed to the USA.[487] The second attitude involved systematic opposition to initiatives identified as communists and to regimes identified with the Soviet

483 Report by Souza Dantas to Fountoura, Feb. 21, 1946, AHI/DE/ONU/Ofícios. MRE to the delegation at the General Assembly in London, Jan.14, 1946; MRE to the delegation at the Preparatory Committee, Dec. 1, 1945. AHI/DE/ONU/Telegramas expedidos.

484 Report from Machado, Brazilian delegate, to Fontoura, March 13, 1946; also Silva, Brazilian delegate, to the MRE, Dec. 12, 1946, AHI/DE/ONU/Ofícios recebidos.

485 MRE to DELBRASONU, Jan. 23, 1946, AHI/DE/ONU/Telegramas recebidos.

486 MRE to DELBRASONU, Sep. 8, 11, 1945; Oct. 9, 1945; Nov. 28, 1945; Dec. 14, 1945; Jan16, 23, 27, 1946; Aug. 9, 1946. All in AHI/DE/ONU/Telegramas expedidos.

487 MRE to the delegation at the Executive Committee, Sept. 13, 1945; Nov. 22, 1945; AHI/DE/ONU/Telegramas expedidos. Also Gracie (MRE) to Dutra, July 25, 1946; AHI/DI/Presidência da República/Ofícios expedidos.

Union.[488] The third policy was connected to the balance of power in South America: although Brazil supported the United States, she avoided taking positions hostile to Argentina, in order to prevent a conflict between those two countries.[489]

The combination of these three policies, of which the first was dominant, explains Brazilian foreign policy from 1946 until 1950. At the UN, Brazil accepted the structure of power which had been established by the Great Powers in San Francisco. Although Brazil opposed the juridical equality of the member nations, she accepted the Great Powers' right of veto as a constructive contribution to world peace.[490]

This basic orientation was maintained even when the Brazilian Government was caused embarrassment by voting with the Great Powers. When the Polish representatives suggested in 1946 that relations with Franco's regime be broken off, arguing that many nazi military experts enjoyed freedom of action in Spain, Brazil opposed the suggestion on the grounds that such action would constitute an intervention in Spanish affairs.[491] During the year 1946 Brazil participated in a special committee to discuss the problem and Leão Velloso, chief of the Brazilian delegation again argued that no sanctions should be taken against Franco's regime,

488 MRE to DELBRASONU, Nov. 1, 1946, AHI/DE/ONU/Telegramas expedidos. Velloso to the MRE, Oct. 26, 1946, AHI/DE/ONU/Cartas-telegramas recebidas.

489 MRE to the delegation to the Security Council in London, Nov. 10, 1945; MRE to the Committee for the Organization of the UM, Jan. 1, 1946, AHI/DE/ONU/Telegramas expedidos. Martins, Brazilian Ambassador in USA, to the MRE, Apr. 10, 1946, AHI/MDB/Washington/Ofícios recebidos. The British Ambassador in Rio had noted this embarassment which Brazil's policy of close co-operation with the USA could cause. Annual report for 1946, Jan. 22, 1947, FO371 61204 (AS490/45/6).

490 Velloso to the MRE, Oct. 26, 1946; Muniz, Brazilian Ambassador in London, to MRE, March 22, 1948, AHI/DE/ONU/Cartas-telegramas recebidas; Fernandes to Aranha, AO 47.09.14; MRE to DELBRASONU, AO 47.10.30/2; Muniz to the AHI/DE/ONU/Telegramas recebidos. Muniz to Fernandes, Nov. 24, 25, 1947, AHI/DE/ONU/Telegramas-minutas recebidos.

491 MRE to the Brazilian delegation, Jan. 16, Feb.16, Apr. 9, 13, 1946, AHI/DE/ONU/Telegrama expedidos. Velloso to the MRE, Feb. 21, Apr. 6, 19, 1946, AHI/DE/ONU/Telegrama recebidos.

although he realised that Brazilian public opinion did not support this stand.[492] In the end a compromise formula was presented to the General Assembly: Spain would not be admitted to the UN and member States would be advised to withdraw their ambassadors and plenipotentiaries from Madrid if a democratic regime were not established reasonably soon. The Brazilian delegation had no alternative but to vote with the Great Powers.[493] Later, when the international situation allowed a change of position, Itamaraty revised its attitude in order to support a "stable government in Spain" and "to oppose to any sanctions against Spain",[494] but in 1946 Brazil followed the Great Powers.

On many occasions Brazil was unable to support the causes of minor states on the grounds that: "If the Great Powers are opposed, we cannot grant our support".[495] This attitude was not of mere expediency in order to gain immediate benefits. The unchangeable orientation of Brazilian policy at the United Nations was "not agree with the opinion of the United States" and "to follow the US vote". Although some Brazilian representatives complained that this policy merely duplicated the US vote, it was not revised. Brazil was part of a solid bloc of Latin American states, representing 40% of the voting strength of the UN, under US leadership.[496]

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492 MRE to the Brazilian delegation, June 5, 1946, AHI/DE/ONU/Telegramas expedidos. Velloso to the MRE, June 10, 11, 10/11, 12, 31; June 1, 3, 4/5, 7 – all in 1946, AHI/DE/ONU/Telegramas recebidos.

493 MRE to the Brazilian delegation, Nov. 13, 1946, AHI/DE/ONU/Telegramas expedidos. Velloso to the MRE, Nov. 10/11, 13; Dec. 3/4, 1946, AHI/DE/ONU/Telegramas recebidos. A complete report on the development of Itamaraty's attitude to the Spanish question can be found in "Relatório do 1° Comitê da Assembléia Geral", March 22, 1947, AHI/DE/ONU/Ofícios recebidos.

494 Fernandes to Aranha, AO 47.09.14; Fernandes to Dutra, Aug. 30, 1947. AHI/DI/PR/Ofícios expedidos. Aranha to the MRE, Nov. 18/19, 1947, AHI/DE/ONU/Telegramas recebidos.

495 One example was Iran's candidacy for the Economic and Social Committee. Many other examples could be given, including the election of the General Secretary, Soviet-Persian relations; the MRE to the delegation at the S. Council, Jan. 16, 24; May 10, 1946, AHI/DE/ONU/Telegramas expedidos. Muniz to the MRE, Aug. 9, 1947, AHI/DE/ONU/Cartas-telegramas recebidas.

496 Doubts over the basic norms for action were expressed by Souza Dantas, chief of the Brazilian delegation in 1945, to the MRE Jan. 20/21, 1946, AHI/DE/ONU/Telegramas recebidos. The answer was

In this context of rigid alignment, it was impossible for the "poor" countries to create a united front in opposition to the policies of the "rich" countries. This was true of the atomic energy question, the European colonies and the economic issues discussed in the Economic and Social Committee of the General Assembly. Although the agenda for discussion in 1946 included questions such as the reconstruction of devastated areas, the scarcity of grains and plans for the relief of starving populations the results of these debates all accorded with the priorities of the "rich" countries.[497] At the World Navigation Conference in 1947, those nations which possessed a consolidate merchant fleet defended the policy of complete freedom for private maritime concerns while the countries who were only beginning to build-up their merchant fleet demanded a policy of protection and the control of monopolistic navigation groups. At both conferences the Brazilian delegation initially held a position close to that of the "poor" countries but soon adjusted this position in order to come to terms with the "rich" countries.[498]

The same pattern of conflicting interests combined with wholehearted co-operation with the Great Powers was present throughout peace conferences.

definite: follow the USA. MRE to the delegation, Jan. 23, 1946, AHI/DE/ONU/Telegramas expedidos. See also Freitas Valle to Velloso, Oct. 5, 1945; Freitas Valle to Fontoura, Feb. 4, 1946, AHI/DE/ONU/Telegramas recebidos.

497 Jornal do Commercio (ed.) *A Política Exterior do Brasil na Gestão do Chanceler Raul Fernandes* (Rio de Janeiro, 1951), p. 61. See the joint Brazil-US-UK action at the UNRRA meeting in December 1946, according to W. Johnson (ed.) *The Papers of Adlai E. Stevenson* (Boston/Toronto, 1973), pp. 352-357. MRE to DELBRASONU, July 19, 1950, AHI/DE/ONU/Telegramas expedidos; Muniz to the MRE, Aug. 2, 1950, AHI/DE/ONU/Cartas-telegramas recebidas.

498 Aranha to the MRE, March 13, 1947, AHI/DE/ONU/Cartas-telegramas recebidas.

The Peace Conferences

The Brazilian Government was convinced of its right to participate in the post-war peace conferences. It was particularly keen to be represented at the debates over war reparations and to participate in the Allied Reparation Council. Brazil had not been represented at the Paris Meeting on this subject in November/ December 1945 and wanted to share the benefits of reparations, which it regarded as "legitimate right" of a victorious ally.[499] Despite Brazil's insistence on full participation, the US Government was only willing to promise to present Brazilian claims to the Council.[500]

Brazil finally obtained a seat among the twenty-one nations which gathered in Paris to discuss post-war problems. The Brazilian delegation took the opportunity of proclaiming the high principles of its foreign policy, such as the sovereignty and juridical equality of all nations, but Fontoura, the head of the delegation, soon realized that "there was no equal place for great and small nations" and that the procedures of the Conference assured predominance of the Big Four.[501] The USA and the USSR were not prepared to amend the draft of the Peace Treaty and all Brazil's attempts to change the procedures of the Conference failed.[502] Although Brazil was apparently engaged in a fight against the Great Powers – western and eastern – side by

499 BRASIL. MRE. *Relatório da Delegação do Brasil a Conferência de Paris*, by J.N.Fontoura, p. 168. MRE. *O problema das reparações de guerra,* by M. Calabria.

500 Fontoura to Martins, sending a letter from Dutra to Truman on the matter, June 19, 1946, AHI/MDB/ Washington/Despachos. Dean Acheson to AMEMBASSY Rio, June 24, 1946, copy of telegram, AHI/ Maço n.36460. See also Gainer to the Foreign Office, July 24, 1946, FO 371 (AS6620/15/6); memo by Braddock (DS), NA/RG 59 711.32/6-1146; Braddock to Braden, 810.20/Defense/S-2046.

501 BRASIL.MRE. *Relatório...* p. 5, 15 and 19. BRASIL.MRE. *A serviço do Itamaraty*, pp. 128,129. Martins to the MRE, July 8, 24, 1946, AHI/MDB/Washington/Cartas-telegramas recebidas.

502 BRASIL.MRE. *Relatório...* p. 21, 25. BRASIL.MRE. *A serviço...* pp.133,161. Fontoura to Aranha, OA 46.08.12; Mello to the MRE, August 5, 1946; Fontoura to the MRE, August 4, 6, 1946; Fontoura to Gracie, August 1, 1946; Fontoura to the Brazilian Embassy in Washington, September 14, 1946 – all in AHI/Maço n.36460.

side with the small nations represented at the Conference, this was not in fact the case, as will be discussed later.

Since the German problem was not discussed at the Conference of Paris Brazil could not raise the question of reparations. The issue was only discussed during bilateral talks with the US Secretary of State James F. Byrnes and João N. da Fontoura was only able to extract evasive promises from him.[503]

Brazil participated more concretely in the Committee on Italy, where the policy of Fontoura and his colleagues was to make the military and economic conditions imposed on Italy "less severe", to prevent any Italian territorial losses (including her colonies), and also to deny the right of the population of any contested territory to be transferred to the sovereignty of another state.[504] Thus Brazil would refuse to accept any reparations extracted from Italy. Nevertheless, the conference decided to distribute part of the Italian fleet among some of the allies as a war reparation. Fontoura then decided to try to obtain at least one ship but did not succeed: Secretary Byrnes promised to try to give Brazil a cruiser from the US part of the Italian payment, but added that he needed authorization from Congress in order to do this...[505]

There were two aspects to Brazilian participation in the Conference of Paris: first, Brazil attempted to freeze the Italian *status quo* to avoid losses for the Italian State and to contain the deep social and political changes the country had experienced

503 Fontoura to Gracie, August 1, 1946; Fontoura to the MRE, August 22, 1946; MRE to Fontoura, August 9/10, 1946; Fontoura to the MRE, August 10, 1946; all in AHI/Maço n.36460.

504 BRASIL. MRE. *Relatório...*, p. 34. BRASIL.MRE. *A Serviço...*, pp. 138, 163. In practical terms the Brazilian delegation maintained close contact with the Italian Government and its proposals represented the Italian claims. Fontoura to Gracie, August 1, 1946, Fontoura to the MRE, August 16, 1946, both in AHI/Maço n. 36460.

505 Mello to the MRE, August 29, 1946; Fernandes to the MRE, September 17, 1946; Fontoura to the MRE, September 10, 1946; Fontoura to the MRE, October 14, 1946 – all in AHI/Maço n. 36460.

during the last years of the war. While Brazilian diplomats were conscious of the fact that the war had "opened the door" to social reform movements and revolts against class inequalities and poverty in Western European countries, they stubbornly identified these movements with "communist propaganda" and persisted in trying to contain all change.[506] Not surprisingly, Fontoura reported that he had reached "complete accordance" with Secretary Byrnes on the various matters discussed at the conference.[507] In this sense, Brazilian disagreements with the Western Great Powers were apparent only, since accordance with US policy over such vital issues was paramount. Secondly, it was argued that Brazilian participation in purely European questions held no interest for the country. This interest was justified by Minister Fontoura who claimed it was a matter of "justice" and "morals". For Brazil the important thing was to make a contribution to the regulation of post-war problems, that is, to act as if Brazil was a Great Power, an illusion that Brazilian planners liked to sustain.[508]

At the following conferences held by the Big Four in Moscow and London in 1947 discussions about a peace treaty with Germany encountered the same Brazilian claims for reparations, which met the same negative results.[509] Before the Conference of Moscow the Great Powers had provided Brazil (and other nations) with

506 Muniz to Aranha, AO 46.06.26/2. The Brazilian delegation received various letters from villages on the Northern border demanding to stay under the rule of the Yugoslav Popular Republic: Fontoura insisted on defending the integrity of Italian territory. AHI/Maço n. 36520.

507 Fontoura to Aranha, OA 46.08.12, Fontoura to the MRE, August 22, 24, 1946, AHI/Maço n. 36460. In Fontoura's view the Soviet Union was guilty of the failure of the Conference.

508 Raul Fernandes tried to deny this and alleged that the motives behind Brazilian attitudes were purely moral and juridical. See "A posição do Brasil na discussão de Trieste", *Boletim da Sociedade Brasileira de Direito Internacional*, Rio de Janeiro, 1947.

509 MRE to the Brazilian delegation to the General Assembly, November 20, 1946, AHI/DE/ONU/Telegramas expedidos. Velloso to Molotov, December 11, 1946, AHI/DE/ONU/Cartas-telegramas. Fontoura to Byrnes, December 1946, AHI/MDB/Washington/Despachos.

an opportunity to produce written opinions about the German problem. Small nations were not invited to send representatives to the conference itself.[510] Even after the breaking of relations with the USSR in October 1947, the Brazilian Government insisted on her "right" to receive reparations. Although the US Government did not in fact agree with the Brazilian position over reparations, it promised to provide "the fullest possible opportunity for expressing their views regarding the relevant peace settlement" at the London Conference.

By this time Brazilian claims for reparations were in open conflict with US policy for Germany's reconstruction, in the framework of "containing the USSR". The Soviets estimated their claim against Germany at 10 billion dollars while the United States stressed Germany's reconstruction and opposed the economic benefits which the USSR would gain from reparations. According to US "the German reparation bill must be kept within the bounds of Germany's capacity to pay".[511]

The conferences of both Moscow and London failed to achieve their objective of reaching a peace treaty with Germany and the solution of creating "two Germanys" began to come under consideration. The pretentions of countries such as Brazil had no place in the game being played by the Great Powers. Brazilian insistence on participating in the discussions on reparations had a political meaning – she was not merely seeking economic benefits. Aranha was not entirely joking when he wrote to Fontoura that Brazil wanted at least "a factory or a bouquet of flowers", in fact anything that could be called war reparation. Brazilian objectives

510 British Embassy in Rio to the MRE, Jan. 10, 1947, AHI/Maço n. 36520. Pimentel Brandão to Raul Fernandes, May 8, 1947, AHI/Maço 36.695.

511 Documents of American Foreign relations, 1950 (Princeton University Press, 1950), p. 145. "A questão das reparações: a posição do Brasil", AHI/Maço n. 36474. See also BRASEMB London to Marshall, Bevin and Bidault, Dec. 9, 1947; Moniz de Araguão to Fernandes, Dec. 19, 1947 – all in AHI/Maço 36694.

were basically political: receiving compensation would imply participation in negotiations with the Great Powers, which in turn would mean that Brazil really was an important participant in international affairs.[512]

Aranha at the United Nations

If the Peace Conference of Paris had given Brazil the sensation of importance on the international scene in 1946, in the following year the appointment of Oswaldo Aranha, the former Brazilian Minister of Foreign Affairs, as chief of the Brazilian delegation to the UN magnified this impression. Aranha was elected Chairman of the Security Council in February, Chairman of the Extraordinary General Assembly in April, and Chairman of the Second General Assembly in September 1947. He was considered an able and astute Chairman of these organizations.

This situation enabled the Brazilian delegation to develop a broader and more complex vision of the international situation, and allowed Brazilian representatives to assume a more comprehensive and independent attitude to many of the activities of the United Nations. Paradoxically this orientation contradicted Itamaraty's strict orders to "follow the United States at any price".[513]

Itamaraty was headed during 1947 by Raul Fernandes, a very conservative juridical-minded politician who belonged to the UDN. Fernandes was convinced that the war between East and West was inevitable and the only way of preventing Bolshevik domination of Europe, the key to the world. For him the only hope of a country

512 Martins to the MRE, May 9, 1946, AHI/MDB/Washington/Cartas-telegramas recedidas. The facetious letter from Aranha to Fontoura can be found in AO 46.08.23. Fontoura also stressed the symbolic value of reparations to the MRE, Sept. 10, 1946, AHI/Maço 36460.

513 Instructions from the MRE to the Brazilian delegation insisted on this line both in general as well as in specific cases, such as the Palestine question (MRE to Aranha, AO 47.09.14; AO 47.10.20/2), and the vacancy of Poland's seat in the Security Council, when Brazil should "let Marshall have the last word", Aranha to Eduardo Gomes, AO 47.10/00/4; MRE to Aranha, AO 47.11.10.

such as Brazil was to integrate itself into a "united front" of the West built around the United States.[514] This meant voting with the United States at all international meetings on all issues without exception.

While he was leader of Itamaraty between 1938 and 1945 Oswaldo Aranha was known as the "champion of the US party". However, through an intimate relationship with the Brazilian delegation in the cosmopolitan forum of the United Nations, he realised that there would be no global war between the United States and the Soviet Union, that some degree of collaboration between these two Great Powers did exist and that the USA was not vitally interested in the Americas but was in fact pursuing more important goals in Europe and Asia. He therefore counselled discretion in Brazilian policies. Although Aranha's position was pro-US and he admitted that he was in constant consultation with the US delegation over the issues at stake,[515] in contrast with Raul Fernandes he was nevertheless able to understand not only the Soviet quest for power but also the US search for hegemony in international politics. He concluded that while Brazilian policy should be pro-US it nevertheless had to take into account the true nature of international disputes in order not to act like a "blind man".[516]

These different perspectives gave rise to two major classes between Itamaraty and the Brazilian delegation at UN. The first arose from Aranha's candidacy for re-election as Chairman of the General Assembly in September 1947. Fernandes opposed his re-

514 Fernandes to Aranha, AO 47.11.16. The same idea was developed by Fernandes in "Discursos em Montevideo" (MRE, 1947), p. 22. Fernandes' extremely conservative perspective on international affairs and foreign policy was stressed by foreign diplomats in Rio de Janeiro, as "extremely anti-communist and anti-Soviet", Clifford, Political Conditions, Appendix, HTL/CC, 1947.

515 Aranha to Fernandes, AO 47.03.18; Aranha to Fernandes, AO 47.10.17/3. See also Aranha to Fernandes on the Greek and Turkish questions, Apr. 28, 1947, AHI/DE/ONU/Ofícios recebidos.

516 Aranha to Fernandes, AO 47.08.00/4.

election but Aranha nevertheless succeeded by virtue of the support of the Latin American delegations. Six weeks after Aranha's election, Brazil broke off relations with the USSR and a paradoxical situation was created by the circulation in Brazil of veiled suggestions that he had received votes from the Soviet bloc.[517]

The second clash was connected to the election of the Ukraine to Poland's vacant seat on the Security Council. Following the rule of regional representation, a country of the "Slav group" had to be represented. Czechoslovakia enjoyed wide support but withdrew in favour of the Ukraine, whom Brazil supported. At the last moment the United States decided to support India's nomination without consulting her allies including Brazil. The Brazilian delegation maintained her support for the Ukraine and provoked a political storm. Fernandes felt that Aranha had adopted a "Russophile" and anti-US position and this idea began to circulate in the newspapers, to the embarrassment of Aranha as Chief of the Brazilian delegation.[518]

The delegation's independent attitudes provoked a political storm, due to the different views held by Brazil's leaders over the direction her foreign policy should take. Aranha favoured collaboration with the USA but warned that "solidarity is not serfdom" to the US Government.[519] Fernandes considered that Brazilian delegation's duty was to unhesitatingly adopt the US position. The

517 Aranha's papers contain complete documentation of the stages of this dispute. The correspondence exchange between the MRE and Aranha is found in AO 47.08.18/2, AO 47.09.14, AO 47.09.15/1, AO 47.09.16/1, AO 47.09.16/2, AO 47.09.16/4, AO 47.09.25/1, AO 47.10.11/2, AO 47.10.16/1, AO 47.10.17/1, AO 47.10.17/2, AO 47.10.18/2. See also correspondence between Aranha and Góes Monteiro, AO 47.10.06, AO 47.10.14/1; and others, AO 47.10.14/3, AO 47.10.15/2, AO 47.10.19.

518 Aranha to Góes Monteiro, AO 47.10.06, AO 47.11.02/1; Aranha to Larragoiti Jr., AO 47.10.09/1; Aranha to the MRE and MRE to Aranha – OA 47.10.09/2, AO 47.10.17/3; Aranha to C. Farias, AO 47.10.00/3. A throrough chronological account of these questions is found in a letter from Aranha to Eduardo Gomes, AO 47.10.00/4.

519 Aranha to Fernandes, AO 47.10.09/2.

angry clashes that resulted were not simply the result of a conflict of personalities but reflected the contrast between the rather rigid politico-ideological perspective held by the Itamaraty and the more flexible and open-minded interpretation of the Brazilian delegation, in relation to Brazil's national interests in the circumstances. This conflict also became apparent in relation to other issues such as the colonial problem and the question of atomic energy.

