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Industrial Promotion and Political Instability: 'Fifty Years in Five'
and the Meanings of National Development in 1950s Brazil

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An abstract of
A dissertation submitted to the Faculty of the Graduate School of Emory University
in partial fulfillment of the requirements for the degree of Doctor of Philosophy
in History
2009

Abstract

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By Rafael Rossotto Ioris

In October 1955, Juscelino Kubitschek was elected President of Brazil after having run a campaign that promised to promote fifty years of economic growth in the five years of his presidential. This goal was to be achieved by means of a state-led program of fast-paced industrialization, which became known as the Targets Plan. The goal of rapidly transforming Brazilian society mobilized government officials, intellectuals, and organized industrial labor into a rich discussion about the meanings of national development. These social segments advanced different views, but, in the end, the agenda-setting process of the national government favored fast absolute economic growth rather than social incorporation of economically marginalized sectors.

In contrast to the prevailing literature on development promotion in the post-World War II context, my work indicates that the Brazilian government did not promote its developmental goals in isolation from broader social segments. On the contrary, I show that the areas of the Plan with better results were those which constantly interfaced with private business groups. Still, while the Targets Plan fostered widespread interest in national Brazilian society, the administration favored specific views and interests in detriment of others, particularly those of organized labor groups. Also in direct contrast with canonic arguments about political stability on fast-industrializing societies, my study suggests that what provoked the final destabilization of the political system in operation in Brazil in mid-century was not the fact that popular demands were rising at an exceedingly fast rate. Instead, based on a detailed analysis of a rich source material, which included official documents of the Council of Development (the official agency in charge of implementing the Targets Plan), intellectuals works and union-based labor publications, I advance the view that the destabilization of the regime that followed the implementation of the Plan derived from the fact that broader and more socially inclusive conceptions on national development were flattened into a top-down plan centered exclusively on fostering fast rates of absolute economic growth.

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Acknowledgments

A dissertation represents the completion of an extended process of work, reflection, and a large deal of persistence. Despite being a task performed largely on your own, the outcome of this long journey could not, however, exist without the help and understanding of several other individuals. First of all, I would like to thank my advisor Prof. Jeffrey Lesser for his guidance and support. His intellectual trajectory represents to me a model that has inspired me at all times. I also owe a great debt of gratitude to Prof. Susan M. Socolow and Prof. Walter L. Adamson for their illuminating teachings and continued mentorship. I also would like to thank the Graduate School of Arts and Sciences at Emory University for making this possible. To my colleagues and friends at the History Department and in Atlanta thank you for being there for me. To my students at Emory and in Brazil, thank you for making me a better teacher. To my families in Brazil and elsewhere, this is also due to your support and understanding. Above all, though, this work goes to my wife, Renata, for her unconditional love and support. Thank you, Re. To Taís, welcome!

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Introduction

In October 1955, Juscelino Kubitschek de Oliveira was elected President of Brazil after having run a successful campaign that promised fifty years of economic growth and development in the five years of his presidential term. Indeed, the expression “**Fifty Years in Five**” was the slogan of the candidate’s political platform and, in general lines, the defining direction of his ensuing administration. During the subsequent five years, Kubitschek, commonly known in Brazil simply as JK, would seek to implement an ambitious plan of accelerated economic growth, centered on industrial promotion on the basis of an alliance private and government capital. This plan would receive the appellation of the Targets Plan,¹ given its list of thirty priority areas of the national economy which should receive preferential treatment on the part of the Federal administration so that fast economic growth could take place.

Beyond the experiences occurring in this Latin American nation, by the mid-twentieth century the goal of fast-paced economic growth by means of fast-paced industrialization mobilized the efforts of central governments in agriculture-based economies. In the bulk of these projects, complex political and ideological debates about the meanings of national development unfolded. Questions pertaining to how the goal of

¹ The **Targets Plan** is one of guiding threads of this study and will be examined in detail in Chapter Four. For a synthetic list of economic projects or targets contained in the *Plan*, see Appendix I. For additional works on the topic, see: Clovis Faro & Salomão da Silva, “A Década de 50 e o Programa de Metas,” in Angela de Castro Gomes, *O Brasil de JK*. (Rio de Janeiro: FGV, 1991); Celso Lafer, *JK e o Programa de Metas(1956-1960): Processo de planejamento e sistema político no Brasil*.(Rio de Janeiro: FGV, 2002); and Carlos Lessa, *Fifteen years of economic policy in Brazil*. Economic Bulletin for Latin America, ECLA, 9(2):153-214, Nov. 1964.

fast development promotion should be pursued, who should conduct the process, and who should benefit from such endeavors became objects of intense political negotiations.

In Brazil, the goal of rapidly transforming the national society mobilized multiple social segments amidst a rich discussion about the meanings of national development. Different views and positions were advanced, but, in the end, the agenda-setting process favored fast absolute economic growth rather than social incorporation of economically marginalized sectors. By structuring my analysis around the broad cultural and political negotiations involved in the implementation of the Targets Plan, I seek to probe the mosaic-like experiences involved in the political and cultural negotiations about national development present in Brazil in the 1950s. Similarly, by showcasing these same experiences, particularly those pertaining to the state-led projects of fast economic growth, I also try to account for the successes and failures of this type of projects since they were being deployed in various late-coming countries in the same period.²

At the dawn of the 1950s, Brazil was a country of 55 million people and its economy was still predominantly defined by the production and export agricultural products, with coffee representing more than half of all national export trade revenues. The decade would nonetheless undergo a profound process of transformation as distinct sectors of the Brazilian society began advocating that the country should redefine its economic basis by moving away from what had been its traditional agricultural vocation. Similarly, at least according to the main lines of the prevalent historiography on the

² The notion of ‘late-coming countries’ was initially proposed by Alexander Gerschenkron in the 1960s, as will be discussed in Chapter Two. For the entire reference on his work, see: Alexander Gerschenkron, *Economic Backwardness in Historical Perspective. A book of essays* (Cambridge, Mass: University of Harvard Press, 1962).

period, the 1950s was largely defined by a generalized sense of optimism about the country's future.

This up-beat nationalistic outlook was, to be sure, reflected in multiple events shaping the self-image of the nation at the time. In 1958, Brazil won the Soccer World Cup for the first time and the new musical style of Bossa Nova was introduced to world audiences. By the end of the decade, Brasília, a futuristic-looking administrative capital, was inaugurated in the heartland of the country, domestically produced automobiles began taking the streets, and growing numbers of highways began interconnecting Brazil's immense territory.

These transformations notwithstanding, the country continued underdeveloped for the vast majority of Brazilians, who remained predominantly illiterate and facing dire living conditions on a daily basis. Likewise, for most Brazilian workers, the economic progress of the period is to this day a distant reality. An analogous dissonance can be found when one scrutinizes the prevalent literature on the period, which portrays the existence of a widespread sense of optimism in favor of the developmental efforts of the Federal government, with a close examination of the dynamics on the ground. This analytical reassessment of the historical dynamics then in operation in fact demonstrates that different definitions of what national development should mean were available in the period. Moreover, prolific, even if at times crisscrossed and indirect, debates about national development unfolded in Brazil at the time. In effect, the most profound and lasting experiences of state-led development promotion in that country did take place throughout the in 1950s, particularly in its second half, when the Targets Plan was implemented.

Announced in the first months of the Kubitschek administration (February and March 1956), the Targets Plan represented a coordinated governmental effort that promised to lift the country out of its underdeveloped status by means of via rapid industrial promotion. In addition to high levels of economic growth (averaging 8 per cent annually), the impact of the Plan is attested by the fact that the very slogan of Kubitschek's campaign, Fifty Years in Five is a common reference to the administration's purported achievements to this day.³ Along these lines, the prevailing historiography on the 'JK Years' (as the years between 1956 and 1960 are also commonly known) has predominantly portrayed the period as one of enthusiastic optimism, fast-paced economic growth, efficient governmental planning, and unparalleled political stability.⁴

³ See: Robert J. Alexander, *Juscelino Kubitschek and the Development of Brazil*. (Athens, Oh: Ohio University Center for International Studies, 1991); Maria Victoria de Mesquita Benevides, *O governo Kubitschek: desenvolvimento economico e estabilidade politica, 1956-61*. (Rio de Janeiro: Paz e Terra, 1976); Cláudio Bojunga, *JK: O Artista do Impossivel*. (Rio de Janeiro: Objetiva, 2001); Ronaldo Costa Couto, *Brasilia Kubitschek de Oliveira*. (Rio de Janeiro: Record, 2001).

⁴ The list of works describing the JK Years as uniquely democratic, optimistic, and stable in the history of the country is extensive, with special note, in addition to those already mentioned, to the following: Carlos Heitor Cony, *JK, como nasce uma estrela*. (Rio de Janeiro: Record, 2002); Amaury Santos Fassy, *JK: o maior estadista do seculo XX*. (Brasília: Thesaurus, 2000); Jose Louzeiro, *JK: o otimismo em pessoa*. (Rio de Janeiro: Ediouro, 1996); Aluizio Napoleão, *Juscelino Kubitschek: audácia, energia, confiança*. (Rio de Janeiro: Bloch, 1988); Jose Aparecido de Oliveira, *JK: O Estadista do Desenvolvimento*. (Brasília: Memorial JK, 1991); Joaquim Ferreira dos Santos, *Feliz 1958: O ano que não deveria terminar*. São Paulo: Record, 1997); Pedro Augusto Gomes Santos, *A classe media vai ao paraíso: JK em Manchete*. (Porto Alegre: EDIPUCRS, 2002); Helio Silva & Maria Carneiro, *Juscelino, o desenvolvimento, 1956-61*. (São Paulo: Editora Três, 1983); Marly Rodrigues, *A década de 50: Populismo e metas desenvolvimentistas no Brasil*. (São Paulo: Atica, 1994); and Thomas E. Skidmore, *Politics in Brazil, 1930-1964 – an Experiment in Democracy*. (Oxford: Oxford University Press, 1967).

Most of these works have advanced in a very loose usage the concept of Populism, as well as that of Populist Republic, to characterize the period.⁵ These terms described the alleged reality of a country where the political, economic, and even cultural dynamics were defined by the existence of a social pact established among all pertinent social sectors; especially between the Federal government and the emergent industrial business groups. Moreover, these analyses have claimed that the allegedly existing political stability of the period derived from the fast economic growth, pervasive developmental ideology, and appeased labor movement that allegedly existed at the time. Within such as historical characterization, the growing urban working sector was seen as a subordinate partner of an inter-class political alliance. The image of such an alliance would become so influential that it was used to explain the purportedly high degree of political stability under Kubitschek on his ability to ‘find something for everyone.’

Other works argued that the collapse of the so-called Populist Republic, early in the 1960s, derived largely from the increased political activation of the labor movement during the so-called developmental decade. This historical event is said to have taken place in March 1964, when a military coup instated a military dictatorship in the national structures of power in Brazil given that no significant resistance against the coup occurred. This fact was considered to be particularly important by those who tried to

⁵ See: Edgar Carone, *A Quarta Republica, 1945-1964*. (São Paulo: DIFEL, 1980); Michael Conniff (ed.), *Latin American Populism in Comparative Perspective*. (Albuquerque: University of New Mexico Press, 1982); Kenneth P. Erickson, *The Brazilian Corporative State and Working-Class Politics*. (Berkeley: UC Press, 1979); Octavio Ianni, *Estado e planejamento econômico no Brasil*. (RJ: Civilização Brasileira, 1986); Maria Antonieta Leopoldi, *Política e Interesses na Industrialização Brasileira: As associações industriais, a política econômica e o Estado*. (São Paulo: Paz e Terra, 2000); Juarez Brandão Lopez, *Sociedade Industrial no Brasil*. (SP: DIFEL, 1964); Leôncio Martins Rodrigues, *Industrialização e atitudes operárias: estudo de um grupo de trabalhadores*. (SP: Brasiliense, 1970).

explain why the social segments who purportedly benefited the most during the populist regime, namely industrial workers, did not act to defend the regime.⁶

In direct contrast to these influential historiographical interpretations, in the present work I advance the notion that no consensual position regarding national development existed in Brazil during the so-called Populist Republic. Moreover, I seek to argue that no Populist Pact existed in Brazil in the 1950s, at least not in the sense of an inter-class alliance established around a common project shared by all social segments. Conversely, my study demonstrates that intense and autonomous labor mobilization were manifest during the JK Years. Furthermore, this important but largely misunderstood trend of the recent Brazilian history did not derive from an ideological radicalization of labor, but rather from the fact that workers were adamantly and consistently engaged in promoting their own conception of national development.