The colonial problem occupied a central place at the UN not only because of the commitments and promises of the Colonial Powers towards their colonies but also because of the inheritance of the "mandates" from the League of Nations. Brazil was represented by four deputies on the Trusteeship Committee where the colonial question was discussed.

Brazilian representatives on this Committee in 1946 recommended that the Chief of the delegation take a "clear and firm Brazilian attitude against the indefinite prolongation of colonial rule".[520] There were political, moral and practical reasons for this position. Firstly, it would be inconsistent for the American nations that had fought for their independence to deny the same right to other peoples. Secondly, colonies were germs of imperialistic attitudes and threatened the stability of enduring peace. Thirdly, the colonies constituted unfair competition for countries such as Brazil that produced similar export goods since they enjoyed cheap labour and privileges in the customs duties of the parent country.[521]

Despite these recommendations, Itamaraty pursed a different policy for two major reasons. Firstly, Brazilian foreign policy was sympathetic to the Western European countries and did not intend

520 Paulo Carneiro, Brazilian representative, to Souza Dantas, Jan. 24, 1946, AHI/DE/ONU/Ofícios recebidos.

521 Jayme de Almeida, Brazilian representative, to Souza Dantas, Feb. 14, 1946; Paulo Carneiro (as above), both in AHI/DE/ONU/Ofícios recebidos.

to enter into conflict with them. Secondly, the colonial problem was being used as political instrument by socialist and communist movements. One must remember that Itamaraty was committed to support Italy's claims to her former colonies at both the Paris Conference and the United Nations.[522] It is true that in the case of Namibia Brazil opposed occupation by the South African Union and supported an agreement for trusteeship in the region. Here, however, Brazil voted according to the great majority of nations at the United Nations.[523]

Two different proposals concerning the maintenance of world peace were presented to the United Nations in 1946. The US delegation proposed a plan (which later became known as the "Baruch Plan"), for controlling the means of producing atomic energy and the diffusion of nuclear know-how. On the other hand the Soviet Union proposed general disarmament. The Soviet proposal was initially well received by the Brazilian delegation but did not in the end receive its support because of its origin and also because of US opposition.[524]

The "Baruch Plan" proposed the creation of an International Atomic Energy authority with complete control over raw materials and atomic plants throughout the world. The plan also provided for the punishment of countries that violated the approved rules. The final stage envisaged in the plan was the banning and destruction of existing atomic bombs which only the United States

522 BRASIL. MRE. "Relatório da Delegação do Brasil a Conferência de Paris", p. 34. BRASIL. MRE. *A Serviço do Itamaraty*, pp. 138,163. MRE to BRASEMB, Feb. 26, 1948, AHI/MDB/Londres/Cartas-telegramas minutas expedidas. Fernandes to Dutra, May 10, 1949, Nov. 14, 1949, AHI/DI/PR/Ofícios expedidos.

523 Fernandes to the MRE, Nov. 8, 16, 29, 1948, AHI/DE/ONU/Cartas-telegramas recebidas.

524 Velloso to the MRE, Oct. 31, 1946. AHI/DE/ONU/Telegramas recebidos. MRE to DELBRASONU, Nov. 1, 1946, AHI/DE/ONU/Telegramas rexpedidos; Velloso to the MRE, Dec. 17, 1946, AHI/DE/ONU/Cartas-telegramas.

possessed.[525] Although Itamaraty recognized that US plan limited Brazilian sovereignty, it was accepted in principle "in the common interest of the world's salvation".[526]

The Brazilian delegates to the UN Committee on Atomic Energy proposed certain amendments to the plan in order to preserve the possibility of Brazilian access to the preferential quotas of nuclear raw materials to be controlled by the future International Authority as well as access to specific technology for producing atomic energy. The US representatives managed to prevent these Brazilian demands from being defined and at the same time made efforts to ensure Brazilian loyalty through a gesture of goodwill in supporting Alvaro Alberto's election as Chairman of the UN's Committee on Atomic Energy in 1947.[527] In Rio de Janeiro the US Ambassador, William Pawley, tried to convince President Dutra that Brazilian support for the "Baruch Plan" did not mean making a concession to the United States but "looked after Brazil's best interests".[528]

During the same year the Brazilian delegates presented a proposal to the Committee based on the principle of "specific compensation". Brazil would support the "Baruch Plan" but wanted in return guarantees of acceptable prices for raw materials she would supply, representation on the future International Atomic Energy Authority, and preferential treatment in the building of

525 D. Yergin, *op.cit.*, pp. 237-241.

526 Velloso to the MRE, June 19, 1946. AHI/DE/ONU/Telegramas recebidos. MRE to DELBRASONU, June 20, 1946, AHI/DE/ONU/Telegramas expedidos. See also J.N. Fontoura, *Depoimentos de um Ex-Ministro* (Rio de Janeiro, 1957), pp. 95-96 and Fontoura to Dutra, Apr. 26, 1946, June 7, 1946, AHI/DI/PR/Ofícios expedidos.

527 A. Alberto to Aranha, AO 47.06.10. A. Alberto's interview to newspapers is in GV 46.07.19j. See also Velloso to the MRE, June 7/8, 17/18, 1946, July 18/19, 1946, AHI/DE/ONU/Telegramas recebidos; Muniz to the MRE, Aug. 20, 1946; Velloso to the MRE, Dec. 27, 1946, AHI/DE/ONU/Cartas-telegramas recebidas.

528 Pawley to DS, NA/RG 59 711.32/9-2047.

nuclear plants.[529] The US attitude remained evasive. By the end of 1947 Brazilian representatives were pessimistic and recommended that their Government should not sign the proposed treaty unless it were modified in line with Brazil's demands.[530] They also made some recommendations to the Brazilian Government that constituted the starting point of the future Brazilian policy concerning the atomic energy programme.

The failure of the "Baruch Plan" caused future discussions on the atomic energy question to be increasingly conducted on a purely bilateral basis between Brazil and the United States, despite Brazilian efforts to explore other possibilities.[531] Bilateral relations with the United States over atomic energy constituted a powerful means of preventing the development of an autonomous Brazilian nuclear programme. The experience gained in the UN proved useful in the creation of certain organizations in Brazil, such as the *Comissão de Estudos e Fiscalização dos Minerais Estratégicos* (CEFME) which was set up in January 1947 and, four years later in January 1951, the *Conselho Nacional de Pesquisas* (CNPq). The former restricted the export of monazite sands and the latter encouraged scientific research particularly in the field of atomic energy.[532]

529 M.C. Leal, "Caminhos e Descaminhos do Brasil Nuclear", (M.A. IUPERJ, Rio de Janeiro, 1982), p. 33 apud R. Archer.

530 Muniz to the MRE, Dec. 5, 1947, Jan. 14, 1948, AHI/DE/ONU/Cartas-telegramas recebidas. See also HO/CPDOC, Renato Archer's third interview.

531 On collaboration with Canada, see A. Alberto to Fernandes, March 6, 1947, AHI/DE/ONU/Ofícios recebidos. Nabuco to the MRE, May 22, 1948, AHI/MDB/Washington/Cartas-telegramas recebidas.

532 An evaluation of the atomic question in Brazil since the Second World War can be found in a thesis by Maria Cristina Leal, "Caminhos e Descaminhos do Brasil Nuclear" (M.A. IUPERJ, Rio de Janeiro, 1982).

Brazil and the Inter-American system

In spite of the difficulties faced by Pan-Americanism in terms of the conflicting relations between the United States and Argentina, the inter-American system reached a higher level of political and military formalization between 1946 and 1947. Efforts to achieve this formalization were no longer directed to the creation of a purely defensive system but clearly aimed to consolidate the United States *power system*. The reasons behind "hemispheric defence" were realized by many people including the Brazilian Ambassador in the United States, who explained that US policy for Latin America aimed: "to consolidate an anti-Russian front, eliminate centres of anti-American propaganda and politically organize the defence of the hemisphere".[533]

The first step was to be the establishment of an inter-American military agency to implement the Resolution of Rio de Janeiro (1942) and the Act of Chapultepec (1945). A meeting was to be held in Rio de Janeiro late in 1945, but the objectives, resources, and organization of this agency were drafted by the US State-War-Navy Coordinating Committee. It was proposed that this agency "be concerned with plans and measures for defence of the American continent against attacks from non-American States", although "the United States must take the leadership in the organization and functioning of the inter-American military agency".[534]

It is important to note that such an inter-American military agency represented only *one side* of US military efforts to coordinate the Latin American nations under her leadership. In fact the agency was to constitute a *political facade* for United States-Latin American military collaboration. The specific military

533 Martins to the MRE, August 30,1946, AHI/MDB/Washington/Cartas-telegramas recebidas.

534 Memo from the Acting State member, State-War-Navy Coordinating Committee, February 1, 1946. NA/RG 165 WD ABC 400.3295 (7-31-42), Sec. I-C.

coordination between the Unites States and Latin America to which the US military accorded greatest importance was to be achieved through bilateral agreements between the USA and each nation of the continent.[535] These agreements would provide for the supply of armaments, military training for Latin American officers, US missions in Latin American countries and so on.

Both steps – the establishment of an inter-American military agency and the bilateral military agreements – gave rise to conflicts of policy between the State Department and US military agencies.

This plan, which was created by the US War Department proposed a comprehensive programme of training, arms supply, technical assistance and military missions to Latin America, in order to reinforce the solidarity of the hemisphere and the national security of the United States. The main activity would be the sale of arms no longer being used by the USA to the Latin American armed forces. This would supposedly encourage economic and political stability in those countries. The State Department strongly opposed the arms programme and alleged that its magnitude was infinitely beyond the economic resources of the Latin American economies and would hinder the economic development of those countries.[536]

The conflict ended with a transitory victory for the War Department, and the State Department agreed to sponsor a bill to be sent to Congress. Apart from the military and political considerations, the State Department had to recognise the concrete

535 Gen. Matthew B. Ridgway, Chairman of the Inter-American Defense Board, candidly told Aranha that the Pan-American organization was necessary but "nothing must change our bilateral combinations", because they were the basis of everything else. Aranha to Gen. Canrobert, OA 47.03.22/2.

536 Braden to Acheson, December 16, 1946, NA/RG 59 810.20 Defense/1-2247; Braden to Acheson, January 22, February 4, 1947, 810.20/defense/1-347, 1-2247. Acheson to Patterson (Secretary of War), 810.20/defense/3-1947 or RG 319/AS/P&O/091 LA Sec. II-A. See also memo from Braddock (DS), NA/RG 59 810.20/Missions/1-347.

fact that the military agencies were spending too much money on maintaining their surplues equipment in good order.[537] Selling this equipment provided, in fact, good solution to the problem. The Inter-American Military Cooperation Program submitted to the US Congress by President Truman included provision for the training, organization and equipping of the armed forces of the Latin American countries.[538] Some observers noted that, at that time, the "Good Neighbour" policy was being given a military character.[539]

Despite the vast sums involved – almost a billion dollars – the arms supply proposed by the programme proved to be of minor importance from a strategic point of view. The War Department admitted this but underlined the fact that supplies of arms would promote:

> *a stable, secure, and friendly flank to the South, not confused by enemy penetration – political, economic or military.*[540]

This sums up the US military interest in the programme which included, among other things,

- the indoctrination of the Latin American forces in US military tactic and techniques;
- standardization in terms of equipment. The US would derive great advantages from this is, for example, the maintenance

537 "...the War Department is very anxious to get rid of its surplus equipment as it is very expensive to maintain it in condition", Minutes of Meeting of the Secretaries of State, War and Navy, May 1, 1947, NA/RG 59 810.20 Defense/5-147.

538 Message to the Congress of the US from President Truman, May 26, 1947, HTL/OF. Marshall defended the plan before Congress, Martins to the MRE, June 25, July 19, 1947, AHI/MDB/Washington/Cartas-telegramas recebidas.

539 Report on trends in US policy, GV 46.11.20/2.

540 Memo to the Assistant Secretary of War. Dec. 17, 1947. NA/RG 319 Army Staff P&O 091 LA Sec. II.

of US military missions in these countries and the sale of surplus equipment;

- the fact that military missions could create goodwill in their military counter-parts and facilitate the entry of US forces into the country in time of war;
- the opportunity "to channel the military ambitions of the Latin American neighbours along mutually helpful lines", since they would buy arms anyway from whoever would supply them.[541]

The Inter-American Military Cooperation Program did not aim to meet all the needs of each Latin American country but merely to permit US coordination and US presence if necessary in the territory of her neighbours. The programme was thus an instrument of the US *power system* in the beginning of the Cold War:

> *Any failure to have passed the subject act... may create an atmosphere of indifference... The political alignment of these countries with the United States would be retarded irretrievably.*[542]

This military inroad in US foreign affairs reflected the curious conviction that supplying arms was a sufficient weapon to secure political stability as well as the alignment of the Latin American countries to US policy. The US Congress impressed the reality of the situation on the US military leadership and greatly reduced the size of the proposed programme. Other aspects of military collaboration were already under way (see item 3 ahead) in order

541 Report of Committee n.1. Latin American Intelligence Conference. Jan.13-17, 1947, NA/RG 59 810.20 Defense/6-1947.

542 Memo from Lt. Col. Franklin Jr. to the Chief Army Staff, Western Hemisphere Section, June 13, 1947, NA/RG 319 Army Staff, P&O, 091 LA Sec.II-A.

to create, south of the Rio Grande, a "stable, secure, and friendly flank" of countries aligned with the United States. The primary objective of the US military programme for Latin America was to "promote the national security of the United States".[543]

The Inter-American conferences

A similar aim of maintaining a stable, secure and friendly flank lay behind the multilateral efforts towards "hemispheric defence" embodied in the Inter-American Conference for the Maintenance of Peace and Security in the Hemisphere held in Rio between August 15 and September 2, 1947.

The political need for hemispheric defence had been first established in 1945. In fact the United States had insisted, at the Mexico Conference of February/March 1945, on approval of a resolution entitled "Reciprocal Assistance and American Solidarity" that made provisions for mutual defence against external or internal aggression. The "enemy" was then the Axis and USA-USSR relations were characterized by complete collaboration. There was no "enemy" in sight at that time but the mention of "internal aggression" was more likely to be directed against Argentina, whose neutrality in the war was in conflict with US international policy and whose nationalism worried capitalist circles in the United States by its demonstrated effect on the other Latin American nations. On the one hand, there was no danger of external aggression and, on the other, the United States insisted on the possibility of intervention in the American states.[544] Thus

543 Patterson to Acheson, Apr. 17, 1947, FRUS, 1947, VIII, p. 110. A more detailed description of this programme in its first steps can be found in J. Campbell, *The United States in World Affairs, 1945-1947* (New York/London, 1947), pp. 222-229.

544 This was admitted by Cordell Hull, *Memoirs* (New York, 1948), v.II, p. 1467. See also I. Gellman, *The Good Neighbor Diplomacy* (Baltimore, 1978), p. 207 and T. Campbell, *Masquerade Peace* (Tallahassee, 1973), ch. 5.

it is clear that the Resolution approved in Mexico was aimed at increasing continental solidarity and *ipso facto* US leadership in the hemisphere.

At the same time, in early 1945, US-Argentine relations were rapidly improving thanks to the new orientation of Nelson Rockefeller who was at that time in charge of Latin American affairs in the State Department. The Farrel Government, which Perón as its *éminence grise*, agreed to declare war on Germany and Japan on March 27 and signed the Act of Chapultepec on April 4. Argentina was thus able to participate in the San Francisco Conference and join the United Nations. Nevertheless, the whole picture changed at the end of May with the arrival of the new US Ambassador, Spruille Braden, in Buenos Aires. Braden engaged in clearly interventionist activities in an attempt to overthrow the military regime and replace it with a constitutional government.[545] The new conflict endured until 1947 and US diplomacy was unable to prevent Perón's victory in the elections of February 1946.

In early 1946 the State Department favoured an immediate meeting of the American Republics in Rio de Janeiro to establish the Inter-American military agency within the framework of its active anti-Perón policy.[546] In contrast with the foreign offices of many of the Latin American countries, the States Department was ready to sacrifice a unanimous decision in favour of a clear statement of opposition to external and internal aggression. For the US military leadership, however, strategic definitions of the post-war situation included each nation of the continent: the Straits of Magellan became as important as North-eastern Brazil.

545 See C. A. MacDonald, "The Politics of Interventionism: the United States and Argentina, 1941-1946", *Journal of Latin America Studies*, v.12, n. 2, 1980.

546 Memoranda from the State Department, March 6, 9, 1946, NA/RG 59 711.32/3-646, 711.32/3-946.

From this perspective it was absolutely vital to gain Argentine support for the treaty which would result from the meeting.[547]

Under pressure from their own military leadership and from other American governments, including that of Brazil, the State Department had to agree to postpone the meeting. Brazil wanted Argentina to attend in order to exert some control on Perón's Government and to avoid political complications on her southern border.[548] Rio de Janeiro would not accept a Uruguayan proposal (of US inspiration perhaps) for multilateral intervention which was directed against Argentina and tried, at the same time to introduce an element of mediation. In April 1946 Brazil stressed to Washington the need for Argentina to be present at the conference.[549] By the summer of 1947 US relations with Argentina had improved and the State Department was able to call a meeting for the purpose of formulating a multilateral treaty to prevent acts or threats of aggression against any American Republic.

New developments in international politics had combined to produce this situation. The reversal of alliances that followed the end of World War II led the US to formulate a policy of "Containing the USSR". In March 1947 President Truman made a major speech to the National Congress in which he outlined what became known as the "Truman Doctrine". He attacked the aggressive movements that tried to impose totalitarian regimes over free nations by means of direct or indirect aggression. These movements undermined the

547 Trueblood (DS) to Briggs and Braden, NA/RG 59 810.20 Defense/11-1346. Also Muniz to the MRE, Jan.13, 1947, AHI/DE/UPA/Cartas-telegramas recebidas.

548 Halifax to the Foreign Office, Feb. 13, 1946, FO 371 51904 (AS1072/15/6). Other countries had also recommended postponment, Martins to Fontoura, March 8, 1946; Martins to the MRE, Feb.18/19, 1946, both in AHI/Maço n. 35817.

549 MRE to BRASEMB Washington, Jan. 5, 1946, AHI/Maço n.35817 Report by DS, Feb. 20, 1946, NA/RG 59 R&A Report n. 3562. J.N.Fontoura, *Depoimentos de um ex-Ministro*, op. cit., p. 43. MRE to BRASEMB B. Aires, June 18, 1946, AHI/MDB/B.Aires/Telegramas-minutas.

foundations of international peace and US security. This concept of an aggressive and expansionist power, typified by the USSR, added new "reasons" for the creation of an inter-American system and a treaty of "collective" or "hemispheric defence".

The original draft of the conference resolutions was distributed to the other American Governments by the State Department in December 1945 and presumed that an inter-American *military agency* would be established. By May 1947, however, the US Government had abandoned the idea of such an agency and limited the Rio Conference to discussion of the problems raised by a *treaty* for reciprocal assistance in case of actual or threatened aggression.[550] The Latin American countries were invited to submit their own draft texts for the treaty, but the State Department insisted upon the acceptance of its own draft as the basis for discussion, and the Pan-American Union managed to obtain advance reactions from the American governments to the main points that the treaty was to embody.[551]

From August 15 to September 2, 1947, the American delegates met at Petrópolis in the state of Rio de Janeiro and formulated a treaty that included:

- reaffirmation of the basic principles of the peaceful settlement of disputes;
- obligations in the event of an armed attack against an American state;
- consultation and collective measures in the event of certain other dangers to continental peace;

550 Braden to Acheson, May 29, 1947, FRUS, 1947, VIII, p.1-3.

551 Memo from Dreiner (Chief of the Division of Special Inter-American Affairs, DS), June 25, 1947, FRUS, 1947, VIII, pp. 5-6.

- types of measures which could be taken in either of the above events plus definitions of certain acts of aggression;
- procedural matters affecting consultation regarding measures, voting and the binding effect of decisions.[552]

The Conference accepted the US proposal for a two-thirds majority for decisions regarding consultation. The reason behind the proposal concerned the fact that a requirement for any decision to be unanimous would enable a single state to frustrate the intentions of all other parties. In other words, a requirement for unanimity would introduce a principle of veto into the inter-American system.[553] While it was accepted that the Great Powers held a veto at the United Nations, such a situation was unacceptable in the framework of the continental system proposed by the United States.

The core of the treaty embodied an agreement that "an armed attack by any State against an American State shall be considered as an attack against all the American states". In 1947 there was no evidence whatsoever of actual or threatened aggression against any American State. Bearing in mind, however, the reversal of alliances in the world since the end of the war, the only potential enemy was the Soviet Union who was a "hidden actor" at the Conference. Many delegates were fully aware of this implied anti-Soviet orientation of the meeting and it was exactly this dimension that permitted Argentina to vote with the USA and approve the treaty.[554] Both the Argentine and Brazilian delegations wanted to discuss "measures against Communism" or "subversive activities" at a continental level and President Dutra strongly supported Itamaraty's initiatives in this respect.[555]

552 See "Relatório dos trabalhos da Conferência", AHI/Maço n. 36198.

553 Marshall to the Diplomatic Representatives of the American Republics, July 3, 1947, FRUS, 1947, VIII, pp. 9-10.

554 Ray to DS on the Argentine position in the Conference, Aug. 1, 1947, FRUS, 1947, VIII, p. 31.

555 Pawley to Marshall, May 3, 1947, NA/RG 59 711.32/6-947. Memo from Marshall, Aug. 20, 1947, FRUS, 1947, VIII, pp. 41-42. Memo from Marshall, Aug. 20, 1947, FRUS, VIII, pp. 42-44.

The Mexican delegation opposed such discussions on the grounds that "if the subversive activities were to be dealt with in the treaty this might well lead to attempts to restrict fundamental liberties". The US delegation also opposed the issue alleging that "measures against communism could best be left to the individual countries".[556] In fact a debate on communist activities in the continent would make it clear that the hidden meaning of the conference was to counter Soviet power in the continent. The concept of "hemispheric defence" was by far the best way of implying, without actually specifying that broad political intention.

For similar reasons the US delegation did not accept Brazilian suggestions that the treaty should define certain concrete military measures to be taken in case of aggression, since US planners were convinced that true hemispheric defence would be best accomplished through bilateral agreements[557] which would permit the USA to define each nation's role in case of war. The Inter-American Treaty of Reciprocal Assistance would be an acceptable *multilateral political framework* for bilateral military agreements between the United States and the other American Republics. It thus converted into a permanent treaty the temporary Act of Chapultepec on inter-American political solidarity and the maintenance of peace and security.