In concrete terms, this investigation examines the historical processes that led fast-paced economic growth centered on industrial promotion to become prevailing in critical intellectual works, governmental policies, and ideological debates produced in Brazil in mid-twentieth century. In order to do so, I have resorted to a diversified set of materials so that a rich mosaic of the JK Years could be recomposed from multiple angles. This redesigned depiction of the developmental decade (as the 1950s has frequently been referred to in Brazil) seeks to shed a new light unto the interpretations of how development promotion was conceived and debated in the period.

⁶ See: Octavio Ianni, *O Colapso do Populismo no Brazil*. (Rio de Janeiro: Civilizacao Brasileira, 1978) and Francisco C. Weffort, *O Populismo na política brasileira*. (Rio de Janeiro: Paz e Terra, 1978).

What national development was and how it should be conducted were arguably the most important topics of the leading politically-oriented intellectual reflections and political mobilizations of several sectors of the Brazilian society throughout the 1950s. These segments nonetheless held different levels of political leverage in asserting their own notions of development to policymakers in charge of implementing very specific projects of development. Whereas within the Council of Development (the official agency of the Federal government created to coordinate the implementation of the Targets Plan), national development was conceived primarily as fast economic growth – to be reached by deepening Brazil’s economic interdependence vis-à-vis the international capitalist market – the execution of the Plan would exert contradictory and increasingly polarizing effects across the Brazilian society. Interestingly enough, the ways in which the decade progressed would have heralded alternative outcomes.

The Kubitschek administration would in fact prove more successful in his developmental quest than the second Vargas Presidency (1951-54), when a high degree of political and ideological polarization was manifest in the experiences of industrial labor unions. Moreover, JK promoted fast-paced industrialization by mending what had been until then two irreconcilable economic variables: Foreign capital and governmental involvement in the economic realm. Moreover, as will be shown, the JK Years were marked by a higher degree of political convergence amidst an ever more autonomous and active labor movement. Nevertheless, despite these general characteristics, while initially supportive of the administration’s generic goal of rapid economic growth promotion, industrial workers’ political support was not automatic and depended on making sure that national development meant something tangible in their daily lives.

Projects of national development, however, were not unique to the Brazilian context during the 1950s. The decade witnessed a global dissemination of projects of national development constructed upon the tenet that the State had to assume a larger role in the promotion of economic growth.⁷ In Latin America this process would be largely defined by the formulations provided by the growingly influential United Nations-sponsored Economic Commission of Latin America (ECLA).⁸ Similarly, political theorists have debated how unmet expectations of a rising consumer society affect the political stability of ‘late-comer nations.’ This expression had been initially proposed by Alexander Gerschenkron to refer to the projects of development carried out by Japan, Germany, and Russia in the later part of the 19th-century. The label was later expanded

⁷ A non-exhaustive list of relevant works dealing with fast-paced modernization guided, motivated and controlled by the central government, particularly in Brazil, but also with respect to theoretical frameworks relevant to third world and other late-comer countries would include the following: Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*. (Princeton: Princeton University Press, 1979) and *Embedded Autonomy: States and Industrial Transformation*. (Princeton: Princeton University Press, 1995); Barbara Geddes, *Politician’s Dilemma: Building State Capacity in Latin America*. (Berkeley: University of California Press, 1994); Alexander Gerschenkron, *Economic Backwardness in Historical Perspective*. (Cambridge, Mass: Belknap, 1962); Albert Hirschman, *The Passions and the Interests: Political Arguments for Capitalism Before Its Triumph*. (Princeton: Princeton University Press, 1977); Gunnar Myrdal, *Economic Theory and Underdeveloped Regions*. (London: Duckworth, 1964); Walt W. Rostow, *The Stages of Development: A Non-Communist Manifesto*. (Cambridge: Cambridge University Press, 1960).

⁸ See: Celso Furtado, *Desenvolvimento e Subdesenvolvimento*. (Rio de Janeiro: Fundo de Cultura, 1961) and *Economic Development in Latin America*. (Cambridge: Cambridge University Press, 1970); Hélio Jaguaribe, *Condições institucionais do desenvolvimento*. (Rio de Janeiro: ISEB, 1957) and *Desenvolvimento econômico e desenvolvimento político*. (Rio de Janeiro: Fundo de Cultura, 1962); Raul Prebisch, *Toward a new trade policy for development*. (New York: UN/CONF., No. 40, 1964).

to late-late comers to include Latin American nations in the context of the fast Import-Substitution Industrialization of the 1940s and the 1950s.⁹

Particularly important for the experiences of the Latin American nations is the work of the Argentine scholar Guillermo O'Donnell. He posited that earlier postulations about the experiences of modernization, which posited the need for economic growth to sustain political stability,¹⁰ were hardly appropriate to explain the rise of the new authoritarianism that emerged in the region once the rapid industrialization of the 1950s were completed.¹¹ For him, the logic behind these previous works was too simplistic and presumed the existence of linear stages of growth that had to be followed by all developing countries so that socio-political stability could be achieved. Moreover, the argument goes, political instability tended to ensue in fast-developing societies as a result of the fact that the expectations for political participation in these historical circumstances exceed the institutional capabilities of the political system to process them. This historical trend is labeled the process of 'democratic overload,' a notion that has become paradigmatic in the literature on development promotion in the so-called third world in the aftermath of World War II.¹²

⁹ See: Albert Hirschman, *The Strategy of Economic Development*. (New Haven: Yale University Press, 1958).

¹⁰ The classic work in this bibliography is that of W.W. Rostow, *The Stages of Economic Growth: a Non-Communist Manifesto*. (Cambridge: Cambridge University Press, 1958).

¹¹ See: O'Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*. (Berkeley: University of California Press, 1973).

¹² See: David Collier, ed., *The New Authoritarianism in Latin America*. (Princeton: Princeton UP, 1979); Samuel P. Huntington, *Political order in changing societies*. (New Haven: Yale University Press, 1968); and Samuel P. Huntington *et al.*, *The crisis of democracy: Report on the governability of democracies to the Trilateral Commission*. (New York: New York University Press, 1975). Various authors in Brazil would confirm these formulations while not always acknowledging their direct influences. See, for instance the following works: Benevides, *op. cit.*; Limoeiro Cardoso, *op. cit.*; Ianni, *op.*

Inspired by these different theoretical and historiographical lines of interpretation on development promotion in Brazil and in other late-industrializing societies, I have set out to reassess the ideational positions and debates on national development taking place in Brazil in the 1950s. The ways in which wider social perceptions on national development influenced the social dynamics of the time, as well as of its subsequent turbulent years has been the guiding inspiration for the study. My central goal was to understand how a developmental agenda, loosely described as widely supported in the Brazilian society, was indeed perceived, interpreted, and re-conceptualized by specific social sectors, such as nationalistic intellectuals, government official, and industrial workers of large urban centers.

In the end, this work offers a more complete and critical portrayal of how governmental economic policies, presented as in the national interest of all, may actually impact the political stability of a rapidly changing society.

The study is organized in the following manner:

In Chapter One, I examine the most important works on the historiography on industrialization, economic development promotion, and the organization of industrial workers in Brazil. I also review the domestic Brazilian political contexts of the period as a way to provide the necessary background information for the subsequent chapters.

cit.; Celso Lafer, *op. cit.*; and Francisco C. Weffort, *op. cit.* Moreover, even in recent publications reassessing the alleged populist pact, we still find the lasting impact of the argument that the demise of the democratic regime in the early 1960s derived primarily from the overload of political mobilization of industrial workers. See, for instance: Renato Colistete, "Productivity, Wages, and Labor Politics in Brazil, 1945–1962," in *The Journal of Economic History*, Vol. 67, No. 1 (March 2007).

Chapter Two starts with a comparative examination of similar developmental initiatives taking place elsewhere in the world in the same period. I then examine how the Brazilian government tried to promote its developmental goals by engaging in innovative developmental foreign policy projects, such as the Operation Pan-America. I demonstrate that there was a clear convergence between the developmental debates taking place domestically and important diplomatic actions of the period. I also posit that a similar convergence existed between developmental notions and projects produced in Brazil and by important political leaders and intellectuals in other countries of the emergent world.

In Chapter Three, I scrutinize the broader socio-political, ideological, and intellectual milieus of the second half of the 1950s by reviewing the main intellectual formulations and corresponding political debates regarding the topic of national development taking place in the period. This investigation centers on the experiences of the Institute of Advanced Brazilian Studies (ISEB), the most important agency of intellectual reflection on national development during the JK Years. My main argument therein is that while ISEB members conceived national development as a State-centered and socially inclusive goal, the main intellectual formulators of the JK administration tended to argue in favor of market-oriented fast-paced industrial projects.

The investigation conducted in Chapter Four centers on understanding how State-led development promotion became an acceptable notion within the structures of the Brazilian Federal government. I examine in depth the experiences of the Council of Development, the governmental agency created to implement the Targets Plan. I also review the main lines of the process of implementing a national automotive industry in

the country to showcase the ways in which the Council operated. I argue that while national development mattered to multiple segments of the Brazilian society, very specific sectors and developmental conceptions were favored in the implementation of the Plan.

In Chapter Five I scrutinize the experiences of metalworkers of São Paulo and Rio de Janeiro. I examine a collection of printed materials (newspapers, minute-books, conference manifestos, etc.) and a series of concrete acts of collective mobilization (*e.g.* strikes, marches) by industrial workers of the period. My aim is to assess the notions, views, and propositions on national development which this increasingly important segment of Brazilian workers advanced at the time. I argue that while the Federal administration strove to promote a plan of national economic development based on market-oriented notions (which favored multinational industrial companies and their locally associated domestic business groups), workers alternatively conceived national development as an inclusive social project, which had to be coordinated by a politically responsive and economically interventionist central government.

While the 1950s in Brazil have been researched for some time, no study that seeks to present a systematic examination of the developmental efforts of the period is yet available in the English language. The most important (primary and secondary) materials examined in this investigation are scattered in various types of settings. In addition to carrying out a detailed review of the extensive bibliography on the political and economic realities of the 1950s in Brazil, produced in the fields of History and the Social Sciences, I conducted an extensive investigation in numerous archival and research-base institutions. Similarly, I examined a long list of published and unpublished governmental

documents on the domestic and international political and economic projects deployed in the period, as well as intellectual works, and labor-based materials.

A central element in this investigation, I have reviewed the entire set of documents produced by the Council of Development available at the National Archive (AN) in Rio de Janeiro. I have also consulted the rich documentation available at the Centro de Pesquisa e Documentação de História Contemporânea do Brasil (CPDOC) and at the Mario Henrique Simonsen Library, both at the Getúlio Vargas Foundation, in Rio de Janeiro - particularly the documents on the intellectual formulations and foreign policy projects conducted in the 1950s by various social analysts and political leaders.