As expected the Brazilian delegation, headed by Raul Fernandes, closely collaborated with Gen. George Marshall, the US Secretary of State and head of the US delegation. As president of the Conference, Fernandes was able to prevent Cuba's thesis on "economic aggression" from being discussed. Cuba's proposal was connected to the Sugar Act passed by the US Congress which

556 Memoranda from Marshall (note SS). See also Macedo Soares to the MRE on Mexican opposition to an anti-communist programme, Sept. 19, 1947, AHI/Maço n. 36046.

557 Memo from Marshall, Aug. 22, 1947, FRUS, 1947, VIII, pp. 54-55.

permitted the US Secretary of agriculture to decree sanctions against any country whose Government did not give fair treatment to US citizens (The Cuban Government was then facing demands for compensation by US citizens amounting to five million dollars).[558]

Brazilian preoccupations at the conference were mainly military and juridical. The Brazilian military authorities feared that Argentina would sign the treaty in order to arm herself, "thus subverting the balance of forces that sustain peace in the hemisphere".[559] Itamaraty was impressed with the juridical effects of the treaty which involved the voluntary limitation of national sovereignty in favour of colletive decisions and actions. "A breach in unlimited national sovereignty was created" and each American nation had to contribute to international order by abdicating a certain degree of national autonomy.[560] At the closing session of the Conference, Minister Fernandes concluded that the most important abdication of national autonomy would be made by the United States, a curious inversion of the real political meaning of the conference. Even in theory it was quite difficult to speak of the "national unlimited sovereignty" of most of the Latin American nations and even more difficult to regard the Rio Conference as having resulted in a US abdication of national autonomy. On the

558 Sergio C. Costa, Brazilian representative in the PAU, to the MRE, July 29/30, 1947, AHI/Maço n. 36064. Fernandes to Ambassador Belt, Cuban delegate to the Conference, Aug. 22, 1947, AHI/Maço n. 36198. See also Pawley to the Secretary of State, Aug. 4, 5, 1947; and Marshall to the acting S. of State, Aug. 21, 1947, both in FRUS, 1947, VIII, pp.32-33, 33-34,52.

559 Canrobert, Minister of War, to Aranha, AO 47.02.24. Also Camillo de Oliveira, to the MRE, July 30, 1947, AHI/Malo n.36064.

560 Fernandes' speech at the closing session of the conference, AHI/Maço n. 36061A; also MRE, *Raul Fernandes, nonagésimo aniversário* (Rio de Janeiro, 1967), p. 247, and MRE, *Discursos en Montevideo* (Rio de Janeiro, 1947), p.11. See the same view of the results of the conference in Fernandes to Dutra, Sept. 25, 1947, AHI/DI/PR/Ofícios expedidos.; and J.N.Fontoura, *Relação entre o Estado e a Política Internacional* (Rio de Janeiro, 1948), p.13; and "Apreciação geral sobre a Conferência de Bogotá", *Boletim da Sociedade Brasileira de Direito Internacional* (Rio de Janeiro, 1948).

contrary the Conference summarized US Latin American policy under Truman's rule as concerning "security, determination to maintain political and economic hegemony, and the promotion of its own brand of democracy".[561]

The same concern was present during the Ninth International Conference of the American States held in Bogotá in April 1948. By then, however, the Cold War had begun and the "communist threat" took precedence over, and influenced many of the problems under consideration. In addition, there were considerable differences between US and Latin American expectations of the Conference. The Truman Administration was most interested in political proposals for the formalization of a permanent regional organization, while most of the Latin American governments were trying to formulate new inter-American policies in order to overcome the economic dislocations produced by the war.

On the political level there were no difficulties in establishing the Organization of the American States (OAS), whose charter set out rules for relations between the American States in terms of their rights and duties, the process of achieving peaceful solutions to disagreements as well as principles of economic co-operation. The charter also created the organizations through which these objectives could be realized.[562]

The main difficulties which were experienced concerned the different opinions regarding the kind of economic co-operation the Latin American states and the US hoped to set up. Most of the Latin American states were convinced of the need to overcome their structural position as suppliers of raw materials and widen the scope of the process of industrialization. In this

561 R.Trask, "The impact of the cold war on US-Latin American relations, 1945-1949", *Diplomacy History*, v.1, n.3, 1977. For a contemporary appreciation in similar line see C. Gomes, *Lima, Chapultepec, Rio de Janeiro, la ley de colaboración militar interamericana y la soberania nacional* (Buenos Aires, 1947).

562 Fernandes to Dutra, Feb. 26, 1949, AHIDI/PR/Ofícios expedidos.

connection they hoped to establish measures which would provide (1) long-term loans for large economic development projects; (2) recognition of protectionist policies for their newly created industries, (3) facilities for more larger and more stable exports to the rest of the world.[563]

The US delegation was not prepared to accept these demands. Since the Mexico Conference of 1945 the US Government had tried to convince Latin America of the benefits of her own economic policy, summed up by Professor R. A. Humphreys in the following principles: non discrimination; the abolition of restrictive trade practices, the effective reduction of trading barriers; the elimination of economic nationalism "in all its forms"; the just and equitable treatment of foreign enterprises and capital; the promotion of private and the discouragement of state enterprises in the conduct of trade; the necessity for industrial development to get "soundly based"; and, finally the need for higher living and progressive labour standards.[564] Two years later at the Rio Conference, Secretary Marshall said that the US Government was giving priority to Europe and asked Latin America to co-operate with these efforts. Meanwhile, he said, the US would continue to seek a solid basis of "practical co-operation" with her sister Republics.[565]

Thus the Bogotá Conference produced an Economic Agreement that tried through vague formulations on economic freedom and international aid for development projects, to achieve the impossible task of reconciling the two perspectives. It was clear, however, that whatever formulations could be reached,

563 "Relações Econômicas Inter-americanas", by Ambassador Martins is a very interesting diagnosis of the problem. Martins to Fernandes, March 23, 1948, AHI/MDB/Washington/Ofícios recebidos.

564 R. A. Humphreys, *Latin America and the Second World War, 1942-1945* (London, 1982), p. 216.

565 Marshall's speech at the inauguration of the Rio Conference, August 15, 1947, AHI/Maço n. 36192.

the future of inter-American economic co-operation would be determined largely by the disposition of the United States towards Latin America.

The Brazilian delegation to the Bogotá Conference, headed by ex-Minister João Neves da Fontoura and still motivated by the concept of Brazil as a "special ally", closely adhered to the orientation of the US delegation, as Fontoura himself declared to Marshall. The Brazilian representatives accepted the economic formulations proposed by the US delegates and were even willing to explain those formulations to the other delegations. The debate on communism and the inclusion of a specific anti-communist declaration, which was incorporated into the OAS charter in article 32 and was to be invoked in the future to justify US intervention in Santo Domingo, were also supported by the Brazilian Delegation.[566] There was some doubt among Brazilian governmental circles as to the usefulness of inter-American political, economic or military arrangements. As "special ally" Brazil stood to gain much more from bilateral relations with the United States. For this reason it was important to be on good terms with Washington at the inter-American meetings.[567]

A new role for Pan-Americanism

From 1945 onwards the inter-American system faced an "identity crisis" since the UN assumed the main functions of maintaining peace in international affairs. The contradiction

566 On the Brazilian position in Bogotá, see memo of conversation by Marshall, FRUS, 1948, IX, p. 27; MRE to BRASEMB B. Aires, March 17, 1948, AHI/MDB/B. Aires/Telegramas minutas. On the conference in the context of Truman's economic policy for Latin America, see D. Green, "The Cold War Comes to Latin America", in Berstein (ed.) *Politics & Policies of the Truman Administration* (Chicago, 1972) and S. Baily, *The United States and the Development of South America, 1945-1975* (New York, 1976), chapter 3.

567 Memo from the Army Chief of Staff, sent by the Minister of War to the MRE September 18, 1946, AHI/DI/MG/Avisos recebidos; Fontoura to MRE, September 10, 1946, AHI/Maço n.36474.

between "regionalism" and "universalism" was resolved under the Truman Administration by an open challenge to Soviet policy and the re-affirmation of the US right to improve her own regional system regardless of whether this contributed to the worsening of relations between the two Superpowers.

The Latin American allies of the United States were eager to give the regional system a large degree of autonomy but the US Government managed to restrict the OAS to the main rules of the United Nations.[568] Latin American political personalities soon started to think that the regional system was perfectly compatible with the world organization, a feeling expressed by formulations such as "universalism is the synthesis of particularism" and the "OAS is a source of vitality for the United Nations".[569] For more experienced politicians such as Aranha, the main problem was not the existence of the UN but the new US strategic interests in other parts of the world which relegated the regional system to a second or third place in the order of priorities of the United States.[570] In other words, the regional system was not intended to coordinate the American States, but to constitute a minor part of a larger *power system* of virtually global dimensions.

If the inter-American system was mainly a means for the US to coordinate her southern flank and Pan-Americanism was the formulation *par excellence* of this leadership, the magnified scope of US post-war strategy and the consequent dislocation of Latin America as a vital area of interest meant that also Pan-Americanism was no longer the major link between the countries south of the Rio Grande. Their new formulations for US hegemonic

568 BRASEMB Washington to MRE, January 19, 1946, AHI/Maço 35822.

569 BRASIL. MRE. *A Serviço do Itamaraty* (Rio de Janeiro, 1948), pp. 44,48. A. Rocha, "O Pan-Americanismo, uma Força Viva", *Boletim da União Panamericana*, October 1947. Also Muniz to Aranha, OA 46.12.09.

570 Aranha to Fernandes, OA 47.01.21/1; Martins to the MRE, March 3, 1947, AHI/MDB/Washington/Cartas-telegramas recebidas.

interests in economic, political and military plans had to be created. Soon after the end of the war expressions such as the "Western World", "Western Civilization", the "Free World" and "Christian Civilization" became current in official speeches as metaphors for the conflict between capitalism and communism. In Latin America this movement led to a re-interpretation of Pan-Americanism in order to adapt it to the new expressions of the US global *power system*. The Committee of Political Defence of the Continent approved at the end of 1946 a study project on the political defence that was simply a revival of an old project for fighting Axis influence and was adopted with only minor alterations – the term "nazi-fascist" was replaced by "totalitarian" and an article on "subversive movements, inspired and directed from abroad" was included.[571] It was no coincidence that at this time some of those in charge of the Pan-American Union started to claim that:

> *Pan-Americanism… is a flexible movement that adapt itself to the change of circumstances, to new impulses, new ideas or new tendencies. Pan-Americanism always defined itself as an instrument of a clear internationalist tendency.*[572]

The new ideas and new internationalist tendencies of Pan-Americanism pointed not to hemispheric collaboration but to integration in a "Western civilization", threatened by obscure and expansionist forces of a Godless Eastern World. Even Brazilian leaders and writers started to speak of Brazil as having a policy with an "Atlantic physiognomy" and as belonging to Western Christian civilization.[573]

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571 A. Bastos, Brazilian representative, to the MRE, Jan. 3, 1947 (incorrectly dated 1946); O. Correia, Brazilian representative, to Fernandes, April 2, 3, 1948, both in AHI/DE/UPA/Ofícios recebidos.

572 M. S. Canyes, A IX Conferência Internacional Americana, *Boletim da União Pan-Americana*, Sept. 1947, p. 407. L. Quintanilla, Pan-Americanismo e Internacionalismo, *Boletim...* Feb.1947, p. 55.

573 Brasil. MRE. *A Serviço...*, p. 37. Among Brazilian writers the most common formulation of the new tendencies was G. C. Silva's *Geopolítica do Brasil* (Rio de Janeiro, 1967).

The days of the "American lake" had passed and had given way to the realities of the Cold War. The US empire had grown and Pan-American ideals also had to give way to integration within a broader message, the message of the "free world".

At the closing session of the Rio Conference President Truman emphasised the fact that:

> *the United States is deeply conscious of its position in world affairs... The people of the United States engaged in the recent war in the deep faith that we were opening the way to a free world.*[574]

During the war Pan-Americanism spread the message of "hemispheric collaboration", which in fact meant the superiority of the US model of civilization in opposition to the national-socialist "new order".[575] From 1947 onwards Pan-Americanism extended its message to include integration into the "free world", which in fact meant militant anti-communist attitudes and even an anti-Soviet policy.

Brazil and the United States

A basic premise of Brazilian political and military leaders was the affirmation of Brazil's special position *vis-à-vis* the United States. While supporting multilateral initiatives, their main efforts were directed towards Brazil-United States bilateral relations. According to this idea Brazilian participation in World War II had assured her of special treatment among the American nations, a position which should be preserved in order to ensure Brazil's predominance in South America.[576]

574 Adress by President Truman to the closing session of the Rio Conference, Sept. 2, 1947, AHI/Maço n. 36197.

575 I have discussed the meaning of "hemispheric collaboration" between 1940-1945 in "O OCIAA e o Império Americano: o 'American way of life' chega ao Brasil". (Rio de Janeiro, 1981).

576 BRASIL. MRE. *A Serviço do Itamaraty*, p. 65. See Fontoura to the Secretary of State, Sept. 10, 1946, AHI/Maço n. 36474. Canrobert to the MRE sending document from the Brazilian Army's General Staff on the matter, Sept. 16, 1946, AHI/DI/MG/Avisos recebidos.

Nevertheless the Brazilian Government could no longer enter into the type of negotiation that had been possible until 1944. New models of military and economic collaboration between the US and the countries of Latin America were set in motion in the immediate post-war years. All these nations were placed in a similar position *vis-à-vis* US assistance.[577] But despite all the evidence, Brazilian political and military leaders sustained the illusion of being a "special ally" of the United States.

Military collaboration

The year of 1946 was crucial for Brazilian-United States collaboration. Under the leadership of Góes Monteiro, the Minister of War since August 1945, plans for a complete reorganization of Brazil's military establishment in accordance with the Inter-American Military Cooperation Program were launched. Having fought in the war, the Brazil's armed forces enjoyed the greatest military potential among her Latin American neighbours and the Brazilian Government was determined to reinforce this position, particularly in relation to Argentina.[578]

The main changes occurred in the army, whose organization, training and armaments were brought in line with the US model. In 1946 a Joint General Staff for the armed forces was create and a number of laws provided for the reorganization of the Ministry of War, and the organization of the Cadres and active personnel of the army – all along US lines. Training for the Brazilian armed forces was provided by the Joint Brazil-United States Military Commission whose personnel increased to a total of sixty officers and thirty men of other ranks.[579]

577 On military assistance, see Acheson to the Secretary of War, Aug. 22, 1947, FRUS, 1947, VIII, p.120.

578 Góes Monteiro to Kroner, Feb. 1946, NA/Góes Monteiro papers, AP, 14.51; Góes Monteiro to Cordeiro de Farias, June 10, 1946, NA/G.M. papers, AP15.51; Canrobert to Aranha, AO 47.02.24.

579 Annual report on the Brazilian army, gainer to Bevin, Jan. 22, 1947, FO 371 61215 (AS489/489/6). See also the Annual report of Jan. 22, 1947, FO371 61204 (AS490/45/6). Collaboration was so close that

However, in the same year, Gen. Cesar Obino, Chief of Staff of the Brazilian army, initiated talks with the US army in order to establish the *Escola Superior de Guerra*, modelled on the National War College of Washington.[580] Although some authors have emphasized the different functional orientation of the *Escola Superior de Guerra vis-à-vis* the US National War College,[581] the range of its activities in terms of technical and ideological adaptation to US military patterns is probably its most significant characteristic. US officers were assigned to teach in the new "College" which was inspired by the combined doctrines of "hemispheric security" and "national security" – a Cold War development of the old ideas of "hemispheric defence" and "national defence". Studying the Brazilian National War College, Vanda Aderaldo, a Brazilian political scientist, concluded that the doctrine of "hemispheric security" represented a limitation of the concept of national sovereignty. The Brazilian military was prepared to accept this limitation in order to increase its strength, particularly as a national organization with definite political influence.[582]

The basis of Brazil's military projects was the realisation that, since the world was divided into two blocs, the possibility of a third world war could not be ignored. Brazil was not a military nation but had the potential to help the United States in a far more effective way than had been the case during the recent conflict. Close collaboration with Washington was necessary for

US intelligence agencies were directly related to the intelligence division of the General Staff of the Brazilian Ministry of War. Kroner to the Adjuntant General of the Army, Feb. 18, 1946, NA/RG 319 A. Staff P&O 200.63. See also extension of US naval and air mission in Brazil for four years from May 7, 1946, *Documents on American Foreign relations,* 1946, v. VIII, p. 768.

580 A. Camargo & W. Goes, *Meio Século de Combate* (Rio de Janeiro, 1981), p. 413.

581 A. Barros, "The Brazilian Military, professional socialization, political performance and state building" (Ph.D., University of Chicago, 1973); A. Stepan, *The Military in Politics* (Princeton, 1973), pp. 174-175.

582 V. Aderaldo, "A Escola Superior de Guerra" (M.A. IUPERJ, Rio de Janeiro, 1978), chapter III.

hemispheric defence and, in the case of a war involving the whole continent, Brazil's strategic position was far more important than that of Argentina. This fact was regarded as sufficient to justify Brazil's pretentions to a stronger military position than that of Argentina. For these reasons the Brazilian military authorities were prepared not only to receive training, armaments and technical assistance from the USA, but also to limit Argentina's access to those benefits,[583] and therefore tried to affirm Brazil's right to be the judge of the quantity of armaments necessary to her defence.[584]

Argentina was a complex problem for the Brazilian authorities. Although desiring better relations between the United States and Argentina in order to preserve hemispheric unity and to avoid complications on the southern border, Brazil did not want the US to arm Argentina, at least not to the point where Argentina rivalled Brazil's military strength and could threaten her superiority.[585] Although the US Government gave Brazil guarantees that military agreements with other Latin American nations should not affect Brazilian security,[586] these did not satisfy the Brazilian military leadership, who wanted the US to consult with Brazil before determining her arms supply policy regarding Argentina. They were in fact trying to use close collaboration with the United

583 Góes Monteiro to Cordeiro de Farias, Apr. 2, 1946; Gen. Benício da Silva to Góes Monteiro, July 4, 1946 – both in AN/G.M. papers, AP 15.51. See also Alvaro Alberto's concern at the manufacture of guided rockets by Argentina, A. Alberto to Bernard Baruch, PUL/Baruch papers, June 17, 1947. See also memo from Braddock, Dec. 10, 1946, FRUS, 1946, XI, p. 460.

584 Walsh to Eisenhower, Feb. 19, 1946, NA/RG 165 WD ABC 400 3295 Sec. I-C. Memo from Cooke (US Naval Attaché) July 16, 1946; Pawley to the DS, July 17, 1946; memo from DS, Dec.10, 1946 – all in NA/RG 59 810.20 Defense.

585 Memo from the DS, NA/RG 59 711.32/7-946. Also Pawley to Braddock, 810.20 Defense/12-2646.

586 US Embassy to the DS. June 19, 24 1946; DS to AMEMBASSY RIO, June 20, 1946 – both in NA/RG 59 810.20 Defense. See also Monthly Political Report for June, 832.00/7-146 and memo from Braddock to Briggs, July 9, 1946; memo from the DS, July 7, 1946 – both in 711.32.

States as a means of achieving the status of a major power in Latin America.

Nevertheless, this Brazilian intention conflicted with current War Department policy on hemispheric defence, which provided for the limited and balanced supply of arms to the Latin American nations. The US Government was not prepared to play this game with the Brazilian military authorities because Brazilian demands seemed more concerned with a potential conflict with Argentina than with hemispheric defence.[587] The United States felt that her policy of bilateral agreements better enabled her to control decision over the degree of military power each nation of the hemisphere should retain.[588]

Within this framework, two questions concerning US-Brazilian relations arose in 1946. These related to the civil aviation agreement and the revision of the US-Brazilian Military Air Agreement over strategic US bases in Brazil.

The US military had learned from pre-war air transportation experiences in South America that a network of US airlines could constitute a major contribution to US strategic superiority in the continent. For this reason Washington tried to reach bilateral civil aviation agreements with each Latin American country. A proposed agreement was presented to Brazil in December 1945 and in May 1946 the US Embassy in Rio insisted on immediate discussions, hoping "that the negotiations may be brought to an early conclusion".[589] There were many reasons for US haste. Brig. Trompowsky, Brazilian Minister of Aviation, was regarded as

587 Gainer to Bevin (Foreign Office), Feb. 22, 1946, FO371 51900 (AS1086/13/6). Dreiner to Briggs, March 18, 1947, NA/RG 59 810.20 Defense/3-1847; memo from Brig. Gen. Saville, US Army member of JBUSMC, June 20, 1947, NA/RG 319 Records of the Army Staff, P&O 381 T.S. (Sec.V). Also Maj. Gen. Bolte to Maj. Gen. Mullins, NA/RG 319 A.S. P&O 091 LA (Sec.II).

588 Memo from Bissel on "United States Policy Towards Brazil", n.d., NA/RG165 OPD 336 Brazil.

589 AMEMBASSY to the MRE, May 31, 1946, AHI/RE/EUA/Notas recebidas.

less nationalist than other officials, and as prepared to facilitate the adoption of US plans. Furthermore, if the agreement was concluded before the date on which the new Brazilian Constitution became effective, it could be realized by an executive decree thus avoiding an unpredictable debate in the National Congress.[590]

US bilateral agreements were based on principles of free competition and thus excluded reciprocal privileges, such as the idea that each flight by a US airline should correspond to a flight by a Brazilian airline. Free competition meant the complete domination of air routes by the networks of the more powerful national airlines. US haste permitted Brazil to establish a similar number of routes for Brazilian airlines to the United States, as well as to cancel a coastal route then in the hands of Pan-American Airlines. Nevertheless, the agreement was also advantageous to US airlines since it allowed many stopovers in Brazilian territory on each route, thus giving US airlines certain privileges in Brazilian domestic traffic.[591] After a few months of discussion the agreement was signed on September 6, 1946, before the new Constitution was put into effect as the US Government had planned.

A second question – that of the US-Brazil Military Air Agreement which had been signed in 1944 and effective until 1954 – was discussed by the Brazilian Government. The maintenance of strategic bases in US hands was a delicate political issue in the context of democratization and free political debate. In the beginning of 1947 the US troops in Brazil began to return home and US strategic airport installations in Brazil were transferred to the Brazilian air force, although the US retained the right to use them. The Brazilian

590 AMEBASSY Rio to MRE (as above); Martins to the MRE, Sept. 23, 1946, AHI/MDB/Washington/Cartas-telegramas recebidas. Daniels to DS, NA/RG59 711.3227/5-846; John Mein (memo DS), 711.3227/7-3146.