To understand the case of industrial workers, I conducted extensive research at the Centro de Documentação e Memória at the University of the State of São Paulo (Cedem), the private archive of the Metalworkers' Union of the city of São Paulo (SindMet/SP), and the Public Archive of the State of São Paulo (ArqPSP), in the city of São Paulo, and at the Arquivo de Memória Operária do Rio de Janeiro (AMORJ), the Núcleo de Estudos sobre Trabalho e Sociedade (NETS) both at the Federal University of Rio de Janeiro, and the Public Archive of the State of Rio de Janeiro (ArqPRJ), in the city of Rio de Janeiro.

This rich and diverse sources and materials have provided the basis for the present reexamination of the mosaic-like historical experiences involved in national development promotion in the 1950s in Brazil. Hoping to advance a new interpretation to how these historical dynamics operated, I present the following piece. All translations from Portuguese into English are mine, as well as are all possible merits, and the more evident shortcomings, of the reflection herein advanced.

Chapter 1

State Planning and National Development: Political Devices for Turbulent Times

Introduction

In the aftermath of World War II, the Brazilian economy was primarily that of a produce-exporting country. Despite important industrializing efforts carried out by the Federal government since the 1930s, Brazil remained largely dependent on its coffee exports for obtaining the strong convertible currencies needed to purchase foreign industrial items. Among the initial actions taken by the Federal Brazilian government in the 1930s to promote the industrialization of the country is worthy of note the creation, in 1934, of the Federal Council of Foreign Trade, a Federal regulatory agency aimed at increasing the rate of Brazilian exports. The subsequent growing accumulation of foreign reserves in the hands of the Federal government was instrumental in implementing industrial state-owned and private industrial projects via subsidized loans and direct public investments. This new direction on governmental planning would become ever more present in the Federal administrations throughout the 1950s, as will be detailed below.¹

¹ For additional works on this process, see: Marcelo de Paiva Abreu (org.), *A Ordem do Progresso: Cem Anos de Política Econômica Republicana, 1889-1989*. (São Paulo: Campus, 1990) and Bóris Fausto, *O Brasil Republicano: Economia e Cultura (1930-1964)* Coleção História Geral da Civilização Brasileira. (São Paulo: DIFEL, 1984).

These innovative governmental initiatives notwithstanding, Brazil continued facing increasing difficulties in the period deriving from the larger availability of agricultural goods offered in the postwar ever integrated international market and from the ensuing sharp global decline in prices paid for commodity exports. By 1948, coffee exports represented more than 46% of the percentage of all Brazilian foreign trade revenues and this figure would reach 62% in 1950, the rate that would mark the entire decade.²

Given this unwelcoming scenario, seeking fast-paced economic growth by means of intense industrial promotion, led the central government, would become a priority among the most influential Brazilian officials and intellectuals in the subsequent years. It is along these lines that the prevailing historiography on the 1950s in Brazil has referred to period as the ‘developmental decade,’ when the goal of national development profoundly impacted the main lines of the country’s socio-economic, political, cultural, and intellectual dynamics.³

² For detailed numbers, Presidência da República, *Relatório Geral de Exportações e Importações, 1947-1960*. (Rio de Janeiro, 1960).

³ The period is also referred to as the ‘developmentist decade.’ For a sample of the many works portraying the 1950s in Brazil as the period when the goal of rapid development promotion fostered a generalized sense of optimism in support of pro-development governmental efforts, see: Maria Victoria de Mesquita Benevides, *O governo Kubitschek: desenvolvimento econômico e estabilidade política, 1956-1961*. (Rio de Janeiro: Paz e Terra, 1976); Edgar Carone, *A República Liberal, 1945-1964*. (Sao Paulo: DIFEL, 1985); Sonia Draibe, *Rumos e metamorfoses: um estudo sobre a constituição do estado e as alternativas da industrialização no Brasil, 1930-1960*. (Rio de Janeiro: Paz e Terra, 1985); Octavio Ianni, *Industrialização e desenvolvimento social no Brasil*. (Rio de Janeiro: Civilização Brasileira, 1963) and *Estado e planejamento econômico no Brasil*. (Rio de Janeiro: Civilização Brasileira, 1986); Celso Lafer, *JK e o programa de metas (1956-1961): Processo de planejamento e sistema político no Brasil* (Rio de Janeiro: FGV Editora, 2002); Nathaniel H. Leff, *Economic policy-making and development in Brazil, 1957-1960*. (New York: Wiley, 1968); Carlos Lessa, *Fifteen years of economic policy in Brazil*. *Economic Bulletin for Latin America*, 9(2):153-214, Nov. 1964; Luciano

These events would all prove so influential that the very concept of nationalism, at the time, tended to imply, or to mean explicitly, the notion of development. Moreover, the expression “developmental decade” has been utilized repeatedly in the historiography on the 1950s in Brazil, as will be shown in the following pages. The terminology is closely related to the notion of the *developmental state* proposed by Chalmers Johnson early in the 1980s to make sense of the experiences of fast-paced state-led economic growth of the Japan in the early decades of the twentieth century.⁴ Based on this notion, authors such as Kathryn Sikkink have argued in favor of the term developmentalism to encompass the experiences of state-coordinated development promotion in the 1950s in Latin America.⁵

Alternatively, in my investigation, I have chosen to use the term developmentism in order to remain closer to the terminology utilized by Brazilian political leaders and intellectuals of the period analyzed. Similarly, the use of developmentism seeks to differentiate the argument herein advanced from those already presented in earlier works, such as those of Johnson and Sikkink, which will be detailed next.

Martins, *Industrializacao, burguesia nacional e desenvolvimento*. (Rio de Janeiro: Saga, 1968); Aluizio Napoleão, *Juscelino Kubitschek: audácia, energia, confiança*. (Rio de Janeiro: Bloch, 1988); Jose Aparecido de Oliveira, *JK: O Estadista do Desenvolvimento*. (Brasília: Memorial JK, 1991); Marly Rodrigues, *A década de 50: Populismo e metas desenvolvimentistas no Brasil*. (São Paulo: Atica, 1994); Helio Silva & Maria Carneiro, *Juscelino, o desenvolvimento, 1956-61*. (São Paulo: Editora Três, 1983); Thomas E. Skidmore, *Politics in Brazil, 1930-1964: An Experiment in Democracy* (Oxford: Oxford University Press, 1967); and Francisco C. Weffort, *O Populismo na política brasileira*. (Rio de Janeiro: Paz e Terra, 1978).

⁴ Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. Stanford University Press, 1982).

⁵ Kathryn Sikkink, *Ideas and Institutions: Developmentalism in Brazil and Argentina* (Ithaca: Cornell University Press, 1991).

In this chapter, I examine the most relevant works on the topic of development promotion in Brazil with a special focus to the post World War II context. I also probe the general political and economic context of the country in the decade in order to provide the general background for the analyses presented in the subsequent chapters. Furthermore, so that this study can be situated within a wider reflection on the topic of national development promotion, I also suggest a comparative frame of investigation, which is presented next.

National Development in a Comparative Perspective

The promotion of fast-paced projects of national development was the focus of governmental planning in a multitude of countries from the late 1800s to the period of the decolonization following the conclusion of the Second World War. Given the multiplicity of historical variations within which this phenomenon has taken place, different authors have attempted to categorize the main dynamics involved in government-oriented development projects under a few synthetic heuristic labels. The most relevant study on the experiences of countries pursuing fast-paced industrial promotion in the late 1800s (such as France, Germany, and Russia,) is that Alexander Gerschenkron, who conceptualized the challenge these states faced in order to *catching up* with the already industrialized nations of Western Europe. Regarding some of the most important experiences occurring in the twentieth century, authors such as Chalmers Johnson, Albert Hirschman, Ignacy Sachs, Atul Kohli, and Raul Prebisch offer some of the most relevant studies which are examined next.

To begin, one should mention the influential work of the economic historian Alexander Gerschenkron who scrutinized the intricacies of state-led development promotion already in the 1960s. In his paradigmatic work, the author articulated the notion of ‘relative economic backwardness’ and ‘late-comer states’ to account for the specific characteristics of the successive economic forward surges taking place in France, Germany, and Russia late in the nineteenth century.⁶ He also argued that the goal of industrializing via governmental planning was prominent in countries whose political leadership defined the national economic situation of lagging behind (already industrialized nations) as a condition that had to be overcome. In pursuing this bold objective, late-coming countries would convert the State into the main agent of development promotion.

Similarly relevant is the work of Chalmers Johnson, who, early in the 1980s, coined the concept of the ‘developmental state’ to make sense of the experience of Japan’s continued pursuit of rapid industrialization in the first half of the twentieth century.⁷ The author advanced the view that such a goal was reached primarily by resorting to state planning and direct economic intervention via protective tariffs on imports, subsidized financial resources granted to selected industrial sectors, and state-financed infrastructure improvements. The notion of the ‘developmental state’ also was used in reference to the experiences of East Asian economies of the second half of the century in countries such as South Korea, Taiwan, and Hong Kong, where central governmental planning “generat[ed] national economic plans, coordinate[ed] the efforts

⁶ Alexander Gerschenkron, *Economic backwardness in historical perspective*. (Cambridge: Harvard University Press.1962).

⁷ Chalmers Johnson, *op. cit.*

of individual businesses groups, target[ed] specific industrial projects, and resist[ed] political pressures from popular forces, such as consumers and organized labor.”⁸

Additional analyses of developmental (or wannabe developmental) states have been advanced. Atul Kohli, for instance, claims that large variations exist among the various experiences of national development promotion and that these should be ranked according to their level of effectiveness in implementing previously set economic goals. South Korea’s case, in his view, represented the most successful experience given that a vigorous export-oriented economy was erected from a primarily agrarian society within a period of thirty years. Brazil and India represented mixed cases considering that, while the former was able to industrialize and grow at significant rates in certain moments, the latter offered a steady but mediocre pace of industrialization and growth throughout the same period. Situated at the lower end of the spectrum, Nigeria would be the most disappointing case of development promotion as the country never overcame its deep political fragmentation in order to create an effective developmental strategy.⁹

Similarly, Vivek Chibber has argued that, for analytical purposes, the state’s capacity of reaching its developmental goals should be decomposed into two broad dimensions. Namely, one would include the intrinsic cohesiveness of the state in formulating and implementing policies in a coherent fashion, and, secondly, the state’s extrinsic capability of extracting specific performance from private firms in exchange for the subsidies doled out to them.¹⁰

⁸ T.J. Pempel, “The Developmental Regime in a Changing World Economy,” in: Woo-Cumings, ed., *The Developmental State*. (Ithaca: Cornell University Press, 1999), p. 139.

⁹ Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery*. (Cambridge: Cambridge University Press, 2004).

¹⁰ Vivek Chibber, *Locked in Place: State-Building and Late Industrialization in India*.

In addition to the elements directly pertaining to the structures of the state, however, wider structural economic and political factors also should be accounted for in explaining the successes or failures of development projects in developing countries in the second half of the century. Early in the 1950s, for instance, and after trade barriers had been formally removed by the 1947 General Agreement on Trade and Tariffs (GATT), most of the agreement's provisions were not applicable to the exports of developing economies. Throughout most of the decade, agricultural products continued being subjected to differential and higher tariffs *vis-à-vis* those applied to exports manufactured in already industrialized nations.¹¹ This taxing and unfair state of affairs would be denounced by several critics, particularly those involved in campaigning for a new international economic order and who coalesced within the structures of the Non-Aligned Movement early in the 1960s (as will be examined in the Chapter Two).¹²

Within the context of Latin America, the period was marked by the intellectual works of scholars who argued that the structure of international trade operated in a logic constantly detrimental to produce-producing countries. This argument would take shape under the auspices of the Economic Commission of Latin America (ECLA), whose main policy pertaining to development promotion posited that the global economy favored an unequal distribution of productivity gains between industrialized and non-industrialized economies.