591 Daniels to DS, May 8, 28, July 24, 25, 1946, NA/RG59 711.3227. Pawley to DS, Aug. 26, Sept. 7, 1946; DS to Pawley, Aug. 29, 1946, FRUS, 1946, XI, pp. 477-479. Martins to the MRE, Sept. 23, 1946 AHI/MDB/Washington/Cartas-telegramas recebidas.

military proposed revising the Agreement so that: "free use of the strategic airports" should be changed to "use in emergency or war affecting security of the hemisphere"; maintenance of those airports should become Brazil's responsibility; a clause of reciprocity referring to military transport rights would be included.[592]

Washington resisted the idea of revising the agreement since the War and State Department considered it "essential to the national security of the United States". Nevertheless the pressure of international situation and a United Nations resolution on the General Regulation and Reduction of Armaments, led the US to begin talks with the Brazilian Government. The UN resolution recommended, in December 14, 1946, "the withdrawal without delay of armed forces stationed in the territories of Members without their consent freely and publicly expressed in treaties".[593] US remaining forces were allowed to stay in Brazilian territory,[594] but the Brazilian military insisted on revising the agreement at the JBUSMC in the following year. Washington resisted the initiative, fearing that it could lead to a public debate and the agreement remained unmodified until the end of the Dutra Administration.

Economic collaboration

It is frequently suggested by scholars that after the war the Truman Administration reoriented US economic policy towards Latin America. The main feature of this reorientation, it is claimed, was the persistent refusal to provide government-to-government loans to finance major economic development would be better accomplished through the creation of solid conditions for foreign investments in national productive sectors, particularly raw and

592 Pawley to Dean Acheson, NA/RG 59 711.32/3-1247.

593 DS to AMEMBASSY Rio, Aug. 1, 1947, FRUS, 1947, VIII, pp. 410-12.

594 Canrobert to the Minister of Foreign Relations, Oct. 25, 1947, AHI/DI/MG/Avisos recebidos.

strategic materials. A good example of this new trend was the failure of a Brazilian economic mission to Washington in 1946 to obtain government-to-government loans in order to completely re-equip land and sea communications.[595] In 1947 the State Department opposed a loan from the Eximbank to construct an oil refinery in Brazil on the grounds that "such a loan would serve to strengthen those in Brazil who wish a domestic monopoly on all phases of oil production".[596] This was a completely mistaken evaluation of the Brazilian situation.

The Brazilian authorities viewed the kind of economic assistance they had received from the United States for the Volta Redonda steel plant as a model for US economic collaboration with Brazil. They were mistaken like many analysts of the period – and confused US emergency plans during the war with a "new economic policy" for the continent. In fact, the Roosevelt Administration did not seriously consider long-term economic planning for Latin America, as previous discussed (Ch. 1 and 2). Volta Redonda had been an exception in US economic policy towards Brazil and was clearly connected to the special political conditions of 1940, as shown in Chapter 2. In fact, the US Government was aware of the fact that Latin American countries had increased their commercial balances during the war and would increasingly demand manufactured goods in the future, and was determined to guarantee those markets exclusively for US industries.[597] There

595 Fontoura to Vargas, GV 46.04.06; Martins to Vargas, GV 46.06.19/3. Aranha soon realised that the USA was no longer interested in giving assistance to Brazil as had been the case during the war, Aranha to Fernandes, OA 47.03.18; also Queiroz Lima to Vargas, GV 47.09.00/1. See also Pawley to Truman, December 20, 1946, HTL/PSF and memo from the DS, NA/RG 59 711.32/5-2147. S. Baily refers to the Brazilian mission to Washington, S. Baily, *op. cit.*, p. 58.

596 Dawson to Armour, NA/RG 59 711.32/7-1547.

597 N. Charles to the Foreign Office, April 12, 1943, FO 371 33666 (A3934/518/6) and February 5, 1942, FO 371 30365 (A2674"2674/6). See also reference numbers FO 371 30360, 30367, 30369. The importance of Latin American markets for US businesses in post-war years was recognized by Lockwood (OCIAA) to Nelson Rockefeller, September 21, 1944, NA/RG 229.1.2 – Post-war planning.

was no room for Brazilian industrial development in Roosevelt's economic policy for Latin America.

The Truman Administration did not change the main lines of Roosevelt's economic policy. When the war ended, emergency plans and US public investment in Brazilian (and Latin American) projects simply faded out. The new Administration reaffirmed its interest in Brazilian production of raw materials, particularly petroleum and strategic minerals, and insisted on complete freedom of action for foreign capital to exploit these materials. Those government-to-government agreements which were contemplated by the Truman Administration were confined to specific areas of interest, such as "rural education" and "technical industrial education". Emphasis on rural education naturally emphasized Brazil's "agricultural vocation" and aimed to familiarise Brazilian farmers with the US techniques. It was expected that these "educational" agreements would result in the greater use of machinery which would have to be purchased in the United States.[598] Heavy industrialization had, of course, no place in this scheme.

From 1945 onwards the US Government elaborated these ideas of freedom for foreign capital on a global scale. It strongly defended the inclusion of "liberal principles" in the Act of Chapultepec, claiming equal treatment and "access by all peoples on equal terms to trade and raw materials of the world".[599] It is not surprising that in 1946 the US Government was so interested in the elaboration of a new Brazilian Constitution which would

598 As noted by the British Ambassador to Bevin, Nov. 22, 1946, FO 371 51909 (AS7452/15/6). The relatively small loans made by the Eximbank in this period were linked to US exports. See *Documents on American Foreign Relations*, 1947, v. VIII, p. 430.

599 Acting Sec. Of State to Daniels, April 2, 1946, FRUS, 1946, XI, p. 540. The theme was insistently repeated by US agencies and representatives; see Pawley to Truman Dec. 20, 1946, HTL/PSF; Dawson to Armour, NA/RG59 711.32/7-1547; Lovett to Truman, Dec.18, 1947, HTL/OF. On the Eximbank's "new" policy in 1946, see C. Martins to Fontoura, March 20, April 3, 1946, AHI/MDB/Washington/Ofícios recebidos.

establish the basic principles of the Brazilian economic and social order after the war.

On December 2, 1945 Brazilian voters elected not only a new President but also representatives to a Constituent Assembly whose task would be to prepare a new *Magna Carta* to replace the dictatorship's Constitution of the 1937. The Constituent Assembly began work on February 2 and proclaimed the new Constitution on September 19 1946. The Assembly was to be divided into two Houses, the *Senado* and the *Câmara dos Deputados* representing the Legislative Branch of the State. The "Constitution of 1946" reflected the conservative-liberal majority of the Assembly and remained in force until 1964.[600]

US and British diplomats and businessmen in Rio de Janeiro carefully followed the discussions of the new Brazilian Constitution and played an important role in the discussion of certain vital questions. Allied fears were that the new *Magna Carta* would create an economic order based on "nationalistic" principles, thus preventing foreign economic interests in Brazil from increasing. According both the US and the British Embassies actively pressed the Constituint deputies to formulate a Constitution which would treat foreign interests generously.[601]

The United States and the United Kingdom realised that they had good allies in the Brazilian Government since "the present Administration is anxious to promote a more liberal policy than the Vargas Administration". Besides the President, they also had good friends in certain departments including the Ministries of

600 On the Constituent Assembly works, see H. Silva, *1945: Por que Depuseram Vargas* (Rio de Janeiro, 1976) and O. D. Pereira, *O que é a Constituição* (Rio de Janeiro, 1964).

601 Hadow (British Embassy, Washington) to South American Department (Foreign Office), May 5 1946, FO371 51905 (AS2913/15/6). Velloso to the MRE, May 19, 1946, AHI/DE/ONU/Telegramas recebidos.

Foreign Affairs, Justice and Communications (Transport).[602] The Minister of Foreign Affairs echoed British worries about "jacobinism" in the Brazilian Constitution. The Ministers of Justice and Communications tried to include in the Constitution the clearest possible guarantees to foreign capital, "laying down one for all the principle that foreign capital shall be granted the same rights, privileges and duties as national capital".[603]

The British still retained substantial interests in bank and insurance capital in Brazil and were more worried by the clause in the draft according to which foreign deposit banks and insurance companies might operate in Brazil only if their shareholders were Brazilian. The ambassador presented the British concerns to Itamaraty saying that liberal treatment for foreign enterprises was essential to the organization of a world economy and, of course, to the economic and commercial development of Brazil. A subtle threat of reducing cultural and commercial relations with Brazil was also included in the message, in case of a victory for protectionist policies.

Itamaraty not only took note of this message but also advised the British Embassy about the best way of presenting it.[604] The British memorandum was read "with much pleasure and interest" by the Brazilian Minister of Foreign Affairs, who sent a copy to the President and the majority leader in Congress. The Minister also assured the British Ambassador that "the Government

602 On the new liberal wave in Brazil under Dutra's rule see Clayton (DS) to Daniels, NA/RG59 711.322/4-2346. Also Gainer to the Foreign Office, May 7, 1946, FO371 51901 (AS2514/13/6).

603 Fontoura to MRE, Aug.12, 1946, AHI/Maço n.36520. Gainer to the Foreign Office, May 7, 1946, FO371 51901 (AS2514/13/6).

604 Gainer to Fontoura, June 6, 1946, FO128 447 (87/93/46). The stages of this British move are found in the correspondence between the British Ambassador in Rio and the Foreign Office, May 20, 20, 30, 30 1946, all in FO128 447 (66, 67, 77, 78/93/46). See also Foreign Office to Gainer, June 5, 1946, FO128 447 (83/93/46); Foreign Office to the British Embassy in Rio, July 19, 1946, FO371 51906 (AS4423/15/6); memo from the Foreign Office, FO128 448 (1832/499/53).

would use every means in their power to remove from the draft all such obnoxious restrictions".[605] Of course this had to be done "carefully and behind the scenes" because the Constituent Assembly was a "sovereign body which was jealous of its rights", and "it was important that members should not learn that the Ministry for Foreign Affairs was behind the drive to liberalize the Constitution".[606] The Minister held talks with Senator Nereu Ramos, the majority leader in the assembly, who had agreed to present the amendments himself as if they had come from the *Partido Social Democrático* (PSD). The amendments were presented to the Assembly by deputies Aldo Sampaio and João Cleofas with the support of many PSD deputies and were approved in spite of opposition from many nationalist and communist congressmen.[607] The British companies expressed their "deep appreciation of the work of the Ambassador and his staff".[608]

Although the US was also worried by the question of foreign capital investment in Brazil, it paid more attention to questions related to petroleum and mining. The draft clause on "Social and Economic Order" established that the exploitation of mineral resources and hydraulic energy depended on Federal authorization or concession under the terms of the law, although Section 1 of this clause stated that "authorizations or concessions shall be granted exclusively to Brazilian physical or juridical persons".[609]

The US Government was greatly concerned with the Brazilian oil situation and, on this matter, the State Department

605 Gainer to the Foreign Office, June 14, 1946, FO128 447 (92/93/46).

606 Gainer to the Foreign Office, June 11, 1946, FO128 447 (91/93/96).

607 O. D. Pereira, *op. cit.,* p. 222.

608 Fire Office's Committee to the Foreign Office, Nov. 18, 1946, FO371 51909 (AS7212/15/56).

609 Memo from the US Embassy in Rio, NA/RG59 832.011/8-746; Daniels to the Sec. of State, 832.011/5-3146.

acted in intimate consultation with the major oil companies. In November 1945 the State Department had tried to obstruct a Brazilian project under consideration by the National Petroleum Council for the construction and operation of two refineries by Brazilian companies. Although the marketing of oil in Brazil at that time was virtually monopolised by Standard Oil, the US Government opposed the Brazilian project on the grounds that the supply of crude oil to these Brazilian refineries would give rise to a cartel arrangement. The State Department also invoked the economic principles established by the Conference of Chapultepec, subscribed to by both the United States and Brazil, on equitable treatment for foreign enterprises.[610] Even a partnership in which US companies held minority interests was rejected by the State Department because it "would have serious effects on this Government's overall policy with respect to protection of American interests in other Latin American countries, i.e., Mexico".[611] The State Department and the oil companies were interested in concession contracts, not in joint ventures.[612]

The intense mobilization of US interests in the face of discussions concerning surface and underground exploration in the Brazilian Constituent Assembly in 1946 are not, therefore, surprising. US oil companies as the major expression of private and public US interests in Brazil actively participated in events. The oil companies urged the State Department "to use its negotiating strength to promote conditions favourable to American trade

610 Ambassador Berle strongly opposed this attempt to deny the right of the Brazilian Government or private enterprises to enter the refining business, bacause this would irreparably damage US-Brazilian relations. Details of the issue are to be found in FRUS, 1946, v.XI, pp. 523-540.

611 DS to Berle, Nov.19, 1945, FRUS, 1946, XI, p. 529.

612 G.Philip, *Oil and Politics in Latin America* (Cambridge, 1982), p. 232.

and investment abroad".[613] Standard Oil sent an agent named P. Schoppel to actively press the Brazilian authorities to obtain more liberal legislation on oil matters. Itamaraty was also willing to collaborate, since it was convinced this was the best way of contributing to Brazilian development.[614]

The US Embassy's efforts were directed at convincing the Brazilian Government of the need for "liberalization" of the Constitution. Its strongest ally was also Itamaraty that presented the US Government's views to the Draft Commission.[615]

In addition to the active collaboration of the Brazilian authorities, foreign interests were benefited by other events. The assembly's discussions on mineral exploration took place during a time of great social and political unrest. By the end of August, large scale riots against the scarcity of food and high prices were taking place. Peaceful demonstrations often turned into acts of violence, stimulated by people apparently connected with the police, and justified violent repressive measures against innocent demonstrators and union leaders. Police measures created the impression that such riots were even welcome by the authorities, a fact which was noted by some deputies.[616]

The Government tried to link the riots with communist propaganda and authorized a series of repressive measures. Many deputies had their homes searched and some union leaders were imprisoned in August 30. On the following day the President of the

613 Memo of conversation by Loftus (DS), April 3, 1946, FRUS, 1946, XI, pp. 541-542.

614 MRE to the Brazilian Embassy in Washington, April 13, 1946, AHI/Malo n.36730. On the activities of the Standard Oil agent, see L.Coutinho & J.Silveira, *O Petróleo do Brasil: Tradição e Vitória* (Rio de Janeiro, 1959), part two, chapter V. On the oil problem in the Constituent Assembly see also G.Cohn, *Petróleo e Nacionalismo* (S. Paulo, 1968), pp. 76-93.

615 Acheson to Daniels, May 10, 1946; Daniels to the Sec. of State, May 14, 31, 1946; Daniels to the Sec. of State, June 7, 1946, FRUS, 1946, XI, pp. 546-547.

616 Gainer to the Foreign Office, Aug. 31, 1946, FO371 51902 (AS5265/13/6). See also O. D. Pereira, *op. cit.*, pp. 225-6.

Constituent Assembly, under instructions from President Dutra, intended to raise the question of the riots in the House in order to issue a decree banning the Communist Party.[617] In fact the police was ready for action and had already prepared plans in case the party leaders resisted. The riots were thus used as an opportunity to put the plan into action.[618]

Nevertheless, in the Constituent Assembly, the prompt reaction of liberal and left-wing deputies caused the plan to fail – no ban was issued and the police had to release the communist and union leaders whom they had imprisoned. Even so, the atmosphere of a state of seige and rumours that the Assembly was to be dissolved did create a climate of unease and intimidation.[619] The text approved on August 31 provided for the exploration for mineral resources to be dependant upon federal authorization or concession as provided by law. Authorization or concessions for mines were to be granted to Brazilians or "companies organized in Brazil", which could include foreign interests.

The representatives of the oil companies in Rio de Janeiro were satisfied with the provisions of the new Constitution which they all felt "opened the door" to foreign capital. In the view of the US Embassy "this Constitution gives an opportunity to foreign capital to participate in mining in Brazil for the first time in ten years". Although it is true that much would depend upon the interpretation of the law in its application to non-Brazilians, US interests were in general confident of future developments.[620]

617 Pawley to the DS, NA/RG 832.5018/9-346; O. D. Pereira, *op. cit.*, p. 225.

618 Pawley to Truman, Aug. 16, 1946, HTL/WHCF; Pawley to Braden, memo annex, NA/RG59 832.00/8-1646.

619 O. D. Pereira, *op. cit.*, pp. 227, 239.

620 Brazilian Constitution of 1946: commentary. US Embassy to the State Department, NA/RG59 832.011/10-846.

Both for strategic and economic interests, the US Government and the private oil companies tried to control the production and distribution of petroleum, and other materials, throughout the continent in the post-war years.[621] After the signature of the new Brazilian Constitution, they focused their attention on the specific legislation under consideration by the Houses of Congress. The US State Department and the British Foreign Office were even able to give the Draft Committee a "list of principles" that they wanted the Brazilian legislation to adopt.[622] The oil companies were also active and made their views about "acceptable legislation of petroleum exploration in Brazil" known to several departments of the Brazilian Government.[623]

The US Ambassador was particularly active and was able to make his views known to the Brazilian administration and the National Congress. He stressed the need for a petroleum law "acceptable to foreign capital", and even obtained permission from President Dutra for two representatives of US oil interests to travel to Brazil "to act as advisors to the President and the Government on the writing of the new petroleum law".[624] The US Ambassador also vetoed a loan of US 7.5 million dollars by a US bank to the Drault Ernani group in order to build a refinery, and warned the Brazilian authorities of the need for such legislation.[625]

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621 "A program should be undertaken by the United States to assure a constant flow of strategic and critical materials from Latin America in sufficient volume to meet our defense needs", "Strategic and critical materials in Latin America", Feb. 18, 1948, NA/RG218, record of the US JCS, CCS 401.1.2-LA. See also Daniels to the Sec. of State, NA/RG59 FW810.20 Defense/12-247.

622 Foreign Office to Gainer, Jan. 2, 1947, FO128 460 (11/56/47); Min. of Fuel and Power to the British Embassy in Rio, Jan. 3, 1947 and to Murray (Foreign Office), Feb. 3, 1946 – both in FO371 61206 (AS124,178/164/6). Also Gainer to the Foreign Office, Jan. 23, 1947, FO128 460.

623 JCR to King British Embassy in Rio, Jan. 21, 1947; D. Gainer to Min. of Communications, Jan. 22, 1947; Shell-Mex of Brazil Ltd. to Commercial Counselor, Feb. 12, 1947, all in FO 128 460.

624 Pawley to Marshall, May 3, 1947, NA/RG59 711.32/6-947; Dawson to Pawley, 711.32/6-907. Not surprisingly the "advisors" criticized the draft legislation under consideration by the Congress, Reed (Shell-Mex) to Young, July 1947, FO128 460, 12/56/47.

625 L. Coutinho & J. Silveira, *op. cit.*, pp. 496-502. Conversation between Pawley and Dutra, as reported by Young (British Embassy) to Shuckburgh (Foreign Office), June 30, 1947 FO 128 460 (11/56/47);

Despite this pressure the Dutra Administration and the National Congress did not approve the legislation in accordance with the interests of the big oil companies. The US explanation for this delay was that a minority of "selfish" nationalists and communists were able to block the progress of the bill through Congress.[626] In reality public opinion in Brazil was increasingly in favour of the defence of mineral resources, particularly petroleum. The campaign reached the whole country and debate in professional associations, scientific institutions, political organizations, Parliament, and the armed forces, produced great popular demonstrations.[627]

Various trends – nationalist, communist and even right-wing movements – supported the campaign. In the *Clube Militar* the nationalist tendency, led by Gen. Horta Barbosa, former President of the *Conselho Nacional do Petróleo* (1938-1943), and Gen. Estillace Leal, a former *tenente* promoted a series of lectures and debates on economic development, with special reference to petroleum. The growing membership of the *Clube* in these years indicated the military's growing interest in politics, inasmuch as the military factions in the *Clube* were defined along "nationalist" and "neo-liberal" lines.[628] In 1948 and 1950 the nationalist tendency

Dawson to Armour, NA/RG59 711.32/7-1547. See also MRE to BRASEMB Washington, May 8, 1947, AHI/MDB/Washington/Telegramas expedidos; Daniels to Gracie (MRE) May 13, 1947, AHI/RE/EUA/ Notas recebidas.

626 Pawley to Marshall, May 3, 1947, NA/RG 59 711.32/6-947. The idea of a "small but aggressive nationalistic minority" also appears in the DS papers as in a Draft of Policy Statement, NA/RG 59 711.321/7-248.

627 Accounts of this mobilization can be found in L. Martins, *Pouvoir et Développement Économique* (Paris, 1976), pp. 320-333; J. Wirth, *The Politics of Brazilian Development,* (Stanford, 1970), pp. 160-183; G. Cohn, *op. cit.*, pp. 104-124; M. Victor, *A Batalha do Petróleo Brasileiro* (Rio de Janeiro, 1968), pp. 292-293; E.L. Carvalho, *Petróleo: Salvação ou Desgraça do Brasil?* (Rio de Janeiro, 1950), p.129.

628 The *Clube Militar* as a *locus* of military political confrontation in this period has been analysed by A.C. Peixoto, "Le Clube Militar et les Affrontements au Sein des Forces Armées", in A. Rouquié (ed.), *Les Parties Militaires au Brésil* (Paris, 1980). For a brief historical review of the *Clube,* see article by R. Hayes in H. Keith & R. Hayes (eds.) *Perspectives on Armed Politics in Brazil* (Tempe, 1976).

elected as Presidents of the *Clube Militar* Gen. Cesar Obino and Gen. Estillac Leal respectively and the campaign for petroleum defence gained great support. In 1947 the *Liga de Defesa Nacional* a respected civil association headed by Oswaldo Aranha, became active in the petroleum campaign. Aranha not only supported the nationalization of oil exploration but also claimed that only the State should prospect for oil.[629] The new *Centro de Estudos de Defesa do Petróleo e da Economia Nacional*, headed by Gen. Leitão de Carvalho and linked to many regional offices, was very active in the campaign, as was the *União Nacional dos Estudantes* and its regional associates. All of them argued for the nationalization of oil production under the slogan "O petróleo é nosso" (The petroleum is ours).