(Princeton: Princeton University Press, 2003).

¹¹ Yeonmi Ahn, *The Political Economy of Foreign Aid: The Nature of American Aid and Its Impact on the State-Business Relationship in South Korea, 1945-1972*. (Ph.D. Dissertation, Yale University, 1992).

¹² Phillipe Braillard and Mohammed-Reza Djalili, *The Third World and International Relations*. (Boulder: Lynne Rienner Publishers, 1984).

The main proponent of such a notion was the Argentine economist Raul Prebisch, who became the head of the United Nations sponsored Economic Commission in 1949, the same year when he published a watershed study on the situation of terms of trade of primary export-based Latin American developing countries, entitled O desenvolvimento econômico da América Latina e seus principais problemas.¹³ The Commission acronym has later changed to include the letter C for the Caribbean, and is now known as ECLAC. Given that at the time the acronym used in the English language was ECLA, I have kept the original version.

The main argument of the ECLA was that governments of agrarian-based economic systems should design specific policies aimed at correcting the faults of the international economic order via deliberate state intervention in favor of industrialization. Concretely, the notion of the ‘declining terms of trade’ for agricultural products, as first elaborated by Raul Prebisch in the 1949, advocated industrialization as a necessary means towards durable national economic growth..¹⁴

Similarly trying to account for the difficult structural economic conditions confronted by Latin American in the initial context of the Cold War, Albert Hirschman proposed the notion of ‘late-late comer’ states.¹⁵ These countries faced the heavy burden of promoting the same domestic fast-paced industrialization procured by late-comers, at the end of the previous century, within a much less favorable international market.

¹³ More on Prebisch and the Economic Commission will be examined in Chapter Two.

¹⁴ Raul Prebisch, “O desenvolvimento econômico da América Latina e seus principais problemas,” in: *Revista Brasileira de Economia*. (Fundação Getulio Vargas: Rio de Janeiro), 3(3), September 1949.

¹⁵ Albert Hirschman, “Ideologies of Economic Development in Latin America,” in: Hirschman, ed. *Latin American Issues: Essays and Comments*. (New York: The Twentieth Century Fund, 1961).

The main structural constraints to development promotion in the latter context, claimed the author, derived from the fact that trade gains were not equally divided between countries situated in the economic industrialized center and those located in the agriculture-based periphery of the system. In the same fashion, Ignacy Sachs argued that in the immediate post-World War II international context, non-industrialized economies faced a more profound challenge in pursuing the goal of industrialization, thus requiring even higher levels of governmental planning and economic intervention.¹⁶

Reviewing the experiences of state-led development promotion in Brazil and Argentina in the 1950s, Kathryn Sikkink argues that the different ways in which political support and governmental cohesiveness occurred in each country impacted the different levels of success achieved in each state.¹⁷ In what is to date one of the best analyses of the developmental experiences of both countries, the author proposes the notion of developmentalism to make sense of the ideology supporting the goal of fast-paced industrialization pursued in these two Latin-American economies. Given the specific historical experiences which ‘developmental state’ had been initially designed to explain, I do not share Sikkink’s heuristic categories.

I resort, alternatively, to the notion of developmentism, as utilized by its proponents in Brazil in the period, to account for the dynamics taking in the country in the 1950s. This was the moment when the goal of fast economic growth, by means of accelerated industrial promotion, produced intense political discussions and sophisticated intellectual formulations about the very meanings of national development. In the next section, I begin examining in detail the most important historiographical debates

¹⁶ Ignacy Sachs, *Capitalismo de estado e subdesenvolvimento*. (Petropolis: Vozes, 1969).

¹⁷ Kathryn Sikkink, *op. cit.*

pertaining to the topic of industrialization in order to structure the broader reflection about the 1950s herein advanced.

Industrial Promotion: Revisiting the Classic Debates

The process of industrialization and its relationship with the construction of a modern nation-state has been one of the most relevant topics of study in historiography on Brazil. Initial works, which followed a more economic or sociological line of analysis, have pointed out the role the Federal structures of government played in promoting the goal of fast industrialization. This would be particularly important starting in the mid-1930s, when the world-wide economic recession led the Brazilian government to search for ways of balancing its trade deficits via domestic production of previously imported items.¹⁸

Other studies organized on the basis on in-depth historical analyses, have indicated that a significant number of manufacturers existed in many Brazilian cities

¹⁸ The most important works advancing an economic argument are: Werner Baer, *Industrialization and economic development in Brazil* (Homewood, Ill.: Irwin, 1965); Celso Furtado, *Formação Econômica da América Latina*. (Rio de Janeiro: Lia Editores, 1969); Albert O. Hirschman, *The strategy of economic development*. (New Have: Yale University Press, 1965); Caio Prado Jr. *História Econômica do Brasil*. (São Paulo: Brasiliense, 1970); Roberto C. Simonsen, *A Evolução Industrial do Brasil e outros estudos*. (São Paulo: Cia Editora Nacional, 1973); and Maria da Conceição Tavares, *Da Substituição de Importações ao Capitalismo Financeiro*. (Rio de Janeiro: Zahar Ed., 1975). Alternatively, works based on the lines of a more sociological frame of analysis include: Raymundo Faoro, *Os Donos do Poder*. (Porto Alegre: Ed. Globo, 1984); Florestan Fernandes, *A Revolução Burguesa no Brasil: Ensaio de Intepretação Sociológica*. (RJ: Zahar, 1981); and Octavio Ianni, *Estado e Planejamento no Brasil*. (RJ: Civilização Brasileira, 1963). Works stressing the role played by the Central State in promoting an incipient industrialization that occurred prior to the 1930s, include: Marian O. Versiani, *Cotton Textile Industry of Minas Gerais, Brazil: 1868-1906*. (Ph.D. Dissertation, University College, London: 1991) and Steven Topik, *The Political Economy of the Brazilian State, 1889-1930*. (Austin: University of Texas Press, 1987).

already in the final decades of the nineteenth century.¹⁹ Additional examinations identified the private, commercial and agricultural, origins of the capital accumulation process that culminated in the first manufacturing plants of late nineteenth and early twentieth centuries in many regions of the country.²⁰

Different analytical positions concerning the role federal government played in the industrial projects implemented in the mid-twentieth century have also been advanced. While initial studies characterized, said-to-be, enlightened policy-makers as the main agents of industrial growth in the period,²¹ later works stressed that the industrial push then pursued was caused by the trade deficits of the late 1940s rather than by the new technocratic cadre running the Federal administration at the time.²² In concrete terms, the authoritarian administrative structure of the New State (Estado Novo), or the centralized

¹⁹ See: Thomas H. Holloway, *Immigrants on the Land: coffee and society in Brazil, 1886-1934*. (Chapel Hill: University of North Carolina Press, 1980); Stanley J. Stein, *The Brazilian Cotton Manufacture: textile enterprise in an underdeveloped area, 1850-1950*. (Cambridge; Harvard University Press, 1957) and Emilia Viotti da Costa, *The Brazilian Empire: myths and histories*. (Chicago: University of Chicago Press, 1985).

²⁰ Warren Dean, *The Industrialization of São Paulo*. (Austin: University of Texas Press, 1969); João Manuel Cardoso de Mello, *O Capitalismo Tardio: contribuição à revisão crítica da formação e desenvolvimento da economia brasileira*. (São Paulo: Brasiliense, 1982); Carlos Manuel Pelaez, *História da Industrialização Brasileira: crítica a teoria estruturalista do Brasil*. (Rio de Janeiro: APEC, 1972); Wilson Suzigan, *Indústria Brasileira: Origem e Desenvolvimento*. (São Paulo: Hucitec, 2000); Flávio Rabelo Versiani, *A Década de 20 na Industrialização Brasileira*. (Rio de Janeiro: IPEA, 1987); and Flávio Rabelo Versiani, *A Década de 20 na Industrialização Brasileira*. (Rio de Janeiro: IPEA, 1987).

²¹ See: Benevides, *op. cit.*; Draibe, *op. cit.*; Leff, *op. cit.*; Martins, *op. cit.*

²² Amaury Fassy, JK: *O Maior Estadista do Século XX*. (Brasília: Thesaurus, 2000); Flavio Limoncic, *A Civilização do Automóvel: a instalação da indústria automobilística no Brasil e a via brasileira para uma improvável modernidade fordista, 1956-1961*. (Dissertação de Mestrado em História, UFRJ, 1997); Lucio Meira, *A Industrialização e o Problema Agrícola no Brasil*. (BH: UFMG, 1960); Pedro S. Malan. *Relações Econômicas Internacionais do Brasil, 1945-1964.*, in Bóris Fausto. *O Brasil Republicano: Economia e Cultura (1930-1964)* Coleção História Geral da Civilização Brasileira. (São Paulo: DIFEL, 1984); Mario Henrique Simonsen & Roberto Campos, *A Nova Economia Brasileira*. (Rio de Janeiro: José Olympo, 1974).

dictatorship that Getúlio Vargas headed from 1937 to 1945 in the country, had been justified by its members as a necessary means to guarantee the political order required for the promotion of rapid economic growth and modernization.²³

The regime had been inaugurated when Vargas (who had come to power in 1930 in a platform of liberal reform) implemented a self-coup in order to close the national congress, impose widespread censorship, and overhaul the Federal bureaucracy towards centralized authority. The New State made it easier for the central administration to implement its own visions and projects for the country. The many reforms that were then implemented included the creation of centralized bureaucratic agencies to coordinate projects of commercial and industrial promotion. Moreover, the Federal government sanctioned the first national labor legislation which granted new rights to urban organized workers but also placed unions under strict control of a corporatist legal framework. It is important to state that, based on what recent studies have shown, while promoting fast-paced industrialization in mid-century Brazil, the federal administration was not acting only on the basis of its own interests. Instead, the structures of the Federal Brazilian State were permeated by interest groups that allied themselves with a new set of policy-makers in the implementation of new path of economic policies.²⁴

²³ The most important works of the main ideologues of the Estado Novo, who were responsible for many of its legal reforms, are: Francisco L. S. Campos, *O Estado Nacional: sua estrutura e seu conteúdo ideológico*. (Rio de Janeiro: José Olympo, 1940); Francisco de Oliveira Vianna, *História Social da Economia Capitalista no Brasil*. (Niteroi: Editora da UFF, 1988); and *Instituições Políticas Brasileiras*. (Rio de Janeiro: José Olympo, 1949).

²⁴ In addition to Fassy and Limonic, see also: Caren Addis, *Taking the Wheel: Auto Parts Firms and the Political Economy of Industrialization in Brazil*. (University Park, PA: Pennsylvania State University Press, 1999); Renato Boschi, *Elites Industriais e Democracia*. (Rio de Janeiro: Graal, 1979); Fernando Henrique Cardoso, *Empresário industrial e desenvolvimento econômico*. (São Paulo: DIFEL, 1964); Eli Diniz,

These intricate strategies provided the basis for the dissemination of a new pro-industrial outlook among relevant portions of the political and economic elites in the 1950s. How influential this new stance would prove to be beyond the structures of the Federal bureaucracy is an open area of research, and the present study seeks to fill this gap. To probe how the existing historiography has thus far dealt with these historical dynamics, let's proceed to the next section.

Development Promotion, Industrial Workers, and the Predicament of Political Instability

The alleged existence of a national consensus in favor of economic growth caused by deepening the process of State-led industrialization is a central element of the historiography on the 1950s in Brazil. It was during these years that the majority of the industrial plants that turned the country into a regional industrial powerhouse were established. Moreover, throughout the decade the total industrial production in Brazil grew threefold, with an annual growth in the industrial sector of capital goods averaging 23 per cent between 1955 and 1960.²⁵ Several authors dealing with the period have thus claimed that, by the second half of the 1950s, the notion of national development by

Empresário, *Estado e Capitalismo no Brasil, 1930-1945*. (Rio de Janeiro: Paz e Terra, 1978); Maria A.P. Leopoldi, *Política e Interesses na Industrialização Brasileira: As associações industriais, a política econômica e o Estado*. (São Paulo: Paz e Terra, 2000); Helen Shapiro, *Engines of Growth: The State and Transnational Auto Companies in Brazil*. (Cambridge: Cambridge University Press, 1994); and Barbara Weinstein, *For Social in Brazil: Industrialists and the Remaking of the Working Class in São Paulo, 1920-1964*. (Chapel Hill: University of North Carolina Press, 1996).

²⁵ See: Ministério do Planejamento, *Índices de Crescimento Econômico Médio do Produto Real na Indústria*. Tab. 1, vol. 1, p. 32 (Brasília: 1967), and Presidência da República, *Relatório Geral do Conselho do Desenvolvimento*. Vol. 4, p. 5 (Brasília, 1960).

means of a rapid industrialization had become a consensual position among most segments of the Brazilian population.²⁶

The rich literature on the period has similarly argued that the creation of efficient managerial agencies within the structures of the executive branch made possible the implementation of a well-devised process of industrialization.²⁷ The JK Years (1956-1960) have also been largely described as a period of high political stability, derived from a widespread ideological support for the developmental plans of the Federal administration. This purportedly national ideational convergence was based on the promise that every social segment's share of the national economy would be enlarged by means of a process of fast absolute economic growth.²⁸ Moreover, Kubitschek himself was to be extolled for having efficiently 'united the nation' behind his projects for

²⁶ The list of works advancing this line of argument is very extensive. In addition to the authors already mentioned, the following studies are worthy of note: Miriam Limoeiro Cardoso, *Ideologia do Desenvolvimento, no Brasil: JK-JQ*. (Rio de Janeiro: Paz e Terra, 1978); Carlos Heitor Cony, *JK, como nasce uma estrela*. (Rio de Janeiro: Record, 2002); Jose Louzeiro, *JK: o otimismo em pessoa*. (Rio de Janeiro: Ediouro, 1996); Aluizio Napoleão, *Juscelino Kubitschek: audácia, energia, confiança*. (Rio de Janeiro: Bloch, 1988); Jose Aparecido de Oliveira, *JK: O Estadista do Desenvolvimento*. (Brasília: Memorial JK, 1991).

²⁷ See: Leslie E. Armijo, *Public Policymaking in a Semi-Autonomous State: Brazilian Financial Modernization, 1950 to 1987*. (Berkeley: UC Press, Ph.D. Dissertation in Political Science, 1989); Barbara Geddes, *Politician's Dilemma: Building State Capacity in Latin America*. (Berkeley: University of California Press, 1996); Celso Lafer, *op. cit.*; Nathaniel Leff., *op. cit.*; Edson de Oliveira Nunes & Barbara Geddes. "Dilemmas of State-Led Modernization in Brazil" in John Wirth, et. all., *State and Society in Brazil*. (Boulder: Westview Press, 1987); Loudes Sola, *Idéias econômicas, decisões políticas, desenvolvimento, estabilidade, populismo*. (São Paulo: Edusp, 1998).

²⁸ See: Maria Victoria Benevides, *op. cit.*; Fernando Henrique Cardoso, *op. cit.*; Thomas E. Skidmore, *op. cit.*; and Caio Navarro de Toledo, *ISEB: Fábrica de Ideologias*. (São Paulo: Ática, 1977).

national development, thus obtaining unparalleled social agreement and political support.²⁹

Notwithstanding these praise-filled depictions of the period, Kubitschek had been elected with only a small plurality of votes (37%), and throughout his administration he had to resort to constant acts of negotiation to maintain his political support. The period has even been described as a Populist Republic, given that its political system operated on the basis of continued corporatist-like power compromises established between the Federal State and multiple socio-economic groups, such as industrial businesses and segments of the organized urban labor. Populism, to be sure, is a very loose term utilized to make a hasty reference to a multitude of historical experiences events, particularly in the context of mid-twentieth-century Latin America.

No consensual definition is available and different works have been devoted to criticizing what has been labeled as the Populist Era.³⁰ It is possible, nonetheless, to state that the nature of the populist state harkens back to the corporatist ideology implemented by the Fascist States in Europe in the early part of the century. In a general sense, these were regimes that emphasized the organic elements of the political society, which should be regulated by the structures of a central state acting as a political mediator adjudicating the interests of different social groups according to its own choosing. In concrete terms,

²⁹ See: Angela de Castro Gomes (ed.), *O Brasil de JK*. (Rio de Janeiro: FGV, 1991); Wander Melo Miranda (ed.), *Anos JK: Margens da Modernidade*. (São Paulo: Imprensa Oficial, 2002); Joaquim Ferreira dos Santos, *Feliz 1958: O ano que não deveria terminar*. (São Paulo: Record, 1997); Pedro Augusto Gomes Santos, *A classe media vai ao paraíso: JK em Manchete*. (Porto Alegre: EDIPUCRS, 2002).

³⁰ In addition to the works by Octavio Ianni, *O Colapso do Populismo no Brasil*. (Rio de Janeiro: Civilizacao Brasileira, 1978); and Weffort, *op. cit.*, see: Michael Conniff (ed.), *Latin American Populism in Comparative Perspective*. (Albuquerque: University of New Mexico, 1982) and *Populism in Latin America*. (Tuscaloosa: University of Alabama Press, 1999).

the Federal State would decide on matters such as who the legitimate representatives of labor were so that they would take place in wage negotiations with industrial leaders, the amount of wage increases that would be granted in each round of negotiation, and the legal status of labor strikes.

In short, the term populism would, thus, encompass a myriad of socio-political historical experiences that have in common the fact of being multi-class political alliances centralized on a charismatic figure. Similarly, the political system was assumed to operate on the basis of constantly appealing to the national allegiance held by its population and of economic redistributive (not revolutionary) actions taken and controlled from above. While Populism has become a common heuristic tool utilized in the general descriptions of the 1950s in Brazil (and in many countries in Latin America), the label has analytical shortcomings.

When the general characterizations about the JK Years are contrasted, for instance, with detailed examinations of the concrete experiences of urban workers in the period, as I sought to do in the present work, one is easily impressed by the number of discrepancies that can be drawn. This is nowhere more apparent than in the disparity between the image portraying an alleged easy support provided by urban workers in favor of the developmental goals of the administration and the rising demands and autonomous mobilization of organized urban workers. Increased labor mobilization and related political activation was manifest in the creation of independent, non-authorized, inter-union associations which coordinated cross-sectional massive stoppages in the period. Examples of workers organizational independence include the creation of an inter-union secretariat to coordinate striking activities among unions of different industries in 1953,

which was reactivated in the 1957, and the founding of a union-sponsored research economic institute, late in 1955, to advance workers' wage demands within a context of rising inflation.³¹

The study of the experiences of political mobilization of urban labor in Brazil has in fact been traditionally linked to works dealing with the process of industrialization and urbanization. Earlier examinations were structured along the categories of the Modernization paradigm, and their focus was placed on probing the rural origins of the industrial workers, who were migrating in large numbers to the growing urban industrial centers during the decade. The intrinsic argument therein advanced was that all human societies progressed along a linear path of evolution and that becoming industrialized represented the main engine or harbinger of the very process of modernization.³²

In the Brazilian case, the initial investigations on the subject argued that industrial workers, recently migrated from the countryside, tended to share a sense of satisfaction about their geographical dislocation and that they were, thus, prone to manifest a conservative outlook regarding union organization and political mobilization.³³ This fledgling Brazilian industrial labor force of the 1950s tended similarly to perceive their employers, not as oppressive forces, but rather as attentive providers, who granted positive rewards to those that performed well one's assigned duties. Later works advanced the image of the 1950s as an increasingly turbulent period for the relationships between workers and industrialists, as well as between labor unions and the Federal government.³⁴ This claim was mainly grounded on the perception that rising levels of

³¹ These dynamics will be examined in detail in Chapter Five.

political mobilization of industrial workers occurred in tandem with the progressive deepening of the process of industrialization throughout the period.

On its own grounds, the study of the nature of the demands presented by organized urban labor in Brazil in the 1950s was chiefly influenced by the work of John Humphrey.³⁵ He argued that in both modern (i.e. auto-making, chemicals, steel, etc.) and traditional (i.e. textiles, clothing, and food-processing) industrial sectors, workers were getting increasingly organized and politically active throughout the decade. However, in each industrial segment, organized labor was said to advance a specific set of demands. Whereas unions based in the traditional plants tended to demand a direct response on the part of the Federal government, workers of modern industries centered their own claims into direct negotiations with their own employers.

³² The classic work in this bibliography is that of W.W. Rostow, *The Stages of Economic Growth: a Non-Communist Manifesto*. (Cambridge: Cambridge University Press, 1958). Additional works paying attention to the specific experience of Latin American workers include Gino Germani, *Política y sociedad en una época de transición: de la sociedad tradicional a la sociedad de masas*. (Buenos Aires: Paidós, 1962); *Sociología de la modernización: estudios teóricos, metodológicos y aplicados a América Latina*. (Buenos Aires: Paidós, 1969); and *Modernization, urbanization and urban crisis*. (Boston: Little Brown, 1973).

³³ Kenneth P. Erickson, *The Brazilian Corporative State and Working-Class Politics*. (Berkeley: UC Press, 1979); Juarez Rubens Brandão Lopes, *Sociedade Industrial no Brasil*. (SP: DIFEL, 1997); José Albertino Rodrigues, *Sindicato e Desenvolvimento no Brasil*. (São Paulo: DIFEL, 1968); Leôncio Martins Rodrigues, *Industrialização e Atitudes Operárias*. (SP: Brasiliense, 1970); and Azis Simão, *Sindicato e Estado no Brasil*. (SP: Dominus, 1966).

³⁴ See: Ricardo Antunes, *Classe operária, sindicatos e partidos no Brasil* (São Paulo: Cortes Editora, 1982); Armando Boito Jr., *Sindicalismo de Estado no Brasil*. (Campinas: Ed. Unicamp, 1991); Paulo Fontes, *Trabalhadores e cidadãos-NitroQuímica: A Fábrica e as lutas operárias nos anos 50*. (São Paulo: Annablume, 1997); Timothy F. Harding, *The Political History of Organized Labor in Brazil*. (Palo Alto: Stanford UP, 1973); Antonio L. Negro, *Linhas de Montagem*. (SP: Boitempo, 2004); Jose R. G. Ramalho, *Estado Patrão e luta operária: o caso FNM*. (RJ: Paz e Terra, 1989).

³⁵ John Humphrey, *Capitalist Control and Workers' Struggle in the Brazilian Auto Industry*. (Princeton: Princeton University Press, 1982).

While setting the tone for future examinations, Humphrey's claims were later complemented by quantitative surveys focusing on specific industrial plants or union organizations, as well as in concrete experiences of salary negotiations between workers, their employers, and the structures of the Federal government represented in the Ministry of Labor. Salvador Sandoval, for instance, showed a gradual transformation from wage-based demands in the modern industrial sectors, by mid-1950s, to much politicized mobilization which unified multiple unions in the modern industries into mass strikes.³⁶ Renato Colistete, moreover, demonstrated that throughout the JK Years, unions pressed hard against the constant price increases as these were seen as more detrimental to their interests than the periodical wage raises granted by administration.³⁷ Timothy Harding also pointed out the progressive radicalization of organized labor during the Kubitschek administration, as workers increasingly demanded a more responsive government capable of acting beyond the traditional corporatist framework of the Labor Ministry.³⁸

The late 1950s was actually very much defined by contradictory developments among workers given that, as the industrialization process deepened and labor unions grew larger and more powerful, inflation eroded real wages and workers felt freer to strike and organize. Several strikes and demonstrations progressively did take place, including some that coalesced workers of different unions bases into cross-sectorial mass stoppages, and the struggle against inflation and the deteriorating living conditions of urban workers changed the character of the organized labor movement. Traditional

³⁶ Salvador A. Sandoval, *Social Change and Labor Unrest in Brazil Since 1945*. (Boulder: Westview, 1993).