The Government was thwarted by its internal division. It is true that in February 1948 the Dutra Administration presented a Draft Statute on oil matters to Congress according to which the refining and transport of all petroleum for domestic use should be reserved for companies where 60% of the total capital was controlled by Brazilian nationals. The draft opened the door to foreign interests but was opposed by a growing public movement. When a popular demonstration in the streets led by seven generals was broken up by the Special Police of the Federal District, the campaign gained intensity.[630] On the other hand a plan designed to revise the allocation of budgetary resources, known as SALTE (abbreviation for Saúde, Alimentação, Transporte, Energia –

629 Aranha to M. Pimenta, OA 47.09.07, OA 49.04.20. Vargas also expressed himself on this issue, GV 48.06.11; his papers reveal similar views held by military leaders, politicians, and journalists, GV 48.08.18/1j, GV 48.10.19j, GV 49.04.12j. The British recognized that various trends supported the campaign, Ministry os Supply to Murray (Foreign Office) February 10, 1947, FO 371 61206 (AS 1047/124/4); Young to Shuck burgh, June 20, 1947, FO 112 460 (11/56/47).

630 L. Carvalho, *op. Cit.*, p. 200; N. W. Sodré, *História Militar do Brasil* (Rio de Janeiro, 1968), pp. 298-303. See also memo from DS, NA/RG 59 832.00/92848; Report on Brazil, NA/RG 330 Records of OSD, CD 7-1-35; also BRASEMB to Bevin, October 5, 1948, FO 371 68191 (AS5644/5503/6).

Health, Food, Transport, Energy) and born in the *Departamento de Administração do Serviço Público* (DASP), proposed a number of oil projects, including the construction of a new refinery, the expansion of an existing refinery and the acquisition of additional oil tankers.[631]

The situation remained unchanged until the end of the Dutra's administration in spite of US pressures. Brazilian oil projects were also blocked by the US Government on the grounds that:

> *No inter-governmental loans for a purpose of this type are contemplated in view of the fact that there is abundant private capital and technical know-how ready to enter Brazil if and when a proper petroleum law has been passed by the Brazilian Congress.*[632]

The nationalists were victorious on the oil question.

Of all the strategic materials which Brazil could supply, the US Government was particularly interested in monazite sands. From 1940 onwards, monazite sands were regularly purchased under the "Program of Co-operation for Procurement of Mineral Resources" between the two countries in order to produce thorium. Considering that India and Brazil were the only producers of this vital material and with India at that time introducing export embargoes, one can easily understand the vital importance of Brazilian production to US strategic plans at the end of the war. Following the famous Vargas-Stettinius dialogue in February 1945 an initial agreement for the purchase of monazite sands was signed by Brazil and the United States on July 6, 1945. Brazil would supply exclusively to the United States three hundred tons of sands annually for three years at a price of between 31 and

631 G. Philip, *op. cit.*, p. 237.

632 Webb (DS) to the President, May 18, 1949, HTL/PSF.

40 US dollars per ton.[633] Washington's policy was to purchase as much monazite sands as possible before severe controls were instituted in the producer countries in order to meet the long-term requirements of the atomic energy programme.[634] In this context the US Government initiated talks with Brazil in October 1947 in order to extend the agreement for a further three years. Although Itamaraty was in favour of the extension, President Dutra was advised by the *Conselho de Segurança Nacional* not to sign a new agreement. Nevertheless an Administrative Agreement was signed on November 26, 1948 between the *Departamento Nacional de Produção Mineral* and the Bureau of mines and Geological Survey of the US Home Secretary, according to which export of sands was extended. Although the lack of controls on the export of radioactive minerals was denounced by scientists and experts in Brazil, the only problem faced by the US Government and US importers was the increasing price of the product.[635] Only at the end of the Dutra Government was US policy weakly challenged by preliminary Brazilian attempts to process her own monazite sands.[636]

US interest in Brazilian strategic materials in the post-war years led the State Department to nominate a Mineral Attaché to the US Embassy in Rio. He dedicated his time to the procurement of uranium and other rare materials.[637] The US was similarly

633 M. C. Leal, *op.cit.*, p. 30. The following data on the atomic question were also drawn from Leal's text.

634 Searls Jr. to McGee (DS), NA/RG59 711329/7-2346; memo of conversation (DS), NA/RG59 832.5034/82246; Sebb (Acting Sec. of State) to Amembassy, Brow to Arneson (DS), both in NA/RG 59 711.329/9-2449 and /12-1649. See also R. Archer, interview n 3. HO/CPDOC.

635 Argentière to Vargas, GV 48.07.14/2; GV 49.11.06. Euzébio Rocha to Vargas, GV 49.11.06. Vargas was Senator at that time, and was a potential candidate for the Presidency. See also Kraft to Brown (Mineral Attaché), Aug. 1, 1948. Draft to Lindsay, Aug.1, 1948, Lindsay to Wendell (DS), Aug. 9, 1948, all in NA/RG 59 711.329/8948.

636 Acheson to AMEMBASSY and Johnson (AMEMBASSY) to the Sec. of State, both in NA/RG59 711 329/7-1949. 7-2749.

637 Pawley to the Sec. of State and DS to MEMBASSY, NA/RG59 832.6359/12-12446, 12-2446, 6-1648, 7-1348.

interested in other materials, notably manganese, since Brazil was its major Western source and US trade with its main supplier, the USSR, was being severely affected by political factors.[638] A policy of ensuring maximum supplies of manganese ore from Brazil was pursued by the US Steel Company and the Bethlehem Steem Company, who secured a contract for the exploration and mining of manganese for fifty years from 1947 onwards.[639] At the same time, an International Administration Agreement on research and Improvement of the Mineral Resources of Brazil was signed in February 1949. According to this agreement, US technicians would undertake a complete survey of Brazilian mineral resources.[640]

Another important area of Brazil-US economic relations was foreign trade. After the end of the war, Washington insisted that a treaty of Friendship, Commerce and Navigation between the two countries should replace the obsolete treaty of 1935. Nevertheless the "nationalist philosophy" of Brazilian legislation under the *Estado Novo* had prevented the conclusion of a "modern treaty" in line with the Act of Chapultepec, that is, according to US "liberal principles".[641] The Dutra Administration agreed in principle with the idea but wanted to widen it by adding a section on economic development and investment in terms of inter-governmental assistance, particularly for transport and energy.

The US draft for the treaty met unexpected obstacles in 1947. The "neo-liberal" economic policy adopted by the Dutra Administration in 1946 had established very low exchange rates and liberalized imports and introduced far more liberal treatment for foreign capital. During 18 months a wave of foreign luxury

638 See T. G. Patterson, *Soviet-American Confrontation* (Baltimore/London, 1973), pp. 41, 69, 73.

639 N. W. Sodre, *História da Burguesia Brasileira* (Rio de Janeiro, 1967), pp. 311-312.

640 M. C. Leal, *op. cit.*, p. 58. See also N. W. Sodre, *História Militar do Brasil* (Rio de Janeiro, 1968), p. 297.

641 Memo from DS, NA/RG59 711.322/4-2346; Clayton (DS) to Daniels, 711.322/4-2346.

products including radios and accessories, the latest motor car models, perfumes, refrigerators, apples, pears and grapes paired into the country.[642] This policy was based on the idea that the industrialization process had been artificial due to the State protection and had resulted in a dramatic decrease of the foreign currency balance. As a result it was felt, in mid-1947, that exchange controls had to be introduced.[643] Brazilian economists have shown that this decision to set up a system on import and export controls incidentally acted as a mechanism for important substitution and stimulated industrial development.[644]

These exchange controls damaged the principle of "free trade", essential to the proposed US Treaty. Although some sectors of the Administration such as Itamaraty and the Treasury were in favour of the Treaty, the proposal was not developed during the following years. Less ambitious efforts were then made to conclude an agreement on the treatment of private investment in Brazil.[645]

In order to review economic relations between Brazil and the United States and to demonstrate US concern over Brazilian economic problems, the Truman Administration sent in September 1948 an economic mission to Brazil, just after one year the Dutra-Truman talks at the Rio Conference. The mission was led by John

642 Butler (British Ambassador in Rio) to the Foreign Office, Dec. 31, 1948, FO371 68161 (AS168/51/6).

643 See C. Furtado, *Formação Econômica do Brasil* (S. Paulo, 1977), pp. 249-255; O. Ianni, *Estado e Planejamento Econômico no Brasil,1930-1976* (Rio de Janeiro, 1971) pp. 83-85; A. Abreu, "Nationalisme et Action Politique au Brésil: une etude sur l' ISEB" (3 ème cicle, Université René Descartes, Paris, 1975); T. Skidmore, *Politics in Brazil 1930-1964* (New York, 1977).

644 P. Malan et al. *Política Econômica Externa e Industrialização no Brasil, 1939-1952* (Rio de Janeiro, 1977) pp. 28-29, 369; P. Malan, "Relações Econômicas Internacionais do Brasil. In *História Geral da Civilização Brasileira* (in press).

645 Fontoura to Dutra, May 23, 1946, AHI/DI/PR/Ofícios expedidos; Lovet to AMEMBASSY, Na/RG59 711.322/10-1148; Johnson to O'Toole (DS), 832.00/8-1249; Bulhões to Webb (DS) 711.329/8-2449; Welch to Thorp (DS), 711.322/8-1149; memo of conversation, 711.322/7-1449. And memo from Clark, 711.322/9-849.

Abbink, president of McGraw Hill International and a prominent member of the powerful national Foreign Trade Council, and was officially called the Joint Brazil-United States technical Mission. Abbink was given very precise guidance on the mission's aims and tasks by the State Department which stated that its task was to analyse: "the factors in Brazil which are tending to promote or to retard her economic development". It should pay particular attention to: 1) Brazil's natural and capital resources, 2) the labour supply, particularly skilled labour, 3) fiscal and banking problems, 4) problems relating to domestic and international trade, and 5) the position of Brazil in the world economy. The Abbink Mission also received precise instructions to "consider measures designed to encourage the flow of private capital to Brazil... where appropriate".[646]

The Mission arrived in Brazil in September 1948 and worked together with a team of Brazilian experts, headed by Otavio Gouvea de Bulhões, for several months. The Mission produced a broad diagnosis of the Brazilian economy and its final report issued in February 1949 reflected the US orientation towards "the need to finance Brazilian development by means of the mobilization and orientation of internal resources, combined with 'orthodox' recommendations regarding the means to deal with inflation and a concern with removing the remaining legal obstacles to the penetration of US capital", according to the recent thesis of Lourdes Sola, Brazilian sociologist.[647] The Mission advised the Brazilian Government to take measures, mainly financial, to stabilise prices, control public expenditure and credit, reorientate the flow of

646 Lovet to Truman, Dec. 18, 1947, HTL/OF.

647 L. Sola, "The Political and Ideological Constraints to Economic Management in Brazil, 1945-1963" (Ph.D., University of Oxford, 1982), p. 53. This thesis contains an extended analysis of the Abbink Mission as crucial to the understanding of "the process of mobilization of technical and scientific knowledge as a political resource". (pp. 43-62).

capital, increase productivity and, naturally, encourage the inflow of foreign investment. On the question of oil, the mission tried to find a "solution" which would enable foreign oil companies to participate in petroleum exploration.[648]

Incidentally the Mission also helped to throw light on and widen the differences inside the State apparatus between "neo-liberal" and "nationalist" experts ("técnicos" according to L. Sola and L. Martins) on vital economic issues regarding Brazilian economic development, such as "the compatibility between price inflation and economic development, and the scope and form of participation of foreign capital".[649] Overall the Abbink mission exactly mirrored Truman's policy for Latin America and basically corresponded to the main economic orientation of the Dutra Administration itself, but it "proved unpalatable to the industrialist and to the military", according to the British Ambassador in Rio.[650] The former feared the influx of US capital and the latter were too steeped in nationalism to accept the need for foreign capital and technical skills, according to the same source. Nationalism, however, was not a purely military question". It was a broad political attitude involving many civil organizations, political attitude involving many civil organizations, political parties, intellectuals and officials inside the State apparatus. The position of the governmental nationalist experts was strengthened at this time by the newly created UN Economic Commission for Latin America (ECLA), whose diagnosis of the continental situation largely coincided with their own.[651] The Abbink Mission's proposals were, in both theory and practice,

648 A critical analysis of the recommendations of the Abbink Mission can be found in P. Malan et al., *op. cit.*, pp. 47-56. A synthesis of the final report was sent by Abbink to Truman, March 16, 1949, HTL/OF. On oil, see Abbink to Achenson, NA/RG59 832.001 Dutra, G./3-1749.

649 L. Sola, *op. cit.*, p. 54.

650 Annual report on political events in 1949, Jan. 9, 1950, FO371 81248 (AB1011/1).

651 L. Sola, *op. cit.*, p. 49. See also T. Skidmore, *op. cit.*, pp. 72-73.

a set-back in comparison to those of the Cooke Mission six years earlier (Chapter 3). Although not entirely approved by the State Department, the Cooke Mission made some recommendations to the US Government on Brazilian industrial development, while the Abbink Mission carefully avoided discussing this problem. The Cooke Mission spoke in the language of the "Good Neighbour" policy while the Abbink Mission conformed to Truman's ideal of a "closed hemisphere".

British-Brazilian relations

The main economic orientation of the Dutra Administration also coincided in broad terms with British hopes regarding Brazil's foreign policy. During the war the British had been conscious of the extension of the US economic interests in Latin America and its detrimental effect on the British post-war presence in that area.[652] There was open speculation of the possibility of an "exchange": Britain's predominant economic position in the Middle East would be recognized by the USA in return for British acceptance of the paramount commercial position of the US in Latin America.[653] British economic interests were rapidly losing ground in Brazilian foreign trade as a result of the war and Brazilian alignment with US policy, in the broader framework of the reorganization of the world capitalist system and the new division of areas of influence.[654]

During and after the war, the British were worried by the nationalist tendencies that were flourishing in Brazil and formulated a defensive strategy to safeguard their established

652 N. Charles to the Foreign Office, Apr. 12, 1943, FO371 33665 (AS3934/518/6); Washington Chancery to the Foreign Office, June 6, 1944, FO371 37863 (AS3215/720/6).

653 N. Charles to the Foreign Office, March 23, 1943, FO371 33666 (AS3348/518/6); Ministry of Information to Perowne (FO), Jan. 25, 1944; Washington Chancery to the Foreign Office, June 14, 1944; Jacson (FO) to Nowell (Board of Trade), July 15, 1944, all in FO371 37863, (AS720, 3215, 3215/720/6).

654 Annual report for 1946, Jan. 22, 1947, FO371 61204 (AS490/489/6); Gainer to Bevin, March 19, 1947, FO371 61215 (AS1976/489/6).

commercial and financial interests.[655] Their main concerns were the insurance companies and banks still represented in large numbers, as well as the general issue of the treatment accorded to foreign investment. Their public utility companies in Brazil (light and power, tramways, railways, water, etc.) were being attacked since many of them offered poor services to the Brazilian public.[656]

On the Brazilian side, other elements in addition to the issues of foreign investment and British companies in Brazil played a significant role in British-Brazilian relations. Brazil had accumulated surpluses in her commercial balance with Great Britain during the war which she wanted to make use of. As discussed earlier, the Brazilian Government intended to completely renew its land and sea communications and hoped to purchase part of the necessary equipment in the United Kingdom.[657]

From 1946 to 1950 these economic questions were at the centre of Brazilian-British relations and, according to the liberal views of both Governments, greatly benefited the British interests.

After the Conference of Paris in July/August 1946 João Neves da Fontoura went to London to discuss many aspects of economic relations between the two countries.

British maximum claims were: 1) Equal treatment for British and Brazilian capital. (The British were concerned at the possible nationalization of banks and insurance companies under the new Constitution and the regulation of remittances of foreign capital and profits.); 2) Improved conditions for British enterprises to help them to provide efficient services, or the purchase of their

655 P. Malan et al. *op. cit.,* pp.142-154; Abreu, *op. cit.,* p. 7.

656 Foreign Office minutes, May 31, 1946, FO371 51905 (AS3127/15/6); Powell (Bank of England) to Eggers June 17, 1946, FO371 51505 (AS3502/15/6).

657 Gainer to the Foreign Office, July 17, Aug. 30, 1946 Fo371 51906 (AS4187, 5371, 15/6).

undertakings by Brazil, made possible by accumulated Brazilian sterling balances. On the whole the British considered Fountoura's visit to London "a most valuable opportunity to do ourselves some good".[658]

Minister Fontoura wanted to obtain maximum priority for the purchase of materials and equipment for the Brazilian transport system, using her sterling balances. Fontoura was so sure of the success of his mission that even before talks were begun he asked President Dutra to immediately set up a commission to study Brazil's requirements and go to London to sign the contracts. On the question of the British public utility companies he was in favour of transforming them into mixed Anglo-Brazilian companies.[659] Although Fontoura boasted that he had obtained the greatest possible advantages for Brazil[660] the exchange of notes at the end of notes at the end of the talks does not permit so optimistic a conclusion. The Brazilian Minister gave assurances that fair treatment would be given to British enterprises in Brazil and that the Government should contribute to their recovery; that Brazil would send a mission to Britain to use her sterling balances to purchase equipment and assist the rehabilitation of British enterprises in Brazil; that Brazil would do everything possible to meet British wishes concerning food exports, especially rice. The Brazilian delegation obtained British promises to do what they could to help in the supply of transport equipment, to remove restrictions on meat imports and to give sympathetic consideration to proposals for the import of various Brazilian

658 Ambassador St. Clair Gainer to Fontoura, July 23, 1946, AHI/Malo n. 36474. Minute from the Foreign Office, Sept. 13, 1946, FO371 51907 (AS5753/15/6). In line with to gain their goodwill, the Minute noted that "Brazilians are notoriously vain and touchy, and the Minister is probably no exception to this regrettable rule".

659 Fontoura to the MRE, September 3, 1946, AHI/Maço n. 36460.

660 Fontoura to Góes Monteiro, September 24, 1946, AN/Góes Monteiro papers, AP14.51.

products such as cotton, coffee, Brazil nuts and oranges.[661] Brazil remained an excellent market for British capital investment and an important food producer. The Brazilian Government agreed to guarantee British investments and even to try to save some British companies in Brazil from bankruptcy.[662]

It was not easy for the Agreement to be upheld in the following months. The British were unable to meet Brazilian requirements for shipping and coal mining and open cast machinery, which were in short supply at the time. On the other hand, Brazil could not supply rice and other food exports in view of the prevailing domestic shortages. Nevertheless the Foreign Office considered that Brazilian behaviour showed "that they reck little of the implementation of the agreement of September 20..."[663] In The following years the situation became even worse. The British Government suspended the convertibility of sterling and Brazil's sterling balances of £60,000,000 in 1948 became valueless with the exception of debt redemption and the purchase of certain British utility companies in Brazil.[664] The relationship between Brazil and the United Kingdom did not improve significantly in the following years. The British wanted to pay for Brazilian exports with inconvertible sterling which could only be used to purchase British goods. Early in 1948 a British economic mission, headed by Sir John Wise, was sent to Brazil "to induce Brazilians to

661 BRASIL. MRE. *A Serviço do Itamaraty*, by J. N. Fontoura, pp. 155-157. Relatório do MRE para 1946, AHI/ Maço n. 36171. "Exchange of notes", FO 371 51907.

662 These companies were the Leopoldina Railway Co., the Ceará Tramway Light and Power Co., the Pará Eletric Tramway Light and Power Co., and the Manaos Light and Power Co.

663 Ministry of Transport to the Foreign Office, December 2, 1946; Ministry of Fuel and Power to the Foreign Office, November 27, 1946, both in FO 371 61215 (AS1976/489/6); see also many documents on Brazilian food exports in FO 371 51931 (AS7175,7826).

664 Butler to Attle, December 31, 1948, FO 371 68161 (AS168/51/6).

accept (inconvertible) sterling and to use it for purchases in this country (Britain)".[665] Brazil was surprised by a further devaluation of sterling and by the news that the revaluation guarantee on her account at the Bank of England had lapsed in May 1949 and had not been renewed.[666] Not surprisingly diplomats were openly discussing the deterioration of Brazil-United Kingdom relations by the end of the decade.

The British public utility companies in Brazil were in a critical financial state at the end of the war. Consequently their services and wage policies constantly deteriorated, thus aggravating problems not only in the Brazilian economy but also in terms of social order, since dissatisfaction was felt by both their employees and consumers.

This critical situation was only privately acknowledged by the British Government, in whose view the ideal solution was for these companies to be purchased by the Brazilian Government and for the shareholders to be indemnified. This in fact occurred in only a few cases.[667] Public recognition of the bankruptcy of these enterprises was out of the question: it might strengthen those nationalist sectors in Brazil that wanted British companies to be expropriated without compensation, or with payment for only their strict value or "historical cost".

The Brazilian Government favoured a compromise solution of assisting the companies[668] and the British Government accepted this

665 Notes of a meeting, Ministry of Food, January 18, 1948, FO 371 68161 (AS649/51/6). Foreign Office to the British Embassy in Rio, February 5, 1948 and Commonwealth Relations Office (memo), February 24, 1948, both in FO 371 68163.

666 Notes on Brazil, June 13, 1950, FO 371 81250 (AB1016/1).

667 Both the Brazil Railway and the Bahia South Western Railway Co. were bought by the Brazilian Government A note from the Foreign Office reads: "Good. One less railway to worry about". British Embassy to the Foreign Office, Dec. 12, 1947 and March 16, 1948 and April 14, 1948, all in FO371 68158 (AS0014, 1065, 2621/14/6).

668 Butler to the Foreign Office, Sept. 1, 1948, FO371 68159 (AS4947/14/6).

as the lesser of two evils since it was eager to retain a strong position in case expropriation or sale was reconsidered in the near future.

The problem became acute when a number of Brazilian local authorities demanded the expropriation without compensation of some companies and the British strongly protested.[669] The London financial authorities did not accept Brazilian attempts to use blocked sterling to pay these British undertakings, and demanded payment in current sterling in order prevent Brazil from "accumulating too much sterling".[670] Convinced by British reasoning, the Dutra Administration was ready to take decisions "not detrimental to the British interests" in these cases, one of which concerned the Leopoldina Railway Co.[671]

The Leopoldina Railway was one of the most important railways serving the Federal District and linking it to many producing regions. Large quantities of raw materials and foodstuffs for Rio de Janeiro as well as many suburban and long distance passengers were transported by the Leopoldina Railway. Its evident social and political importance led the Brazilian Government to intervene in a strike for improved wages in May 1946 and place the employees of the railway under direct control of the public authorities. The Dutra Administration was anxious to assure the British that they had no intention whatsoever of expropriating or nationalising the railway, although the British Government and the Board of the company were prepared to accept this solution due to Leopoldina's "bad financial condition".[672]

669 Osvaldo Lima Filho, 2nd interview, HO/CPDOC. See also Ceará Tramway to the Foreign Office, July 8, 1948; Butler to the Foreign Office, July 17, 1948; Foreign Office to Butler, July 24, 1948, all in FO371 68159 (AS3966, 4095, 4116/14/6).