³⁷ Renato Colistete, *Labour Relations and Industrial Performance in Brazil*. (NY: Palgrave, 2001);

³⁸ Timothy Harding, *op. cit.*

wage-based demands increasingly would be displaced by more openly political mobilizations, and industrial workers would become actively engaged in debating national development promotion throughout the period, as will be demonstrated in Chapter Five.

Beyond the experiences taking place in Brazil, the analysis on the impact of political mobilization of urban labor in fast-industrializing countries has been inspired by a plethora of different theories, including the critique of the Modernization argument. Already in the 1950s, Seymour Lipset advocated the notion that the different stages developing nations were said to have to follow expected to follow could be disjointed, resulting in social disintegration and political instability.³⁹ Along similar lines, Samuel Huntington argued that rapid economic growth can be socially disruptive rather than conducive to political stability (as argued by the Modernization paradigm).⁴⁰ In his view, the increased geographical mobility derived from the process of rapid industrialization undermined traditional social ties, resulting in widespread alienation, rising economic demands among popular sectors, and, eventually, extremism and political instability.

The Argentine scholar Guillermo O'Donnell also claimed that the portrayal proposed by the Modernization theories could be hardly appropriate to explain the authoritarianism that emerged in Latin America following the rapid industrialization of the 1950s. For him, in the late industrializing Latin-American economies, such as those of Brazil and Argentina, the deepening of the process of industrialization coincided with

³⁹ Seymour M. Lipset, *Social Mobility in Industrial Society*. (Berkeley: University of California Press, 1959).

⁴⁰ Samuel Huntington, *Political Order in Changing Societies*. (New Haven: Yale University Press, 1968).

the collapse of the democratic order and the implementation of bureaucratic-authoritarian regimes.⁴¹

The 1980s would bring to fore new studies revising the propositions advanced by this latter scholar.⁴² Nonetheless, in tandem with earlier political examinations, these latter analytical pieces still advance the notion that rising economic standards lead to increased popular political demands that outgrow the institutional capability of the regime to process them, resulting in the eventual breakdown in the political order.

Contrary to these views, I argue that it was not due to the fact that workers had become actively engaged in defending their own interests that the ensuing political instability of the early 1960s, and the eventual breakdown of the Populist Republic (in March 1964, when military forces seized power), occurred. Instead, as the debates on national development in the late 1950s attest, it was because the Federal administration assumed that its own views on development promotion were consensually representative of the broader Brazilian society that increased political dissonance and polarization ensued. This is one of the central claims I advance in the present work, seeking thus to debunk the traditional image of the alleged Populist Pact that would have broadly characterized the period. In order to do so, I summarize next the main lines of the socio-political scenario, as well as of the bureaucratic transformations within the realm of the

⁴¹ Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*. (Berkeley: University of California Press, 1973).

⁴² See: David Collier, *The New Authoritarianism in Latin America*. (Princeton: Princeton UP, 1980); Argelina Cheibub Figueiredo, *Democracia ou Reformas? Alternativas Democráticas a Crise Política, 1961-64*. (São Paulo: Paz e Terra, 1993); Peter F. Klaren & Thomas Boussert, *Promise of Development: theories of change in Latin America*. (Boulder: Westview, 1986); Sergio Leite Lopes & Luis F. Duarte, *Cultura e identidade operária: aspectos da cultura da classe trabalhadora*. (Rio de Janeiro: Marco Zero/Museu Nacional, 1987); Mitchel Selligson & John Passe-Smith, *Development and underdevelopment: the politics of inequality*. (Boulder: L. Rienner Publishers, 1993).

Federal government, taking place in the 1950s, thus structuring the background information needed for the following chapters.

The Emergence of Import Substitution Industrialization and the Consolidation of National-Developmentism

On January 31, 1951, after having conducted what had been until then the most dynamic and geographically extended presidential campaign in the history of Brazil, Getúlio Vargas returned to the Presidential office in Brazil. This nationalist politician would seek the implementation of an ambitious agenda of economic development and social reform.⁴³ Vargas considered that the growing urban lower-class electorate could prove useful in promoting his developmental goals. His understanding, however, conversely implied attending, at least some of the demands for social inclusion presented by the organized industrial labor.⁴⁴

Aware of the growing importance of the growing urban electorate, a few months before being deposed, in October 1945, Vargas revamped the entire political system by creating a new political system which included a labor-based party. The growth in the rate of the politically active population in Brazil in the 1950s can be verified when examining the following figures: There was an increase in electorate from 3.1 percent during the last years of the Old Republic (1889-1930) to an average of 19 percent in the

⁴³ See: Maria Celina D'Araújo, *O Segundo Governo Vargas 1951-1954: democracia, partidos e crise política*. (Rio de Janeiro: J. Zahar, 1982) and Fundação Getúlio Vargas, *Dicionário Histórico-Biográfico Brasileiro Pós -30*. (Rio de Janeiro: Editora da FGV, 2001, coord. by Alzira Alves de Abreu & Israel Beloch).

⁴⁴ See: Celia Maria Leite Costa *et all*, eds, *Impasse na Democracia Brasileira, 1951-1954: Coletânea de Documentos*. (Rio de Janeiro: Editora de Fundacao Getulio Vargas, 1983); Edison de Oliveira Nunes, *Dilemmas of State-Led Modernization in Brazil* (Rio: IUPERJ, Serie Estudos, No. 39, 1985).

1950s. It should be noted that Brazilian electoral legislation restricted voting rights to literate adults until the constitution of 1988. Also, in the 1950s the national literacy rate was around 43 percent of the adult population.⁴⁵

Thus, with the goal of remaining in control of national politics amidst growing opposition deriving from his earlier dictatorial maneuvers, Vargas founded two of the three most important political parties of Brazil of the so-called Populist Republic. The main party was called Social Democratic Party (PSD), which, despite its name, had as its core members the political leaders of the interior who had supported Vargas' rule during the New State in the late 1930s and early 1940s. The second party Vargas helped to create was the Party of Brazilian Workers (PTB), whose main supporters were found within sectors of the organized urban labor which maintained close ties with the Federal government via the corporatist union structure of the Ministry of Labor. These two parties would forge a loose political alliance that lasted the entire decade.

The main opposition party, called the National Democratic Union (UDN), was supported by wealthy urban elites and middle-class sectors who favored free-market economic policies. Notwithstanding the existence of these formal political arrangements, the key to understand the period lies on the fact that parties were not able to harness support among the growing popular electorate on a consistent basis. Instead, there was the continuation of patron-client political negotiations among the urban masses and local political bosses, along the lines of a logic that functioned in Brazil since, at least, the dawn of the twentieth century.⁴⁶

⁴⁵ For more, see Edgar Carone, *A Quarta Republica*. (São Paulo: DIFEL, 1980).

⁴⁶ For more on this, beyond the works already cited by Benevides, *op. cit.*; Lafer, *op. cit.*; and Weffort, *op. cit.*; see Victor Nunes Leal, *Coronelismo, Enxada e Voto*. (Rio de

Vargas' political platform in 1950 was largely inspired in the perception that the goal of industrialization had to be strengthened. The interpretation that Brazil's agrarian-based economy had to be replaced by an industrial one was largely grounded on the frame of analysis formulated by a group of economics coalesced at the time in the Economic Commission of Latin America (ECLA).⁴⁷ The Commission had been created by the Economic and Social Council of the United Nations in 1948, and is one of the five UN regional economic agencies still operating. Since its inception, the ECLA's propositions were largely defined by the ideas and leadership provided by its first head officer, the Argentine economist Raul Prebisch, who had described already in 1946, when serving as President of the Argentine Central Bank, the 'peripheral' nature of the economic insertion of Latin American countries in the world market. Based on such as notion, Prebisch had argued in favor of a process of industrialization guided by the central national governments of the region. These ideas would achieve a paramount importance for those arguing in favor of fast-paced industrialization in Latin America in the 1950s, especially in Brazil.

Even though World War II had initially impacted the Brazilian economy in a positive sense (by increasing its exports of food supplies), once the period of reconstruction in Europe began, late in the 1940s, foreign sources of capital were primarily targeted to the countries directly involved in the battlefronts. The monetary

Janeiro: Forense, 1948) and Maria Isaura Pereira de Queiroz, *O Mandonismo local na vida política brasileira*. (São Paulo: Alfa e Ômega, 1976).

⁴⁷ For a revision of the synthetic works on the Commission, see: Celso Furtado, *A Fantasia Organizada*. (Rio de Janeiro: Paz e Terra, 1985); Joseph L. Love, *A Construção do Terceiro Mundo* "Teorias do Subdesenvolvimento na Romênia e no Brasil". (São Paulo: Paz e Terra, 1998); and Octavio Rodrigues, *Teoria do Subdesenvolvimento da Cepal*. (Rio de Janeiro: Forense Universitária, 1981).

surplus that Brazil had gained during the years of conflict went then into a steep decline, and a profound redefinition in the national economic priorities began taking place among the country's political leadership. The War had already helped foster the goal of industrialization among military leaders, who saw the need to create war-related industries as a national security element, and who began pushing for the creation of national industrial plants.⁴⁸

This initial industrial move had been supported by the United States during its Good Neighbor Policy towards Latin America. Once the war was over, new multilateral financial and political institutions (such as the World Bank and the International Monetary Fund) were created to strengthen the interdependence of the world economies within the context of the political bipolarity defined by the Cold War. The extraordinary economic surplus the U.S. economy had achieved during the world conflict also proved instrumental in fostering the national industrial plans pursued in several in Brazil, as well as in others Latin American countries (such as Argentina and Mexico), in the period. In 1949, the Truman administration would put in place the Point Four program, a new foreign policy program coordinated by the State Department's Technical Cooperation Administration.

Amidst all these broad new economic and political circumstances, a new paradigm for promoting national development emerged. This new developmental tenet, known as Import Substitution Industrialization (ISI), advocated the direct involvement of the national government in the economic activities in a variety of ways, such as raising import tariffs on items to be produced domestically, providing credit assistance to

⁴⁸ For a synthetic view of this process, see: Carone, *op. cit.*

domestic industries, and artificially controlling exchange rates (at the cost of rising inflation and deficits) to assure that domestically produced items, even if non-competitive, could be exported. Moreover, the domestic market was to be favored via periodical wage increases and by offering subsidized investments in the areas of infrastructure, transportation, energy, and communication networks.

In Brazil, these developmental efforts were coalesced in the 1950s into an aggressive plan of industrial promotion. The project advocated governmental ownership of basic infrastructural industries and the coordination of the economy by means of financial incentives, such as subsidized credit, and targeted areas for public investment. As a concerted governmental program, described in the historiography as National Developmentism,⁴⁹ these propositions centered on the notion that industrialization was a *sine qua non* condition for achieving national economic self-sufficiency. This perception derived directly from Prebisch's theory of the 'declining terms of trade,' according to whose view, agriculture-based economies would remain in a state of underdevelopment, unless a new set of economic policies, particularly pertaining to implementation a national industrial program, could be devised.⁵⁰

National Developmentism was largely based on formulations provided by the Joint Brazil-United States Economic Development Commission (CMBEU in Portuguese). This study-group type of agency had been created in 1951 by the

⁴⁹ As indicated before, the label itself is the focus of some debate. I have decided to utilize the concept of developmentism, instead of Sikkink's developmentalism, as a way to differentiate the experiences of Brazil from those of East Asian countries and to stress the uniqueness of the Latin American experience. For more, see: Kathryn Sikkink, *op. cit.*; and Octavio Rodriguez, *op. cit.*

⁵⁰ See: Raul Prebisch, *Interpretacion del proceso de desarrollo latinoamericano*. (Santiago: Comision Economica para America Latina, 1949).

governments of both countries with the intent of providing an accurate diagnosis of the Brazilian economy. The main inspiration leading to the creation of the Commission was that it would “guide the inflow of investment, in its governmental and private (foreign and domestic) forms, as needed to promote the national economic development of the country.”⁵¹ The format and structure of the Joint-Commission was not new given that earlier bi-national committees of economic examinations between the United States and Brazil had already conducted detailed investigations of the Brazilian economy.

The Cooke Mission, which carried out meetings and studies in 1942, was the first effective attempt of partnership between Brazil and the United States to produce a detailed assessment of the state of Brazil’s economic prospects. Among its main conclusions, the Mission argued that the Brazilian economy was excessively dependent upon the exporting of primary produces, and that the national government should find ways to finance larger investments in the industrial sector. Similarly, the Abbink Mission of 1948 restated the need that the Brazilian government to invested more substantially in industrial activities. The concluding reports of both of these earlier study missions would also prove important in providing intellectual support to the goal of increasing governmental investment targeted to reforming the infrastructure of the Brazilian economy. Along the lines of the Modernization theories, both analyses had essentially identified infrastructural bottlenecks as the main hindrances preventing an effective ‘economic takeoff’ of the country. Moreover, this problem was said to require active

⁵¹ Guido Mantega, *Desenvolvimento e Política Econômica no Brasil: Os Anos 50* Relatório de Pesquisa, No. 22, (São Paulo: Escola de Administração de Empresas de São Paulo, Fundação Getulio Vargas, 1982), p. 14

economic involvement on the part of the Federal State, as no private investor would be able to disburse sufficient funds to redress the situation.⁵²

In 1953, the CMBEU published a meticulous examination of the Brazilian economy and similarly argued that the country could only pursue a national plan of industrialization if the infrastructural bottlenecks were eliminated.⁵³ Given the limited financial means the Brazilian government had at its disposal to provide all the infrastructural investments needed, undertaking a program of national economic development represented a challenge for the second Vargas administration. It would be only with the creation of a national development bank that the country would undertake an assertive step towards resolving the structural needs of capital to finance the goal of fast economic development. The National Bank of Economic Development (BNDE) was created by the Brazilian National Congress, in June 1953, financed primarily by the National Treasury to act as the main funding agency for the projects related to investments in the areas of transportation networks and energy supply.⁵⁴ As will be demonstrated in Chapter Four, the Bank would fulfill its intended goal of financing projects of industrial development only during the Kubitschek administration.

A similar line of continuity existed between developmental projects outlined during the second Vargas regime and the JK Years. This was reflected even in the list of economic priorities produced by the BNDE-ECLA Joint Study Group and the economic plans pursued in the Kubitschek period. This supplementary study group carried out a

⁵² For more, see: Fundação Getúlio Vargas. *Dicionário Histórico-Biográfico Brasileiro Pós -30. op.cit.*

⁵³ See: Arquivo Roberto Campos: RC e ae 1951.06.06/ae, 1951-1953, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

⁵⁴ See: Arquivo Roberto Campos: RC e bn de 1952.10.30. folder number 2, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro).

series of meetings, from mid-1953 to the middle of 1955, under the coordination of the Brazilian economists and members of the BNDE and ECLA, respectively, Roberto Campos and Celso Furtado.⁵⁵ The concluding reports of BNDE-ECLA Study Group would prove to be influential in the formulation of the plan of economic development implemented by the Kubitschek administration, which would become known as the Targets Plan.⁵⁶ Moreover, overlaps also can be found in the Plan of National Economic Rehabilitation and Industrialization (another outcome of the CMBEU) and the Targets Plan.⁵⁷

The main notions underlining the projects coalesced in the program of national-developmentism exerted a profound ideational influence in mid-twentieth century, particularly among bureaucrats working in the governmental agencies that interfaced with industrial associations in Brazil and main industrial leaders. The most influential among the former include Rômulo de Almeida, Roberto Campos, and Lucas Lopes. Almeida was an economist working at the National Industrial Confederation (CNI) in 1951, when he was invited by Vargas to occupy the chief position of the then-created Economic Advisory Committee of the Presidency. Campos was a career diplomat who had served at the CMBEU and who later would become a leading figure during the Kubitschek Presidency, serving at the BNDE and at the National Council of Development. Lopes was an experienced engineer and businessman, who had previously worked as energy

⁵⁵ See: Arquivo Roberto Campos: RC e bnnde 1952.09.29/e/bnde, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

⁵⁶ Conselho do Desenvolvimento. *Documento de Trabalho. Número 1. Relatório Reservado*. Rio de Janeiro: Presidência da República: Rio de Janeiro, April 1956.

⁵⁷ Carlos Lessa, *Fifteen years of economic policy in Brazil*. Economic Bulletin for Latin America, 9(2):153-214, Nov. 1964. (Rio de Janeiro: CEPAL); and Guido Mantega, *op. cit.*

secretary during JK's mandate as governor of the state of Minas Gerais (1951-1955). He would also play a leading role at the national level as the main formulator of the Targets Plan.⁵⁸

Industrialists assembled at the National Industrial Confederation (CNI) and at the Industrial Federation of the State of São Paulo (FIESP) were also very receptive to the notions of national-developmentism, as espoused by the Economic Commission of Latin America. Already in 1950, the CNI published a special issue of its main publication, the Revista de Estudos Econômicos, subscribing to the main theses advanced by the Commission. Moreover, the Confederation would provide the funds needed to conduct the initial meetings between representatives of the BNDE and ECLA, which began taking place early in 1953.⁵⁹ In tandem with these dynamics, Kubitschek himself would become a manifest proponent of many of the ideas proposed by the ECLA.⁶⁰

The goal of promoting accelerated national industrial development would become a common conceptual currency in almost all of the most relevant debates unfolding in the 1950s in Brazil. The notion surely did not mean the same thing for all parties involved, and different notions were advanced by specific political and economic groups, as will be shown throughout this investigation. Notwithstanding these differences, promoting national development increasingly achieved the meaning of an organized effort carried out by the Federal government in pursuing a fast-paced program of industrialization and economic growth.⁶¹

⁵⁸ For more, see: *Dicionário Histórico-Biográfico Brasileiro Pós -30. op.cit.*

⁵⁹ Joseph L. Love. *op. cit.*

⁶⁰ For instance, see: Juscelino Kubitschek de Oliveira, *Mensagem ao Congresso Nacional*. (Rio de Janeiro: Departamento de Imprensa Nacional, 1957), p. 34.

⁶¹ For more on the different views and the political groups involved in the debates

In short, the search for fast-paced economic development fundamentally defined the 1950s in Brazil. In the following and concluding section, I probe the main features of the Federal administration under which governmental investment and foreign private capital were successfully combined into an articulate plan of industrial promotion.

The Kubitschek Years and the Consolidation of the Developmental Efforts

Juscelino Kubitschek de Oliveira was elected in October 1955, after having run a campaign based on an aggressive agenda of national development. During the campaign, Kubitschek unveiled an ambitious program of economic growth formulated by Lucas Lopes, largely on the basis of the final reports produced by the BNDE-ECLA Study Group.⁶² The candidate's platform was later converted into a list of priority areas which were to receive special attention on the part of the government. The plan consisted of thirty target areas, distributed within five economic sectors and which would eventually come to be popularly known as the Targets Plan.

While a list of all targets is included in Appendix I, the sectors of economic activity to be favored in the five-year governmental plan for priority targeted investments were:⁶³

regarding the elaboration and implementation of projects of national development in the 1950s see Ricardo Bielchowsky, *O Pensamento Econômico Brasileiro: O Ciclo Ideológico do Desenvolvimentismo*. (Rio de Janeiro: Contraponto, 2004).

⁶² Juscelino Kubitschek de Oliveira, *Diretrizes Gerais do Plano Nacional de Desenvolvimento*. (Belo Horizonte: Livraria Oscar Nicolai, 1955, p. 32).

⁶³ It is important to note that on the 1955 campaign trail, after been questioned by one member of the audience at one of his political rallies, Kubitschek decided to include in the Targets Plan (as a 31st Target, called as the Synthesis Target) the construction and the transference of the national capital from Rio de Janeiro to a new city, to be constructed in the heartlands of the country, and which would be called Brasília.

Energy: here the main goal was to double the supply from 3 million kW within the five years of the administration. This sector received 42 per cent of all investments (state and private) made in the period and in several areas the set targets were almost met. For instance, in the target of energy increased production, 95 per cent of the set target for electricity was met, 73 per cent in coal production, and 76 per cent in oil production.

Transportation: the goals in this investment sector consisted primarily of reforming and expanding infrastructural transportation networks which were extremely precarious. This sector received 30 per cent of all investments and its achievements were unevenly distributed. In railroads construction the achievements were below target (in the rate of 40 per cent), while the expansion of naval networks reached 84 per cent of its proposed goal, and the construction of highways surpassed the target of 15 thousand kilometers in 24 per cent.

Agriculture and food supply: this sector received only 3 per cent of all investments and included the areas of food production and distribution. With the exception of the target of creating a national industry of fertilizers the one aimed at attracting foreign multinational companies to manufacture heavy agricultural machinery in the country (where the targets were met), the goal of doubling the national food supply of primary food staples achieved dismal results. Food production actually fell in the period, and the target of constructing food warehouses in a nationwide chain to regulate prices reached only 18 per cent of the originally proposed target.

Basic Industries: this sector involved the expansion of the industrial sectors. About 22 per cent of all investments of the Plan were targeted to this area of the economy. The targets set in the siderurgical and metallurgical productions were all surpassed, and special attention was given to the creation of a national auto-making industry, as will be examined in detail in Chapter Four.

Education and technical qualification of labor: this sector involved the creation of a national system of technical schools and some research institutes. With the exception of the creation of the Nuclear Energy Research Institute, the targets of this sector were largely ignored and under-funded, receiving only around 3 per cent of all investments).

The rich literature on the JK Years has claimed that Kubitschek's ability to implement his ambitious developmental plan depended on devising insulated bureaucratic agencies placed directly under the President's direct personal control, so that the 'give-and-take' logic of the Brazilian clientelistic political system could be kept in check.⁶⁴ Kubitschek would thus create, already in his first day in office (on February 1, 1956), the national Council of Development, an autonomous bureaucratic agency devised to coordinate the implementation of all developmental projects of his administration, in special those of the Targets Plan.⁶⁵ The President would similarly rely on close advisers, such as Lucas Lopes and Roberto Campos, for the execution of his economic agenda (as will be shown in Chapter Four).

⁶⁴ See: Armijo, *op. cit.*; Benevides, *op. cit.*; Lafer, *op.cit.*; Nunes, *op. cit.*; Nunes & Geddes, *op. cit.*; and Sola, *op. cit.*

⁶⁵ See the Presidential Decree, number 38.744, of February 1, 1956, creating the Development Council In: Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3130. Arquivo Nacional. Rio de Janeiro.