670 Foreign Office to the Secretary of the Leopoldina Railway, May 30, 1946, FO371 51923 (AS2889/1598/6).

671 Bank of England to Mr. Moss (FO) July 9, 1948, FO 371 68159 (AS4025/14/6).

672 Foreign Office to Leopoldina Railway Co, June 5, 1946; The company's wish be purchased appears in Leopoldina to Neele, March 15, 1946; Foreign Office to Eggers (Treasury), Aug.16, 1946, all references

The Brazilian Government proposed the establishment of a mixed Anglo-Brazilian commission to study the railway's needs and the possibility of raising the capital necessary for modernizing the railway system. The company accepted the commission but no concrete solution was reached in the following year and the situation increasingly deteriorated towards the end of 1947.[673]

In the beginning of 1948 the Leopoldina Railway Co. showed no interest in a Brazilian loan to finance the purchase of new equipment. The company calculated that even if it received a £13 million loan for this purpose it would not be able to make adequate returns to its shareholders. Consequently it preferred to continue operations under the prevailing poor conditions in the belief that this policy would lead the Brazilian Government to either purchase the railway or guarantee an income for the company, both of which were solutions which interested the Leopoldina Railway.[674]

In February 1948 the Leopoldina situation was desperate and the company estimated that "a few more months of operation under our sole responsibility would intensify popular and political clamour to the point of obliging the Government to step in".[675] Fortunately for the company the Brazilian Government was also concerned by the whole situation, particularly the activity of the organized labour force of the company, and agreed to enter into negotiations to purchase the railway. Brazil's sense of urgency naturally improved the company's position at negotiating table. It accepted the offer of purchase and asked the Brazilian Government

in FO371 51923 (AS3088, 1598, 4903/1598/6). See also minute from the Foreign Office, Sept.16, 1946, FO371 51907 (AS753/15/6). The collaboration the Leopoldina Co. and the Brazilian Government over labour problems in the company can be found in Neele to Pearson, June 14, 1946, FO371 51923.

673 Perowne to the Leopoldina Co, Sept.17, 1946; Foreign Office to Rio Chancery Nov. 12, 1946, both in FO371 51923 (AS5790, 6649/1598/6). See also Leopoldina to the Board, Dec. 28, 1946; Treasury Chamber to the Foreign Office, March 13, 1947, both in FO371 61210 (AS193, 1731/193/6).

674 Overseas negotiations committee, Mission to Brazil, Jan.1948 FO371 68161.

675 Neele (Leopoldina, Rio) to Pearson (Leopoldina, London) Feb. 19, 1948, FO371 68158.

to give financial assistance to the company during the negotiations to enable it to meet its commitments "in Brazil, Great Britain and elsewhere"![676]

Talks were held in both Rio de Janeiro and London in 1948/1949. The Brazilian Minister of Transport's proposal to pay no more than £7.5 million was accepted by President Dutra and the Minister of Finance. The company's price, however, was £11 million. Although a bitter opposition developed in the Brazilian Cabinet and in the business and political world, the British hoped that the Administration's fears over the labour situation in the railway be strong enough as to force Brazil to agree to such a high price.[677]

This calculation proved to be correct. By the end of the year the Brazilian Government had agreed to increase its offer, although pressure from the opposition demanding that Leopoldina be expropriated was so strong that the company feared that Brazil would reject its draft agreement for the sale of the railway.[678] To its surprise and pleasure, the Dutra Administration agreed, during the final talks in London, to a total amount of £10 million, an excellent result for a company which was nearly bankrupt.[679]

The agreement was signed by the Brazilian Government and the Leopoldina Railway Co. on May 26, 1949, in London, and the Brazilian Government issued a decree on the subject on December 20, 1950.[680]

676 Foreign Office to the British Embassy in Rio, Feb. 20, 1948, FO371 68158.

677 Butler to the Foreign Office, Feb. 25, 1948, FO371 68158 (AS1332/14/6); memo from the Foreign Office, July 23, 1948, FO371 68159 (AS4240/14/6).

678 British Embassy to the Foreign Office, Nov. 13, 1948, FO371 68159 (AS6258/14/6); Butler to Foreign Office, Dec. 29, 1948 and Butler to Fredham (FO), Jan. 26, 1949, FO371 74163 (AS660/1466/6).

679 The final talks can be followed in the diplomatic papers: Treasury to the Foreign Office, May 4, FO to Leopoldina, May 7; Leopoldina to the Treasury, May 10; Leopoldina to FO, May 30; FO to Treasury, May 1949, all in FO371 74613 (AS2369, 2503, 2913, 4748/1461/6).

680 MRE to BRASEMB London, March 1, 1951, AHI/MDB/Londres/Ofícios expedidos.

The British Ambassador in Rio de Janeiro was quite conscious of the negative effects of British financial measures on the Brazilian economy, but found some consolation in the idea that those measures were necessary to the recovery of Great Britain and the fact that the Brazilian Government was aware that Great Britain's recovery was essential to the containment of communist expansion in the world. Brazilian losses in her dealings with Great Britain were thus regarded as contributions to Western security. However, in spite of Brazilian financial losses and the difficulties she experienced in making use of her sterling balance and despite the Brazilian goodwill regarding the British public utility companies, the British Ambassador lamented the fact that the Brazilians were not totally convinced that they had to contribute to Britain recovery.[681]

The rise and fall of Brazil-USSR relations

The fact that, during the war, the USSR had become an ally of Britain and the United States created a new problem for the Brazilian authorities in view of the traditional Brazilian policy of non-recognition of the Soviet Government.

Brazil first established diplomatic relations with Russia in 1830 and had maintained continuous relations until 1917, when the Bolshevik revolution caused these relations to be discontinued. The attempt revolutionary coup in Brazil in 1935 served to reinforce the notion of the threat such relations represented to the Brazilian state and society. In other words, actual social tensions were thought less threatening than the dissemination of ideas or concepts regarded as "alien to Brazilian character".

The Vargas Administration continued this policy and even after the USSR-USA alliance was established the Brazilian

681 British Embassy to Attlee, Dec. 21, 1947, FO371 68161 (AS168/51/6).

Government rejected the idea of re-establishing relations with her. A suggested *rapprochement* in 1942 was refused by the Vargas Government on the grounds that it was impossible to separate the Soviet Government from international communist activity, and Brazil could not take risks in this matter. In 1943 Roosevelt had raised the same question with Vargas in Natal, but no concrete actions were taken because the Brazilian Government was afraid of being "in the same boat" as the Russians.[682]

The dissolution of the Third International and continuous Soviet military successes in 1943 seemed to make the re-establishment of relations inevitable and Minister Aranha was in favour of this resumption. Vargas nevertheless resisted Aranha's suggestions and was supported by conservative classes and groups within Brazilian society, and also by the armed forces, other Brazilian society, and also by the armed forces, other State bureaucracies, and the Catholic Church.[683]

The Roosevelt Administration was not happy with a situation where two allies of the United States did not maintain relations with each other. The question was raised once again by the US Ambassador to Brazil during the first crucial months of 1944 but new Brazilian resistance forced the US to wait for a better opportunity. Although some initiatives were taken by Brazilian diplomats (for example Carlos Cavalcanti in Mexico) and pressure was exerted by liberals in Brazil, the situation remained unchanged at the end of the year and the Brazilian Government persistently refused to take any initiatives in the matter.[684]

682 N. Charles to the Foreign Office, Dec. 12, 1942, FO371 33651 (A367/166/6).

683 Memo from MRE n.d., AHI/Maço n. 36013. Correia to Aranha, AO 43.05.26/1; AO 43.05.31. Leitão da Cunha to Aranha, AO 43.03.22. Figueiredo to Aranha, AO 43.11.04/2. Intelligence report, Jan. 22, 1943; NA/RG226 OSS n.27998. McLaughlin to the Secretary of State, Nov. 25, 1943; Caffery to the Sec. of State, Nov. 26, 1943, Dec. 9, 10, 11, 1943, all in NA/RG59 732.61/13, 14, 15, 16, 17.

684 Velloso to Brazilian diplomatic representatives, March 6, 1944, AHI/Maço n. 36013. Hull to US Embassy, Dec. 28, 1943; Caffery to the Sec. of State, Dec. 13, 1944 – all in NA/RG59 732.61/17, 20,

The decision to resume diplomatic relations with the USSR was finally made just after Stettinius' visit to Brazil in February 1945. Stettinius spoke frankly of the urgent need to normalize relations with the Soviet Union. Vargas requested political guarantees against the risk involved in this initiative and in response the Secretary of State assured him of US support. It was, by that time, clear that it was impossible for Brazil to attend the peace conversations with her allies if Brazil-USSR relations were not established.[685]

Despite its own convictions and under direct pressure from the US Government and Brazilian public opinion, the Brazilian Government normalized relations with the Soviet Union in April 1945. After the Conference of Chapultepec the Brazilian Minister of Foreign Affairs Leão Velloso went to Washington and through the good offices of US Under-Secretary Joseph Grew contacts with the Soviet Ambassador, Andrei Gromiko, were initiated.[686] On April 2, 1945, diplomatic and consular relations between Brazil and the USSR were resumed.[687]

In Brazil, a Russian committee of the Brazilian Red Cross was soon set up and a cultural organization (União Cultural Brasil-União Soviética) was even created. However, conservative sectors remained opposed to the establishment of relations and to the diffusion of news on Soviet achievements both during and after

12-1344. Harrison to Walm Walmsley (DS), NA/RG59 711.32/212. Martins to Vargas, GV 44.01.22; Cavalcanti to Vargas, GV 44.03.04; memo to the President, Dec. 20, 1944, FRL/BC.

685 T. Campbell & Herring, *The Diaries of Edward Stettinius JR. 1943-1946*, (New York, 1975), p. 263. Stettinius also advised Vargas of the steps to take in order to establish diplomatic relations with the USSR. Messersmith to the Sec. of State, March 5, 1945, NA/RG59 732.61/3-545.

686 The whole affair was recorded by Grew in many memoranda, from March 10 to 17, 1947, NA/RG 59 732.61 and HL/Grew papers.

687 Exchange of notes, MRE to the Diplomatic Missions, April 11, 1945, AHI/Maço n. 36013.

the war.[688] The conservative press constantly warned that increased Soviet influence inside Brazil would be a direct consequence of the recognition of the USSR as a diplomatic partner.[689]

Brazil-USSR relations after Vargas was deposed in October 1945 must be viewed in the light of domestic developments in Brazil. The end of the war did not improve the situation of the urban working class that faced food shortages and soaring prices, which inevitably led to growing manifestations of dissatisfaction by the organized (and un-organized) labour force. In the framework of the freedom and civil liberties created by the end of the *Estado Novo*, popular dissatisfaction led to strikes for better living conditions and the urban workers' movement expanded rapidly.[690] As soon as this movement could speak more freely it adopted a critical position towards the tutelage of the State, claimed freedom of speech for the labour unions and tried to organize an independent federation of labour unions.[691]

Many obstacles had to be overcome by the workers organization. These ranged the authoritarian structure inherited by the labour unions from the *Estado Novo* to the specific patron-client relationship in the *fazendas* that prevented the organization

688 A group even protested against American films on Russia because they tended "to inflame the São Paulo working class and incite them to violence and prevent a conservative and slow improvement in their condition and mental outlook". Cross to Berle, NA/RG 59 732.61/4-2745.

689 See Correio da Manhã and Diário Carioca; memo from Daniels NA/RG 59 732.61/8-2245; Annual report for 1946, January 22, 1947. FO 371 61204 (AS490/45/6).

690 F. Weffort, "Sindicato e Política" (Tese Livre Docência, USP, 1972), ch. II; and "Sindicatos e Democracia" (São Paulo, n.d.). MCC Souza, op.cit., p.139. Poor living conditions and the growth of the labour movement are referred to by the diplomatic correspondence: Gainer to Bevin, February 22, 1946, FO 37 51900 (AS1086/13/6); Gainer to the Foreign Office, June 12, 1946, FO 371 51901 (AS3252/13/6); and August 31, 1946, FO 371 51902 (AS5265/13/6); Aranha to Walsh, OA 46.09.09; Aranha to Fontoura, OA 46.08.23. R&A Report n. 3444.2, September 21, 1946. NA/RG 59. Annual report for 1946, January 22, 1947, FO 371 61204 (AS490/45/6).

691 Report on the National Congrees of Labour Unions, Gainer to the Foreign Office, Oct. 8, 1946, FO371 51903 (AS6176/13/6); German (Labour Attaché) to Gordon (FO), Feb. 24, 1947, FO371 61204 (AS1941/45/6).

of rural labour unions in spite of a decree-law in 1944 authorizing the creation of rural labour unions.[692] Nevertheless, by late 1945 – early 1946 – a strong labour movement had arisen in the main cities. Some freedom of action was enjoyed by the urban workers movement until the end of the Constituent Assembly in September 1946, after which the Government defined its position towards the labour unions in two broad lines. Firstly, the State had inherited and would maintain the corporative union structure of the *Estado Novo* and would use it to maintain firm control over the entire movement by means of specific legislation as well as through co-opted union leaders. Secondly, in order to counter the workers' determination to remain free from tutelage, the Government executed a repressive policy of intervening in union activity, suspending elections, and prohibiting independent federation at national level.[693] The Government's justification for this repressive policy was that communists were manipulating the organization and activities of the labour unions.

There was, nevertheless, a gap between the Government's justification and its actions. According to an accurate British report, the Minister of Labour had until 1948 "intervened, in one way or other, in over 200 syndicates", dismissing communist as well as independent leaders, "thus eliminating any vestige of democracy for any other large syndicates".[694] Unable to totally control the unions, the Dutra Administration was ready to prevent them from existing at all.

692 F. A. Azevedo, "As Ligas Camponesas" (M. A. Pimes, UFPE, Recife, 1980), p. 49.

693 F. Weffort, "Sindicato e Política", op.cit., ch.II item 3. An evaluation of labour repression during the Dutra Administration can be found in H. T. Fox, "The Political History of Organized Labor in Brazil" (Ph. D. Stanford University, 1973), pp.171-223. See also Gainer to the Foreign Office, May 7, 1946, FO371 51901 (AS2513/13/6). Annual report for 1946, Jan. 22, 1947,FO371 61204. The CNTI (Federation of Industrial Workers) was completely subordinated to the Government according to the British Labour Attaché, June 26, 1947, FO371 61205 (AS4487/45/6).

694 Labour Attaché to the Foreign Office, FO371 68167 (AS5872/119/6); German to the Foreign Office, June 26, 1947, FO371 61205 (AS4487/45/6). See also T. Skidmore, *op. cit.*, p. 94.

Although acute social conflict and even social revolution had arisen from the war in many Western countries, the Brazilian State and Government were unprepared to cope with the new situation because its inner motivation was fear and rejection of social change. In this sense the Government perfectly expressed the feelings of the dominant economic and political classes in Brazil.[695] According to its simplistic way of thinking, social change was an instrument of communist agitation which in turn was an instrument of Moscow's international policy. Thus everything was connected to this ultimate explanation. Any social unrest was regarded as an active element, or unconscious instrument, in the international Soviet conspiracy against the "democracies". Accordingly, the Dutra Administration soon made plans to ban the Communist Party due to its influence in Parliament, in social movements, and in political organizations.

The Communist Party had been legalised in April 1945 when a wave of democratization spread over the country and led to the release from prison of many opposition leaders and hundreds of militants. Many political parties were organized at this time, but legalization of the Communist Party was not accepted by many influential organizations in Brazil such as the Catholic Church, which was politically and socially active through laymen's organizations such as the *Centro Don Vital*, the *Ação Católica* and the *Liga Eleitoral Católica* which respectively aimed at influencing intellectuals, workers, and voters in general.[696] The propertied classes were also dissatisfied by the legalization of the Communist Party and industrial associations went so far as to finance

695 The Constitution had incorporated certain principles of Catholic social doctrine. Nevertheless, the "inertia and muddle are such that the actual application of the programme so far as it depends on Government participation is likely to be long delayed". Gainer to Bevin, Jan. 22, 1947, FO371 61204 (AS490/45/6).

696 See T. C. Bruneau, *The Political Transformation of the Brazilian Catholic Church* (Cambridge, 1974) pp. 38-51.

intelligence services to monitor the Party's activities.[697] The same was true of broad sectors of the State apparatus, particularly the armed forces.

Since the inauguration of the Dutra Government, high officials expressed their militant anti-communist feelings both in private and in public.[698] This attitude was not, strictly speaking, simply "anti-communist", but was more concerned with keeping privileges in Brazil untouched. To this end, the more conservative sectors of Brazilian society had, since 1935, identified communism as the great "enemy" of the nation. This sentiment had developed when the Party associated itself in 1945 with the *Queremista* movement and supported Vargas in order to obtain a new Constitution. Consequently, attempts to ban the Communist Party and to eliminate its influence started at the very movement it regained its legal existence.

Debate in political circles over the desirability of outlawing the Communist Party led the Dutra Government to make a number of initiatives during the first months after it came to power.[699] In the Constituent Assembly an amendment to the Constitution, preventing the registration or functioning of any "party or association whose programme or activity is opposed to the democratic regime" was passed with the agreement of the liberal opposition. Its message was crystal clear.[700] Rumours that

697 M. A. Leopoldi, "The Industrial Bourgeoisie and Political Hegemony in Brazil (1920-1950)", (Brazilian Workshop, London School of Economics, November 1982).

698 On Dutra, see Gainer to Hadow (FO), Dec. 28, 1945, FO371 51899 (AS220/13/6). On Fontoura, see the Annual report for 1946, Jan. 22, 1947 and on Fernandes, Gainer to Attlee, Dec. 20, 1946 – both in FO371 61204 (AS490/45/6). On the Church, see Ideological Report from Gainer to Bevin, Jan. 22, 1947, FO371 61204 (AS509/45/6). On the Army, see Gainer to the Foreign Office, March 5, 1946, FO371 51901 (AS2437/13/6).

699 "Relatório sobre atividades do PC", GV 46.01.00; memo from McQuillen, March 6, 1946; Gainer to Foreign Office, March 5, May 7, 1946, all in FO371 51901 (AS3103, 3229, 2437, 2514/13/6).

700 M. V. Benevides, *op. cit.*, p. 66.

the Party was to be banned abounded after generated by the policy that boasted of plans to rapidly eliminate any resistance to the closing of the Communist Party by the Government. According to the US Ambassador, in mid-August "the police might even find it expedient to stimulate or agitate party leaders into resistance in order that they might be 'taken care of' while opposing the police".[701] On August 30 the rumours were realised when thousands of militants were imprisoned and simultaneously a legislative attempt to close the Party was made and promptly abandoned after a strong reaction in the Constituent Assembly.[702]

In November 1946 the army pressed Dutra to introduce a draft bill that enables officers to be expelled from the armed forces if they belonged to "parties opposed to a democratic regime".[703] Although opposition was growing and *trabalhismo* under Vargas' leadership was making progress among the working classes, the Government still greatly feared the growth of the Communist Party during 1946 – at the end of that year the Party's total membership was about 130,000 – and the election of communists in some states in January 1947.[704]

The Government was determined to "exterminate communism" and a petition presented to the Brazilian Supreme Court to outlaw the Communist Party was approved by a vote of 3 to 2 on May 7, 1947.[705]

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701 Pawley to Braden, Memo (annex), NA/RG59 832.00/8-1646. Also Gainer to the Foreign Office, June 11, 1946, FO371 51901 (AS 3229/13/6).

702 See Pawley to Truman, Aug. 16, 1946, HTL/CF. According to Pawley 3,000 communists were imprisoned on the night of August 30. Pawley to the DS NA/RG 59 832.5018/9-346.

703 Gainer to the Foreign Office, Nov. 21, Nov. 8, 1946, FO371 51903 (AS7293, 73, 18/13/6). Also Maciel Filho to Vargas, AO 46.11.00/3, Annual report for 1946, Jan. 22, 1947, FO371 61204 (AS490/45/6).

704 Lutero Vargas to Getulio Vargas, GV 46.00.00/4. Gainer to Bevin, Jan. 16, 22, 1947 both in FO371 61204 (AS572, 509/45/6). Summary of Press and Political Report, by Yenchius, NA/RG59 832.00/2-2147 and also 832.00/3-1847.

705 "The Government's action had been promoted by fear rather than by intelligence", British Embassy, Rio, May 14, 1947, FO371 61205 (AS2940/45/6). Also memo on Brazilian political stability, May 2,

The next steps to be taken were the passing of a law on internal and external State security, directed against illegal Communist activities, which in practice revoked freedom of the press, speech and public meetings, and the cancellation of the mandates of the communist deputies in the legislative bodies. Known as *batalha das cassações*, this episode in the National Congress extended from July to December 1947.[706]

The next step in the escalation of attempts to exterminate "the enemy of the Brazilian state" was obvious by mid-1947: since the communists "were part of Russia inside Brazil", according to a commonly held view at the time,[707] and since the Soviet Government used the Brazilian Communist Party "as an instrument for political and ideological propaganda opposed to Brazil's interests her way of life and her political system"[708] action had to be taken against the USSR itself. It must be remembered that many of the senior officials in the Dutra Administration – including the President, the Minister of War and the successive Ministers of Foreign Affairs (Fontoura and Fernandes) – were openly anti-Soviet, and were sensitive to pressures from anti-communist organizations. President Dutra was known to be catholic, legalistic-minded, anti-communist and anti-soviet;[709] the Minister of War, Gen. Canrobert, spoke openly and officially of the USSR as an "imperialistic nation" that "aims to destroy our nationality";[710] Fontoura told a US journalist that

1947, NA/RG59 832.00/5-647. See also H. Silva, *1945, Por que Depuseram Vargas* (Rio de Janeiro, 1976), pp. 383-402.

706 Descriptions of the *batalha das cassações* can be found in H. Rocha, *Memória Indiscreta* (Rio de Janeiro 1981) pp. 3-31, and H. Silva, *op. cit.*, pp. 403-457. See also Charge d'Affaires to Bevin, Sept. 5, 1947 in FO371 61205 (AS4515, 5299/45/6).

707 Juracy Magalhães, 6th interview, HO/CPDOC.

708 MRE to BRASEMB Moscow, June 2, 1947, AHI/MDB/MOSCOW/Telegramas expedidos.

709 Annual report for 1945, FO371 51899 (AS486/13/6).

710 Gainer to the Foreign Office, Nov. 8, 1946, FO371 51903 (AS7318/13/6).

Russia was the greatest peril threatening the world;[711] Fernandes endorsed the idea of a third world war to solve the eastern threat against the Western world;[712] Góes Monteiro, the Brazilian representative at the Rio Conference of 1947, wanted to discuss articulated anti-communist policy throughout Latin America.[713] All such allegations are evidence of the organized state of the social and political forces inside the State which were pressing for anti-Soviet policy.

The Government and the conservative press used to confuse Brazilian communist activity and Soviet policies for their own purposes. When Prestes, General Secretary of the Communist Party, stated that in the event of an imperialist war the Brazilian communists would support the USSR, the declaration was used to attack the Soviet Union. On the other hand, an incident involving a Brazilian diplomat in Moscow was used in Brazil as a propaganda weapon against the Brazilian communists in the electoral campaign of January 1947.[714]

In December 1946 alone, a total of anti-Soviet articles and news reports were published in the newspapers of Rio de Janeiro, as part of an effort to counter-act communist influence among voters in the Federal District.[715] The delicate balance of Brazil-USSR relations was constantly eroded over since relations had been re-established and the Brazilian Government seemed to be waiting for the right occasion to break off relations once more. The occasion

711 Annual report for 1946, FO371 61204 (AS490/45/6).

712 Fernandes to Aranha, AO 47.11.16. He sustained this view until the end of the decade: Walters, Statements of political interest, NA/RG59 832.00/6-1049.

713 See note 555.

714 Political reaction in the newspapers from March 19 to 28, 1946 can be found in NA/RG59 732.61. See also Gainer to Bevin, Dec. 23, 1946 and Jan.16, 1947, both in FO371 61197 (AS2,573/2/6).

715 British Embassy in Moscow to the Foreign Office, Jan. 31, 1947, FO371 61197 (AS889/2/6). See also Clissold (ed.) *Soviet Relations with Latin America* (London, 1970), p. 184.

was provided by an article published in "The Literary Gazette" on October 4, 1947 in Moscow which attacked the Brazilian President. The Brazilian Ambassador in Moscow felt that a protest against the publication would be harmful to Brazilian-Soviet relations,[716] but Itamaraty sent a strong note to the Soviet Foreign Office demanding on apology and retraction of the article, on the grounds that the Soviet press was completely controlled by the State and the article therefore constituted a deliberate official affront to Brazil.[717]

The evidences point out to the fact that Itamaraty hoped that its "strong note" would be rejected by the Soviets, thus justifying the severing of diplomatic relations. On October 9 Minister Fernandes told a US diplomat in Rio that "Brazil had everything to gain and nothing to lose by severing relations". The British Ambassador in Moscow considered that there was no reason for severing relations and the article was being used as a pretext by the Brazilian Government. Aranha himself recognized that the whole affair was conducted with "the deliberate purpose of breaking (relations) and not of getting explanations (from the Soviets).[718] United States officials made some last-minute efforts to avoid the severing of relations: Secretary Marshall asked Aranha what could be done to prevent the rupture and US diplomat reminded Itamaraty that similar situation had been faced by President Truman as a result of anti-US articles in Soviet newspapers.[719] These efforts did not succeed and on October 20, 1947, the Brazilian Government severed its diplomatic relations with the USSR and organised a

716 Pimentel Brandão to the MRE, Oct. 4/5, 1947, AHI/MDB/Moscow/Telegramas recebidos.

717 BRASIL. MRE. *Ruptura de Relações Diplomáticas entre o Brasil e a URSS*, Serviço de Publicações. 1947.

718 Key (US Embassy in Rio) to the Sec. of State, NA/RG59 732.61/10-947. Roberts (UK Ambassador in Moscow) to the Foreign Office, Oct. 17, 1947, FO371 61197 (AS5932/2/6). Aranha to Eduardo Gomes, AO 47.10.00/4.

719 Aranha to the MRE, OA 47.10.18/1. Memo from Keeler (US Embassy in Rio), NA/RG59 732.61/10-2847.

meeting of workers in front of the *Palácio do Catete* to demonstrate solidarity with the Government.[720]

The Brazilian Government's actions were based both on its particular view of international affairs, as well as on the internal situation in Brazil. In relation to international affairs, it was convinced that a third world war was imminent, albeit a preventive one initiated by the US, and Brazil had to support the West. An official army book entitled "Em memória das vítimas do comunismo no Brasil", issued in 1945, stated that:

> *if the Russian people cannot eradicate the communist plague of its own accord or if the process of eradication is too drawn out then a third world war is inevitable in order to expel from the face of the earth the peril of Ural Asiatic totalitarianism.* [721]

In relation to domestic politics, there was a growing irritation within the State (especially the army) at the extended debate in the Congress on the "mandates" of Communist deputies since there seemed no possibility of solving the problem at that time.[722] The Government's conclusion was that "strong action needed to be taken against Soviet influences" and an article in the "Literary Gazette" provided an opportunity for such action.[723] The turn of events only provided the opportunity for actions which had

720 Itamaraty's justifications for the severing of relations can be found in MRE to DELBRASONU, Oct. 22, 1947, AHI/DE/ONU/Telegramas-minutas expedidos and AHI/Maço 36013. See also C.H.Daugherty, "Foreign Policy Decision-Making in Brazil: Case Studies in Brazilian Policy Towards the Soviet Union 1945-1961" (Ph.D. Georgetown University, 1974).

721 Quoted by the British Military Attaché, Gainer to the Foreign Office, November 29, 1945, FO 371 44810 (AS6480/52/6). See also Butler to Shuckburg (FO) on Itamaraty's views, October 24, 1947, FO 371 61197 (AS6056/2/6).

722 According to M. V. Benevides, the army chiefs (Canrobert and Góes Monteiro) even put pressure on some deputies over the cancellation of mandates. M. V. Benevides, *op. cit.*, p. 68.

723 Butler to Shuckburg, note 255. On the same theme Butler to Bevin, Ocotober 30, 1947, FO 371 61197 (AS6037/2/6).

already been decided upon since "the sudden rise of the communist party had united almost all propertied Brazilians in their fear of Soviet influence in so far as it may affect their own pockets" and the Catholic Church was "outspoken in its condemnation of 'bolshevism'."[724] Voices such as those of Aranha and a few other liberals who held a broad view of international affairs and spoke of the possibility of different ideologies co-existing had no place under the Dutra Administration.[725]

Brazil's decision to sever relations with the USSR was not a by-product of the newborn Cold War, but rather a logical consequence of Brazilian internal affairs and a chapter in a distorted view of social conflict and political unrest as part of a world conspiracy commanded from Moscow. If compared with the Cold War in US politics, it is a phenomenon with different roots, although it was capable of maximizing its effects when the US, in the late forties, embarked in its "witch hunt". While in the United States anti-Sovietism was part of the strategy of her *power system*, in Brazil it was a weapon of authoritarianism, a specific way of controlling class conflict in this society. Naturally, the Brazilian ruling classes welcomed the Western political ideology of a "free world", since it complemented their domestic worries.

Epilogue: the end of the decade

According to the Annual Report for 1949 by the British Embassy in Rio de Janeiro, Brazilian foreign policy remained firmly anchored to three principles: "first, firm support of hemispheric solidarity, secondly, the fulfilment of her obligations

724 Common expressions found in the British correspondence. See for instance many documents on anti-communist pressure groups in FO 371 61204 (1947).

725 Aranha's speech to the Associação Rio Grandense de Imprensa, OA 47.09.10pi; Aranha to Shay, OA 47.05.12/1

as member of the United Nations and thirdly, absolute opposition to Soviet Union".[726] In the framework of the Cold War, however, "hemispheric solidarity" and "participation in the United Nations" meant in practical terms following the orientation of the United States. The end of the decade was characterised by an ineffective continuation of Brazil's "automatic alignment" with the US founded on an ideological view of international affairs.

1.

The Dutra Administration continued to believe that alignment with the United States would create a "special connection" of an economic as well as a political and military nature between the two countries, thus permitting Brazil to assume the role of major Latin American power, even assuming priority over Argentina.

The foundations of this Brazilian policy rested on her active collaboration with the Allie during World War II, combined with loyalty to the West and Western principles in multilateral spheres (UN, OAS), as well as bilateral relationship, as in the major action of severing diplomatic relations with the USSR. The main assumption underlying Brazilian foreign policy was that overall alliance with the United States would generate moral obligations in that country towards Brazil. Consequently Brazil would be assured of being treated as a great power in diplomatic arenas.[727]

This conviction throws light on the last major Brazilian attempt to be recognized by Washington as a "special ally" in 1948/1949.

726 Annual Report for 1949, January 9, 1950, FO 371 81248 (AB1011/1).

727 On Brazilian support for US positions in the UN see Butler to the Foreign Office, Aug. 22, 1949, FO371 74560 (AS4318/1023/6). On US "moral obligations to Brazil", see Review of First Years of Dutra Administration, NA/RG59 832.00/12-748. On Brazil's wish to be treated as a great power and a special ally, see FO371 74549; also Rusk to Johnson (DS), NA/RG59 711.32/11-2348; Clark to Daniels, 711.32/11-2348, 11-2548; Johnson to DS, Apr. 25, 1949, 832.20/4-2549. A critical review of Brazilian foreign policy under Dutra can be found in M. Mourao, *Dutra, história de um governo*, (Rio de Janeiro, 1955), pp. 99-104.

Stressing the need to obtain the approval of the Brazilian Congress for expenditures to complete and maintain the air bases in North and North-east Brazil, the Brazilian representative on the Joint Brazil-United States Military Commission, Gen. Cesar Obino, presented at the end of 1948 a memorandum to the US Government, demanding broad military and economic co-operation between the two countries including:

- US recognition of her commitments to Brazil according to the secret politico-military agreement of 1942;
- US assistance for Brazil's economic infrastructure;
- US training for a larger number of Brazilian army and navy personnel;
- US supplies of ground, sea and air materials.[728]

Obino's secret memorandum was in fact asking for a broad and intensive re-equipment of Brazil, both in military and economic terms, in order to secure Brazilian pre-eminence in Latin-America. Its acceptance would mean a new special alliance between Brazil and the United States.

Washington was no longer interested in this special alliance but realised that the secret agreement of 1942 was still in force and had, in fact, created a unique military alliance between the United States and Brazil. Nevertheless in 1949 it was felt that such an agreement "was not in consonance with US current strategic interests"[729] and the US Government responded to the Brazilian initiative by denying the possibility of a new special alliance. Washington's reply to the Brazilian stated that:

- US defence commitments to Brazil were covered by the Inter-American Treaty of Reciprocical Assistance (1947);

728 Dean Rusk to Johnson, NA/RG59 711.32/11-2348.

729 Study by the Joint Chiefs of Staff, Johnson to Acheson, NA/RG59 832.20 Missions/5-1749.

- the US Government was already extending economic assistance to Brazil in various forms, for instance the Abbink Mission;
- the military training programme would continue;
- arms assistance was under consideration in the US Congress, and Brazil would be in a favourable position if legislation was approved.[730]

In early 1949 Brazilian hopes were raised when President Truman made reference in his inauguration speech for his second term as President to a daring new programme regarding the economically backward areas of the world. The Brazilian Embassy explained to Itamaraty that this "Truman Plan" (which later became known as "Point Four") did not contemplate large public investments or loans such as the "Marshall Plan" had proposed for Europe, but was basically restricted to the granting of "technical aid" and stimulation to private investments in backward areas. Furthermore the "Point Four" programme was mainly directed to underdeveloped areas of Africa and Asia and a large part of it would be devoted to the development of raw materials.[731]

In spite of these warnings, which implied a political need for a united front of Latin American countries in order to discuss and plan the best ways of taking advantage of this US initiative, the Brazilian Government insisted that the Point Four programme would be best discussed bilaterally since this was the best way of achieving "each county's interests".[732] The same attitude can be found in Itamaraty's deliberate lack of interest in a proposed Economic Conference in Buenos Aires to improve some of the economic proposals of the

730 As note 728.

731 Muniz (DELBRASONU) to the MRE, Feb. 5, 28, 1949, AHI/DE/ONU/Cartas-telegramas recebidas.

732 MRE to Brazilian delegation at the OAS, May 2, 1949, AHI/DE/OEA/Cartas-telegramas expedidos.

Bogotá Conference, on the grounds that "the Brazilian Government has always preferred bilateral solutions".[733]

2.

The United States was determined to deny Brazil any economic or military privileges through bilateral agreements since the major interests of the US now lay in Europe and Asia. The political consolidation of the American continent had been achieved by the Treaty of Reciprocal Assistance (1947) and the Organization of the American States (1948). There would, therefore, be no "Marshall Plan" for Latin America.

In terms of economic assistance, the United States justified her efforts outside the continent on the grounds that "our productive capacity is limited and ... for the time being for humanitarian as well as for vital political reasons the rehabilitation of the war areas is to the best advantages of all democratic nations".[734] For this basic reason Washington was not prepared to supply extensive financial assistance and confined itself to continuing programme of technical assistance, particularly health and industrial training under the "Point Four" programme. It is not surprising that the State Department consistently opposed any loans from other US Government agencies to the Brazilian Government connected to the development of oil exploration.[735] The Brazilian Government was only able to secure resources for the continuation of projects of the Volta Redonda steel plant and the hydroelectric power station of Paulo Afonso in the North-east. The Truman Administration

733 Accioly (Brazilian representative at the OAS) to the MRE, April 11, 1949, AHI/DE/OEA/Ofícios recebidos. MRE to Brazilian delegation at the OAS, March 18, 1950, AHI/DE/OEA/Cartas-telegramas expedidas.

734 Memo from the DS, NA/RG59 832.001 Dutra, G./5-1749.

735 Acioly to MRE, May 9, 1949, AHI/DE/UPA-OEA/Cartas-telegramas recebidas.

was mostly interested in financing the exploration of Brazilian (and other Latin American) raw materials.[736]

As in the past, the Truman Administration and the US Congress also sought the best opportunities for US private investment so that the foreign capital invested in Brazil would "be accorded fair and non-discriminatory treatment, and that there be no un-discriminatory treatment, and that there be no un-reasonable barriers preventing the transfer or re-patriation of such capital or its earnings".[737] The private companies – in perfect harmony with the US Government – also wanted complete freedom of action in Brazil. The representatives of US big business clearly told Brazilian diplomats that even the exploration of Brazilian mineral resources would only be improved when and if the Brazilian Government provided all the guarantees they were asking for. If these were not forthcoming they would turn to other politically and socially stable parts of the world, even if these turned out to be more expensive for the companies.[738]

In terms of bilateral military assistance, the great number of US officers and troops serving in the JBUSMC in Rio de Janeiro could be seen as implying that Brazil played an important role in US military policy for Latin America. In fact those military were mainly concerned with the organization, training and indoctrination of the Brazilian armed forces on the lines of the US model. The links established between the Brazilian and US armed forces concerning military supplies, the main Brazilian demand, were so intimate that "no major decision as to general policies or re-equipment

736 Mello Franco (Brazilian Plenipotentiary Minister in Washington) to the MRE, Aug. 16, 1950, AHI/MDB/Washington/Cartas-telegramas recebidas.

737 Draft of Policy Statment, DS, NA/RG59 711.32/7-248. See also Fontoura to Vargas, GV 50.01.24/2: and Mello Franco to Fernandes, Sept. 28, 1949, AHI/MDB/Washington/Ofícios recebidos.

738 Correia da Costa (OAS) to the MRE Oct. 23, 1948, AHI/UPA-OEA/Cartas-telegramas recebidas.

would be taken by any of the Brazilian Service Ministries without the advice and approval of the US Service Mission accredit to it".[739] Not surprisingly US officers on the Commission confessed to their British colleagues in Rio that for political reasons it was impossible to give concrete aid to one South American country in preference to another.[740] Since the US Government had decided that "Washington will not guarantee to Brazil *vis-à-vis* Argentina any margin of military superiority which may have existed at the end of the conflict" (World War II).[741] In fact the great number of US military personnel in JBUSMC was merely a means by which the US could control the "optimum strength" of Latin American armed forces.

In terms of Latin America as a whole, the Inter-American Treaty of Reciprocal Assistance was considered by the US military leadership as being necessary to ensure that the security of the Western Hemisphere would be essential to any transoceanic projection of major US offensive power".[742] In this sense the Treaty must be regarded as an instrument of US strategic objectives in Latin America. These objectives included:

- continued and increased production and delivery of essential strategic raw materials;
- maintenance within each nation of political stability and internal security to ensure protection of the installations

739 British Naval Attaché to the Foreign Office, July 7, 1950, FO371 81287 (AB1192/1). The JBUSMC personel in Rio included 105 officers (20 of whom were from the navy, 40 from the army and 45 from the air force) and 180 troops (of whom 65 belonged to the navy, 35 to the army and 80 to the air force).

740 As note 739.

741 Lovett (DS) to AMEMBASSY Rio, Oct. 22, 1948, HTL/PSF.

742 Report to the National Security Council by the Secretary of Defense on US policy concerning military collaboration under the Treaty, Aug. 31, 1949, HTL/PSF.

upon which the production and delivery of strategic materials depended;

- mutual co-operation between all the Latin American nations in support of the United States;
- protection of vital lines of communication;
- provision, development, operation and protection by Latin American nations of those bases that might be required for use by the United States and the protection of lines of communication;
- coordinated protection by member nations of their own national areas from invasion and attack.[743]

These objectives were stated as part of the instructions given to the senior US delegate to the instructions given to the senior US delegate to the Inter-American Defense Board by the US Secretary of Defense. These instructions linked the Treaty to the reinforcement of the Latin American economies as producers of raw materials while at the same time trying to secure social and political stability in order to protect the economic model of interest to the United States. The Treaty was also designed to secure Latin-American support for the USA and US strategic undertakings. Finally, they also included statements of policy regarding the national defence of Latin American countries. From the US point of view the Treaty was more a channel for the politico-military articulation of US hegemony in the continent than a treaty which concerned hemispheric defence. It aimed to consolidate the parts and the totality of the regional system rather than to defend it against an external threat.

743 Memorandum for the senior delegate, US delagation, Inter-American Defense Board, Annex to *Report*... as in note 742.

3.

In order to maintain good with Brazil and counter the growing anti-US feeling in Brazil engendered by the nationalist movement, the US Government adopted once again a policy of symbolic gestures designed to restore a sense of importance to Brazil and secure her goodwill.

The best example of this policy was the US response to General Obino's memorandum. Brazilians in general were conscious of the difference between the way the US was treating Latin America and the European countries favoured by the "Marshall Plan". The Department of State was fully aware of the fact that the response of the US to the Brazilian initiative represented by General Obino's memorandum did not meet Brazilian expectations and would not improve Brazil-United States relations. Something had to be done in order to "prove" Brazil's unquestioned position.[744] Following a suggestion made by Itamaraty the US Government therefore invited President Dutra to visit the United States.

Having made this gesture, and the visit had been planned for May 1949, the US found itself in a curious situation since it had to arrange for something to "result" from President Dutra's visit to their country.[745] The State Department's solution was to take a convention on economic development which had already been presented to Costa Rica, make minor adjustments in accordance with the Brazilian situation and present it as an instrument "to promote closer relation between Brazil and the United States".[746]

President Dutra's visit to the USA occurred between May 18 and 27, 1949. At its conclusion a joint statement was issued,

744 Johnson to the Sec. of State, NA/RG59 711.32/12-1648; Clark to Woodward, 711.32/12-1648; Daniels to Lovett, 711.32/12-1648; Clark to Woodward, 711.32/2-1148.

745 Memo from Clark, NA/RG59 832.001 Dutra, G. /1-3149; Clark to Woodward and Daniels, 711.32/2-1149.

746 Memo from Clark and Draft of Convention annex, NA/RG59 832.001/5-449.

according to which the recommendations made by the Abbink Mission to the Brazilian Government would be improved: foreign private investments in Brazil would be stimulated by both Governments; a convention on taxation would be signed; and the possibilities of US loans to Brazil through the Eximbank and the World Bank would be considered.[747] Dutra's visit to the United States was considered by Itamaraty as "an important step in mutual understanding and economic strengthening between the two countries".[748]

A further visit, this time by the Brazilian Minister of Finance, in order to improve these arrangements revealed the true nature of US proposals. US financial aid through the Eximbank and the World Bank would be better secured if US private capital was provide with favourable conditions in Brazil. In this connection some conventions were to be signed by both countries in order to remove certain points of uncertainty, such as the Brazilian legislation on the repatriation of capital earnings, from foreign investments.[749]

4.

Brazil's official alignment with the USA continued to be synonymous with anti-Sovietism and a fear of social revolution. Brazil's foreign policy was thus perfectly represented by the assumptions of the Cold War and Itamaraty's actions were consistent with this ideological view of international politics until the very end of the decade.

In 1949 the Brazilian Government decided to resume diplomatic relations with Spain at an Ambassadorial level. It must

747 Annual Report for 1949, Jan. 9, 1950, FO371 81248 (AB1011/1).

748 "A Política Exterior do Brasil na Gestão do Chanceler Raul Fernandes" (Rio de Janeiro, 1951) pp. 75-76.

749 Memo from Bulhões, annex. Nabuco to Fernandes Jan. 19, 1950, AHI/MDB/Washington/Ofícios recebidos.

be remembered that a United Nations resolution in 1946 had led to the withdrawal of the Brazilian Ambassador in Madrid. According to British observations, Brazil's decision to resume diplomatic relations with Spain "was really governed by the consideration on that Franco's Spain, whatever its faults, was firmly anti-Communist and should for that reason be supported".[750] Since 1947 the Itamaraty had opposed any sanctions against Spain on the grounds of non-interventionism.

Non-interventionism was, however, a political doctrine and as such was subordinate to the main Brazilian ideological considerations. Itamaraty supported Western intervention in Greece on the grounds that "the Greek case was a result of the political war provoked by international communism in several countries in order to achieve world domination".[751] Similarly, Itamaraty lamented the socialist revolution in China and was "naturally opposed to according any form of recognition to the People's Republic of China".[752]

The same consistent ideological view of the world was at stake in the Korean case. Brazil supported the United States position on Korea, and recognized the Government of the Republic of Korea (South Korea) in 1949.[753] When North Korean troops crossed the thirty-eighth parallel and the war broke out in mid-1950, Brazil supported in the Council of OAS a resolution declaring its agreement with US proposals to provide assistance for the Republic of Korea. Furthermore, in November 1950 when the US

750 Annual report for 1949, January 9, 1950, FO 371 81248 (AB1011/1).

751 Fernandes to the MRE, November 2, 1948, AHI/DE/ONU/Cartas-telegramas recebidas.

752 Annual report for 1949, January 9, 1950, FO 371 81248 (AB1011/1). See also "A Política Exterior do Brasil…", p. 61.

753 Freitas Valle (MRE) to Nabuco (BRASEMB Washington) June 13, 1949, AHI/MDB/Washington/Despachos.

Government proposed at the United Nations a resolution accusing the People's Republic of China of being guilty of aggression and demanding the withdrawal of her troops, Brazil voted with the USA.[754] However, when the US Government asked for Brazilian military collaboration, the Dutra Administration could not provide Brazilian troops, not only because of logistic problems but also because Presidential elections were due to be held in October 1950. It would not be fair to make a commitment that the next Administration would have to honour since that Administration might hold different views on the Korean War.[755] As in other Latin American Republics, popular unease was created in Brazil by rumours that troops were to be sent to Korea and the Minister of War had to officially deny them.[756] The Brazilian Government was, nevertheless, willing to offer strategic materials and other supplies to UN troops free of charge and President Dutra asked the National Congress to authorise the sum of 50 million cruzeiros (US 2.7 million dollars) as the Brazilian contribution to the Korean War.[757] After China became involved in the conflict in November, Minister Fernandes defended new Brazilian initiatives and urged the new Administration to act in the same way.[758] Despite certain limitations, the Dutra Administration was fully committed to the cause of the Cold War.

754 J. L . Mecham, *The United States and Inter-American Security*, 1889-1960 (Austin, 1961), pp. 429-430.

755 Mello Franco (BRASEMB Washington) to Fernandes, August 15, 1950, AHI/MDB/Washington/Oficios recebidos.

756 See F. Parkinson, *Latin America, the Cold War and the World Powers, 1945-1973.* (Beverly Hills/London, 1974), p. 23.

757 Butler to the Foreign Office, September 9, 14, 1950, FO 371 81260 (AB1071/1,3).

758 Interview in *Tribuna da Imprensa*, Rio de Janeiro, December 7, 1950. See also AHI/Maço n. 37944.

Conclusions

The study of Brazilian foreign relations during the forties suggests a number of interesting issues for both historians and social scientists. The kind of relations established by Brazil with other countries – especially the United States – during the decade allows us to discuss not only Brazil's place in international relations but also the intimate relationship between her foreign and domestic policies.

Brazil-United States relations during the forties suggest the complex links that have to be established between a great power and its subordinate allies in order to create a *power system* on the international scene. I use the expression *power system* to describe a constellation of states composed of a centre (the Great Power) in which the main decisions are made, together with its area of influence (the subordinate allied states). This subordination can vary in nature and degree but one characteristic remains constant: the centre has the capacity to act autonomously as a sovereign State and, at the same time, to exert some degree of influence

on the other states in the *system*. This capacity has been called hegemony by some authors.[759]

The process of establishing the US *power system* and the role played by Brazil's in this process suggest four points for discussion:

a) the existence of a clear intention to create a *power system* starting in Latin America;

b) the nature of the economic links established between the Great Power and the subordinate allies;

c) the efforts to achieve political and military adjustment between them;

d) the generation and dissemination of a political ideology which rationalises the basic asymmetry of power that characterises the system.

a) The study of Brazil-US relation suggests that a clear intention to build up the United States as a Great Power had been evident since the outbreak of war. It was not just a matter of securing Brazilian political and economic collaboration, but involved a whole series of US initiatives to "eliminate" Axis influence – which necessarily implied substituting her own influence – on the Brazilian economy, military organization, mean of social control, foreign policy and so forth. These deliberate efforts to manipulate the policies of Brazil (and other Latin American countries) were an important step in the construction of the US *power system*. It can be argued that US policy makers held no *a priori* views on the size and strength of the system they were building during those years. It is true that they were building during those years. It is true that they frequently acted in response to circumstances and

759 A. Gramsci, *Maquiavel e a Política do Estado Moderno* (Rio de Janeiro, 1968), pp. 191-192. In the same line see the concept of sphere of influence, T. Patterson, *On Every Front* (New York/London, 1979), p. 35.

events beyond their control. But on the other hand, it is also true that they had concrete aims designed to increase US strength and those aims implied the creation of a new *power system* which would replace the declining European powers. From 1939 onwards US preparation to go into war was careful.[760] Her initiatives at the United Nations conferences from 1943 onwards, which aimed at establishing supra-national regulations to aid the recovery of both the capitalist economies and the international political order, far beyond her own "national interests" provide clear evidence of her intentions in international politics.[761]

Some historical and political analyses, notably the "bureaucratic politics" approach, developed by the US political scientist G. Allison,[762] tend to deny the consistent nature of political decisions of US foreign policy or even in foreign policy in general. In his study of the missile crisis of 1962, Allison denies the existence of a clear, single actor ("the nation") or guideline ("the national interest") in the foreign policy decision-making progress. He concentrates on the divisions and struggles among the many actors (agencies and individuals) in the Government, and argues that the final policies arose from those fights and represented either the victory of one actor over the others or a compromise between them. His main point concerns the high degree of indetermination in the final decision. The extensive power of the US in the post-war years must be regarded – according to this

760 R. Steele reminds that the US military plans for American action to forestall a possible German expedition to Brazil "did not satisfy the President (Roosevelt), who sought to project American power, not just protect American territory". R Steele, The First Ofensive, 1942 (Bloomington/London 1973).

761 F. Schurman, *The Logic of World Power* (New York, 1974) stresses this US search for supra-national regulations as the main characteristic of contemporary imperialism, in contrast to the pursuit of purely "national interests", which he terms expansionism.

762 G. Allison, Essence of Decision (Boston, 1971).

kind of interpretation – as merely the result of *ad hoc* decisions rather than a predetermined aim. This approach was applied to US policies in Latin America during the forties by Mitchell in an attempt to demonstrate that US policy was fragmented, confused and often contradictory, due to the variety of coalitions between actors in the Government. [763] When one probes beyond the day to day decisions to take a broad view of the whole picture, the main goals of the US concerning Latin America in general and Brazil in particular, one can see that the various agencies and individuals in the US administration consistently pursued a series of fairly well-defined goals. It is true, of course, that divisions did exist: the State Department did not agree with the Treasury on the best economic policy for Brazil in 1939/1940; in 1942 the Cooke Mission recommended policies that the State Department could not accept; the US Embassy in Rio disagreed with the official US oil policy for Brazil in 1945; and the US military services held different views from the State Department on the Brazilian expeditionary force in 1942/1943 and the question of arms supply after the war. However, all these different approaches were intended to secure US leadership over Brazil (and Latin America) during and after the war. [764] Thus the "bureaucratic politics" approach can serve as a method of describing the relevant facts but is unable to provide an accurate explanation of them.

763 Mitchell, "Dominance and Fragmentation in US Latin American Policy", in J. Cotler & R. Fagen (eds.), *Latin America and the United States: the changing realities* (Stanford, 1974).

764 I have criticized this "bureaucratic politics" approach in more detail in *Autonomia na Dependência* (Rio de Janeiro, 1980), pp. 29-32. A similar critical view can be found in C. A. MacDonald, "The Politics of Interventionism: the United States and Argentina, 1941-1946", *Journal of Latin America Studies*. V. 11, n. 2, 1980. MacDonald also argues that the "bureaucratic politics" approach underestimates the shared goals of rival policy makers in Washington. Divisions over the issue of Argentina concerned how the goals could be best achieved but not the goals themselves.

b) Economic and adjustments between the US and her subordinate allies in Latin America, in the framework of "free trade", had been initiated since the mid-thirties. The war represented both a limitation on, and an opportunity to improve the economic adjustments necessary to the *power system*. The war was a limitation in that commercial relations were drastically reduced and some import substitution through a process of industrialization was undertaken by a number of countries including Brazil. On the other hand, the war improved the already existing position of Brazil and other Latin American countries, as suppliers of raw materials and staple goods to the USA, a pattern that the Great Power tried to maintain after the war. The centre of the *power system* consistently insisted throughout the post-war years on maintaining the old-fashioned international division of labour in which manufactured goods were produced by the developed countries. US unwillingness to provide governmental loans to large scale Brazilian industrialization projects became clear during the Abbink Mission in 1948.

The economic adjustments between the centre and its subordinate allies can be misunderstood in two ways. The first would be to consider these adjustments as an instrument for the creation of an inter-dependence which offers benefits to all the components of the system in terms of the harmonious complementarity of interests. The notion, voiced in the forties, of Brazil's "agricultural vocation" on her "essentially agricultural character", provides examples of "economic harmony" which although disseminated by the centre was also supported by some of the subordinate allies. According to the second misunderstanding, the economic relations between the centre and the rest of the whole system were purely exploitative. While it is undoubtedly true that they were asymmetrical, a minimum of common interest and

mutual benefits had to be established if the system was to work. Adjustment cannot be regarded as simply a game of imposition. Various circumstances, both internal and external could place a weak, subordinate ally in a position of relative strength which it could manipulate for its own benefit. In this sense, asymmetrical relations could place fewer burdens on some countries than others. In the Brazilian case, although the specific *economic* circumstances of the war permitted an emphasis on a traditional economic pattern, the prevailing *political* circumstances nevertheless allowed the Brazilian Government to proceed with the Volta Redonda steel project. Through the concession of a steel plant, the US secured the necessary adjustments to pursue other economic aims towards Brazil, in particular the control of her strategic materials.

c) A similar analysis can be made with regard to the coordination of political interests between the centre and its subordinate allies. Minimum benefits had to be offered by the Great Power in order to assure stability in the *power system*. For that reason, despite the enormous differences in military strength between the Great Power and its potential allies, the creation of a system of alliances was guided by both multilateral and bilateral political negotiations.

Political multilateral adjustment between the Great Power and its allies was rapidly established. On one hand the weaker allies were interested in participating in an "inter-American system" for their own security reasons. On the other this system provided a basis in terms political and material resources for the US to develop as Great Power. The adjustment of the interests of the Latin American countries at the continental level was articulated through Pan-American conferences and was expressed in many resolutions, treaties, and other mechanisms of consultation. These constituted the legal instruments through which the continuity of the "inter-

American system" was ensured. Political bilateral relations had to overcome numerous specific problems. Negotiations over these issues were facilitated by mutual support. In the Brazilian case, for example, the stability of the Vargas regime was a matter of interest for the US Government during the war. On the other hand Brazil was a faithful ally of the USA in her Latin American policy.

On the military level, adjustment was also not easily achieved. In multilateral terms the military alliance proposed by the Great Power did not aim to include its weaker partners in the decision making process. From the point of view of the Great Power, military *alliances* did not necessarily aim to strengthen the global system in preparation for conflict, i.e. *war*. George Liska has suggested that alliance between a strong centre and a weak ally was rather viewed as an instrument of *internal control* of the whole system and each of its constituents.[765] Thus the role attributed by the Great Power to the armed forces of its allies was to maintain internal order their territories. The analysis of the Inter-American Treaty of Reciprocal Assistance of 1947 and its developments presented in this thesis has focussed on exactly this dimension. This question of internal control was also apparent in bilateral relations since the arrival of the US military missions in Brazil in 1940. The adjustment in this case was not easily achieved since the US military leadership wanted to be responsible for the defence of Brazil coastal waters, since this was regarded as an integral part of their global strategy. Although early talks were tense and difficult, they were so successful in the end that the Brazilian military authorities became, in the post-war years, a bulwark of the police of alignment with the USA. In this case as well the Great Power was forced to make a number of concessions to its smaller ally, as part of the adjustment.

765 G. Liska, *Nations in Alliance* (Baltimore, 1962) part I, chapter 3.

d) Asymmetrical Great Power's relations within the *power system* demanded some sort of legitimation for the Great Power Hegemony. A *political ideology* which treated hegemony as a natural fact or one necessary to the existence of the system was created by, and disseminated from, the centre of the system in order to prevent perceptions of political domination. This *political ideology* was presented as being for the "common good" of all the countries involved, rather than as of unilateral benefit to the Great Power. It translated into consensus what in fact were contradictory aspects of the *power system* by disseminating "values", points of view" and "perspectives" generated by the system.[766]

The generation and dissemination of a political ideology connected to the US *power system* can be detected in many decision-making centres in the US Government. The main centre was the Office of the Coordinator of Inter-American Affairs where intense discussions were held on the "best theme" for coordinating the peoples and governments of Latin origin. The "philosophy" adopted and spread throughout the continent was that of "hemispheric collaboration" and "Pan-Americanism".[767] This rhetorical understanding was widely adopted by US Government departments and agencies, as well as by Latin American foreign offices. Inasmuch as the dissemination of a political ideology become of vital interest to the US, it deserved detailed governmental planning. This task was undertaken by the OCIAA,

766 "Political ideology" as a theoretical issue was discussed by Brazilian political scientist M. Machado in "Political Socialization in Authoritarian Systems: the Case of Brazil" (Ph.D., University of Chicago, 1975) and in "Ideologia, Socialização Política e Dominação", *Dados*, v. 23, n. 2, 1980. A comparison between this approach frequently adopted by US scholars that have studied Brazil's foreign policy can be found in G. Moura, *op. cit.,* pp. 35-37, 45-47. Liska has also studied the ideology of alliances and has emphasised solidarity and common interests. G. Liska, *op. cit.,* part I, ch. 2.

767 Meeting of the Policy Committee of the Cultural Relations Division of the Coordinator's Office (OCIAA) Sept. 27, 1940; and Policy Committee of the Coordinator's Office, Oct. 14, 1940. NA/RG229.10, Minutes of Meetings. These meetings also considered the theme of "democracy" but concluded that it would not be of great appeal to many governments south of the Rio Grande.

by means of pervasive activities at all levels of social life in Latin America, bringing the message of US *military superiority* and a view of the US as a *model of civilisation,* through "Pan-Americanism". In this way the national interest of the US were presented to the rest of the continent as an expression of hemispheric collaboration. The notion of "Pan-Americanism" was perfectly suited to the role of political ideology behind the US power system.

This instrumental character of Pan-Americanism became clear at the end of World War II, when the US widened the sphere of her political interests and became a world power intending to establish a new international order. The scope of this political regulation – typically imperialist in nature had been widened and for this reason the "messages" of the *power system were* similarly enlarged. At the beginning of the forties, Latin America was the limit of US imperialist aims and Pan-Americanism was the corresponding political ideology. After World War II the US adopted the aim of "defending western civilization" against "international communism" as its political ideology. At this stage Pan-Americanism lost its *raison d'être* both as a planned policy and an ideology to be disseminated.

Another broad issue raised by Brazilian foreign relations in the forties concerns the degree of freedom that a country such as Brazil could enjoy. The temptation here would be to concentrate on either Brazilian diplomatic moves and formulations that could be construed as implying a fairly high degree of freedom – or on the external constraints on her actions, which could suggest that she enjoyed no freedom at all. In fact there were both limitations on, and possibilities for, Brazilian action. This has not always been fully recognized by students of the subject. For Luciano Martins, for instance, Vargas' political game between Germany and the USA reveals more than the desire to take advantage of the situation in order to increase his bargaining power: the game

revealed, according to Martins, a great fear of choosing the wrong side, that of the defeated. For this reason, he claims, the Brazilian Government came to a decision only when the outcome of the war seemed to be clear at the Casablanca Conference in 1943.[768] Martins' assumption is that there was a wide range of options open to the Brazilian "elites" and that they could wait until the best moment to choose the right side. This does not seem to have been the case. Brazilian demands from the USA met with favourable response not as a result of Brazil's power but because they were made at the "right moment", that is, when the United States really *needed* to secure continental solidarity and a decisive Brazilian contribution to her war effort. As we have seen, this turning-point occurred long before the Casablanca Conference, at a moment determined by the overall US offensive and not by the free choice of Brazilian "elites".

If Martins emphasized Brazil's freedom to choice, Roberto Gambini and Marcelo de Abreu stressed the constraints which she faced. For them the Brazilian economy was so restricted by the overwhelming pressures of the economies of the Great Powers that there were no choice open to the Brazilian leaders. For Gambini Brazil's ability to bargain effectively was only created when those powers underwent a crisis.[769] However, the economic crisis faced by these economies did not automatically benefit the periphery of the system. This depended on the *policies* adopted as a result of new political coalitions in the Vargas Government. For Abreu, Brazilian gains were the result of US "enlightened self-interest" concerning the Latin American situation.[770] The thesis which assumes an overall US capacity to produce alignments in Latin America cannot

768 L. Martins, *Pouvoir et Développement Économique* (Paris, 1976).

769 R. Gambini, *O Duplo Jogo de Getúlio Vargas* (S. Paulo, 1977).

770 M. Abreu, "Brazil and the World Economy, 1930-1945" (Cambridge, 1977), pp. 7-9.

adequately be applied to the Brazilian situation. The US needed so many economic and political items from Brazil and faced so much Brazilian resistances that the USA really had to *negotiate* with Brazil. Negotiation pre-supposes a bargaining capacity from the side of the weaker country. It is necessary, therefore, to recognize, at the same time, both the limitations and possibilities of the Brazilian Government in foreign relations. Although Brazilian policy makers could act only within certain limits, they were not completely subject to the decisions of others, Brazilian foreign policy was neither totally self-determined nor entirely determined from abroad.

Here we face another issue – the general conditions that allow a subordinate ally in a given *power system* to enjoy some capacity for independent action. An obvious answer to this question would be related to the degree of "openness" of the international situation or – looking at the other side – the degree to which the *power system* is consolidated and "closed". This openness can, of course, also be increased absolute polarization, thus making it difficult for small countries to remain neutral; on the other hand, it gave unexpected importance to some countries by virtue of their political, economic or strategic situation. That was exactly the case of Brazil in the forties. During the relative openness of the thirties Brazil played a game of pragmatic equilibrium towards the Great Powers. The war brought this game to an end and forced Brazilian policy makers to clearly define their position. In turn, however, they soon became aware of Brazil's importance to the US war effort, a circumstance which clearly magnified Brazil's ability to negotiate its international relations.

Other condition for a weaker country to play a significant role in international politics is the domestic political balance, according to which the subordinate ally can either simply accommodate itself to the demands of the Great Power, that is, quiet integration into the

power system, or it can actively seek to widen its political room for manoeuvre, that is, to increase its bargaining power. The direction of the domestic political balance depends not only on the State's own interests but also on how the different social classes relate to foreign policy and how they act in order to achieve their goal. In this context, another condition comes into play – the degree to which the main values disseminated from the centre of the *power system* have been assimilated and translated into the national context. The higher the degree of assimilation, the lower the capacity for autonomous action by the subordinate ally.

The combination of these various external and internal conditions permits us to understand the deep changes that occurred during the transition from Vargas' Government (1939-1945) to that of Dutra (1946-1950) in spite of the fact that formally they followed identical foreign policies, that is, alignment with the United States. Nevertheless the Dutra Administration was unable and unwilling to reproduce the essence of Vargas' policy. In Vargas' time alignment with the United States had been a policy dictated by necessity which had been successfully manipulated to create economic, political and military gains for Brazil. Alignment with the United States in Dutra's time was equally dictated by circumstances, but alignment was now the real aim of Brazilian foreign policy and economic, political and military demands were subordinated to that aim. While in the period 1939-1945 the Brazilian Government could bargain and obtain some political and economic benefits, from 1946 to 1950 Brazilian diplomacy could do nothing but hope that gains would be obtained. The rhetorical phrases referring to Brazil as a "great power" and a "special ally" who would gain "international prestige" continued but bore less relation to reality than in Vargas' period.

The change in the strategic aims of the Unites States which were then directed towards Europe and Asia, denied Latin America

an important role in US foreign policy since it was an area of peaceful hegemony. On the other hand, there were elements in the prevailing situation in Brazil that powerfully contributed to this. Firstly, the political balance that result from the coup of October 1945 and the elections of 1945 and 1947 kept power in the *Estado Novo*. Political change only scratched the surface even though it was referred to as "democratization". Liberal opposition to the Government soon accepted cordial relations and agreed to delay attempts to bring about social reforms, generally thought as being communist in inspiration. The conservatives who controlled the machinery of government were unable to recognize the legitimacy of the prevailing social conflicts and obviously considered the claims of labour unions and nationalist groups as a pretext for communist action. They were convinced that their fight against "communism" was an extension of the same fight the US Government was sustaining in other parts of the world. So they were prepared to accept US priorities in Europe and Asia as an achievement of Brazil's best interests.

The dominant classes of Brazil rapidly digested the new values disseminated by the Western Great Powers and translated propositions relating to the international sphere into a domestic framework. The formulations of free trade, such as the thesis of Bretton Woods, found staunch defenders within the Brazilian Government. This was perfectly compatible with the principle of complementarity between the Brazilian economy and that of the United States. In brief, the Brazilian economy was "essentially agricultural" and should concentrate on producing raw materials and staple exports and should import manufactured goods from industrialized countries. The dominant political and military doctrines also assimilated notions such as "collective security" and "national security" in the framework of US strategy since the beginning of World War II. Efforts were also made to accommodate

into a single ideology Pan-American ideals and the idea of a "free world" disseminated by the Western Great Powers. Notions such as "Yellow peril" or "Asiatic danger", as well as "Western civilization", were rapidly assimilated and adopted by Brazilian politicians and military officers.

Brazil's position as a subordinate ally in the US *power system* was not fully justified in the economic, political, and military formulations of the ideologists of the regime. Resources for bargaining had been drastically reduced and the Brazilian Government had no longer any means of extracting special benefits from its alignment with the United States.

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A final remark on society and foreign relations. If in Brazil there existed a wide gap between the State and society with respect to domestic politics, an even wider gap existed between them with respect to foreign relations since these were *par excellence* a field of action for the State. One can go further and say that this was not a separation but a complete dissociation, in which only a small fraction of society was familiar with the course of Brazil's foreign relations in the forties deeply affected the life of the lower classes of society, they were equally deeply excluded from the political system. Forced to make sacrifices and even go to the battlefields during the war, they were rewarded with neither material nor cultural benefits after the war but were simply told that the sacrifices had been necessary to give Brazil a special position in the world after 1945 as a partner of the United States. Even this distant dream was just another illusion.

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Gerson Moura was one of the founders of what is known today as the field of International Relations in Brazil. I have had the privilege of having him as a teacher, workmate and good friend. First, as a Contemporary History Professor at PUC-RJ, he taught me the view of the South on the international policy and security challenges during the years of the Cold War. Then, as coworkers at CPDOC, we established an International Relations Program to promote research on the history of Brazilian foreign policy. With Funag's support, we have produced a set of texts analyzing the international courses of action for Brazil in the 1940s, 50s and 60s. Gerson Moura was also a key collaborator in the creation of the Institute of International Relations at PUC-RJ, in the beginning of the 1980s. His contributions have always demonstrated critical thought, knowledge and kindness.

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