For the President, national development was a fundamental and unavoidable national objective, considering that,

[g]iven our fast-pace demographic growth, we have to become an industrialized nation. Our sovereignty requires a series of economic accomplishments that may lead us beyond our colonial plantation status. Indeed, our own freedom and security depend on our economic development.⁶⁶

In his view, promoting national development also was an indispensable task in preventing social unrest resulting from the still widespread poverty and the enormous inequality that characterized Brazil in the 1950s. In his view, only fast economic progress could maintain social stability and he repeatedly claimed that national development was the only assurance that “the enemies of liberty would not be allowed to feed in the fermentation of poverty.”⁶⁷ In his official pronouncement opening the Parliamentary session in the year of 1957, he explicitly argued that “(...) strengthening our economic basis by means of attracting foreign sources of capital will prevent, once and for all, the dissemination of subversive ideals among our people.”⁶⁸ Economic growth, in this sense, was seen as a means to achieve not only greater material well being, but primarily to assure domestic order and ‘social peace.’

⁶⁶ Juscellino Kubitschek de Oliveira, *A Marcha do Amanhecer*. (São Paulo: Bestsellers Livros, 1962), p. 112

⁶⁷ Juscellino Kubitschek de Oliveira, *A Marcha do Amanhecer* p. 113

⁶⁸ Juscelino Kubitschek de Oliveira, *Mensagem ao Congresso Nacional*. (Rio de Janeiro: Departamento de Imprensa Nacional, 1957), p. 79

To be sure, already in his first message to the National Congress in 1956, the incoming President stated that:

Development is the key to the consolidation of a free and powerful nation, a nation capable of reciprocating in prosperity, justice, and security (...), and is the struggle in defense of a style of life that we have adopted, given by our Christian values, love of liberty and democracy.⁶⁹

Kubitschek also believed that nationalism and development were notions closely interrelated in an almost mutually dependent basis. In his own words,

Nationalism aims at placing our nation at an equal level with the other nations in the world. It is, therefore, not a mere political, fanatic ploy. Instead, our nationalistic cause is a constructive effort towards specific objectives, multiple in appearance, but that are all fused together in the one and only goal, that of our development.⁷⁰

Kubitschek's views reverberated among intellectuals gathered around the state-funded Institute of Advanced Brazilian Studies (ISEB). Created in 1955, the Institute was an official agency of the Ministry of Education and Culture. A significant portion of the ISEB's members were involved in public policy-planning along a state-centered perspective already in the second Vargas administration, when they coalesced, in less formal terms, at a private research group called the Brazilian Institute of Economy, Sociology, and Politics.⁷¹

⁶⁹ Juscelino Kubitschek de Oliveira, *Mensagem ao Congresso Nacional*. (Rio de Janeiro: Departamento de Imprensa Nacional, 1956), p. 47

⁷⁰ Juscelino Kubitschek de Oliveira, *A Marcha do Amanhecer*, p. 199.

⁷¹ Toledo, *op.cit.*

In spite of the basic agreement about the need for a collective developmental effort coordinated by the central government that they all shared, ISEB members espoused different theoretical and political positions. A leading figure in the ISEB, Hélio Jaguaribe believed that foreign sources of capital could represent a positive role in promoting projects of economic growth. Cândido Mendes de Almeida, Alvaro Vieira Pinto, and Alberto Guerreiro Ramos were more skeptical about the positive role of foreign capital, but accepted foreign investors in areas not considered to be of national vital interest, such as in energy production. Rolando Corbusier and Nelson Werneck Sodré represented a more radical line of nationalism opposed to foreign investment *in toto*.

A detailed examination of the structure of the agency, as well as of the ideas and projects espoused by the main members of ISEB is provided in Chapter Three. It is possible, nonetheless, to move ahead and advance the notion that, notwithstanding their individual positions, all members of the ISEB believed that development and nationalism were intrinsic elements of the Brazilian reality in the 1950s. In this direction, they sought to articulate nationalism as a rational proposition aimed at achieving concrete material goals expressed in figures of economic growth that could be clearly understood by all sectors of the national society. Similarly, in their views, national-developmentism had to serve as a persuasive catalytic tool to coalesce the entire nation behind a rational plan of fast economic transformation.

Despite ISEB's importance in igniting a rich intellectual reflection about national development in Brazil in the second half of the 1950s, the Institute's role in the Kubitschek administration was marginal given the contradictory views espoused by these

members of national intelligentsia and the pragmatically-oriented decision-makers positioned within the Council of Development. To be sure, whereas ISEB members believed that coalescing different social segments behind national development was the most efficient way to overcome the underdeveloped condition, Kubitschek and his closest advisors at the Council conceived development promotion as a means to maintain social stability amidst rising international economic difficulties and ideological polarization. These contrasting or, at times, even opposition views will be examined in depth in Chapters Three and Four.

Concluding Remarks

The 1950s and particularly the JK Years represented a new phase in the promotion of national development in Brazil. The ideology of national-developmentism was formulated, achieving increasing levels of political and ideational support among various segments of the Brazilian society. Moreover, the very conceptualization of nationalism in Brazil would progressively be associated with the notion of development and the objective of rapid economic growth, particularly by means of state-led industrial promotion.

Throughout the decade, Brazilian governmental policies would assume an increasingly developmental tone and any obstacle to the national process of development would be understood through developmentist lenses. The central claim supporting national-developmentism was that fast-paced economic growth would provide levels of well being to the entire nation – which was taken to be a homogenous whole.

Moreover, the two most important elected leaders of the period Brazil, Getúlio Vargas, and especially Juscelino Kubitschek held conformist political positions in regards to the reasons for promoting fast economic growth: Preventing large scale social upheavals caused by widespread domestic poverty.

The vast bibliography on national development promotion in the decade here examined has largely posited an image of social stability deriving from an inter-class political compromise in support of fast economic growth, as well as from an optimistic ideological outlook disseminated by Kubitschek himself. In the present chapter, I have begun to advance the notion that such a portrayal requires further examination given that no consensual definition of national development existed in the period, and that urban working segments were becoming increasingly mobilized in advancing their own development-related views and demands.

Before the different positions on national development held by the most influential Brazilian intellectuals, government officials, and urban labor leader during the second half of the 1950s are examined (a task I undertake in Chapters Three, Four, and Five, respectively), an analysis of the international context within which the Brazilian experiences of development promotion occurred is in order. The main purpose in advancing this line of reflection was to situate the main conceptions and projects formulated in Brazil within the broader context of parallel dynamics taking place on a truly global scale in a time of growing international economic and political interdependence.

With this goal in mind, in the following section, I seek to map out the reciprocal commonalities and influences of the trends and policies occurring in the international

level and those proposed by Brazilian intellectuals and governmental authorities in the period. Beyond this initial objective, a detailed analysis of the main diplomatic propositions undertaken by the Kubitschek administration is also presented. The main objective in doing so is demonstrate that the developmental drive of the 1950s would become so influential among governmental officials that the main lines of international political behavior the country would manifest in the period also was chiefly defined by the goal of fast-paced development promotion.

Chapter 2

Development in a Global Perspective and Brazil's International Search for a New Historical Course

Introduction

In the 1950s Brazil witnessed rapid economic growth rates.¹ The period also was marked by a growing sense that the country had to course a new path in terms of its foreign policies so that the domestic developmental needs could be supported. The decade has thus attracted attention from a number of scholars, who have characterized the period as one essentially defined by a widespread sense of optimism and an ideational and political convergence among purportedly almost all social segments.²

Despite being plentiful, this intellectual production has had little to say about the existing interactions between internal Brazilian events and similar transformations taking

¹ In the 1950s the average annual GDP growth rate was of 6.5%. In the second half of the decade, this rate increased to about 8%. For detailed figures, see: *Estatísticas Históricas do Brasil: Séries Socio-Econômicas, Demográficas e Sociais, 1950-1988*. Publication of the Instituto Brasileiro de Geografia e Estatísticas, IBGE (Rio de Janeiro: 1990).

² Among the many works advancing this line of argument, the most influential are: Maria Victoria de Mesquita Benevides, *O governo Kubitschek: desenvolvimento econômico e estabilidade política, 1956-1961*. (Rio de Janeiro: Paz e Terra, 1976); Amaury Santos Fassy, *JK: o maior estadista do século XX*. (Brasília: Thesaurus, 2000); Angela de Castro Gomes, *O Brasil de JK*. (Rio de Janeiro: FGV, 1991); José Louzeiro, *JK: o otimismo em pessoa*. (Rio de Janeiro: Ediouro, 1996); Joaquim Ferreira dos Santos, *Feliz 1958: O ano que não deveria terminar*. São Paulo: Record, 1997); Pedro Augusto Gomes Santos, *A classe média vai ao paraíso: JK em Manchete*. (Porto Alegre: Edipucrs, 2002); Marly Rodrigues, *A década de 50: Populismo e metas desenvolvimentistas no Brasil*. (São Paulo: Atica, 1994); Helio Silva & Maria Carneiro, *Juscelino, o desenvolvimento, 1956-61*. (São Paulo: Editora Três, 1983).

place elsewhere in the world. This dearth of comparative studies is particularly surprising considering that throughout the period very similar socio-political and economic developmental dynamics were becoming increasingly noticeable on a truly global scale. To be sure, already in the late 1940s, a prolific reflection on the topic of national development had become manifest in several countries undergoing the process of political emancipation from the reality of colonial domination.

In 1947, to be exact, in New Delhi, and again in 1954, in Colombo, representatives of countries that had recently become political independent (such as India, Pakistan, Ceylon, Indonesia, and Burma) had gathered to discuss the socio-economic prospects of their new nations. These initiatives proved to be particularly important in a rigidly divided world wherein these populations found themselves. This budding cooperative endeavors were intensified in 1955, when these same countries met in Bandung (Indonesia) with representatives of another twenty three nations of the Asian and African continents. During this turning-point conference, what would later be known as Non-Aligned Movement decided to strengthen their collective search for an autonomous path of national development, which rejected the stringent constraints posed by the dynamics of the Cold War. Given these broad international dynamics, examining the experiences taking place in Brazil in the 1950s in an isolated manner is a deficient goal deserving revision.

This chapter advances the view that in the so-called 'developmental decade' in Brazil, a new kind of interaction between the political events and ideational propositions taking place in the domestic context and those occurring globally was forged. Moreover, I claim that even if in a non-linear manner, a synergic trend between proponents of

developmental notions in Brazil and important political leaders and intellectuals in other countries was becoming increasingly noticeable in the period. Finally, by examining the case of the Operation Pan-America – the most important foreign policy projects of the Kubitschek administration – I seek to demonstrate that a convergence between the growingly influential developmental notions and chief diplomatic projects was also evident in the period.

The 1950s and the Global Quest for National Developmental

Even if still fundamentally shaped by a bipolar political logic, the 1950s were a watershed moment in the dynamics of the Cold War. From a very turbulent beginning, when the world superpowers engaged in an open military conflict in the Korean peninsula, the decade witnessed a marked inflection from a unidimensional confrontational behavior towards more complex forms of inter-state relations. The departure from such a bellicose scenario represented the possibility that new political themes could enter the international agenda wherein economic demands, particularly on the part of underdeveloped countries, would have a prominent place.

The decade, however, was also marked by growing economic difficulties for the vast majority of non-industrialized countries. Notwithstanding the formal commercial liberalization established by the General Agreement of Tariffs and Trade in 1947, produce exporting nations were facing growing difficulties in obtaining international public funds needed to support their incipient industrial projects. Moreover, from 1953 onwards these same states were receiving diminishing returns in their export transactions as commodity prices were falling in the international market. This latter trend

represented a sharp reversal in the agricultural price surge that had occurred during the Second World War.

This market deterioration had initially been caused by higher commodity supply in the world economy, a situation that was made worse by the economic slowdown in the U.S. economy that began taking place in 1956.³ Particularly grave for Latin American countries, the commercial restrictions imposed on primary products sold to the Common European Market, starting in 1957, represented an added challenge in trying to even out current and balance-of-payment accounts in their still mostly agriculture-based economies.

As a concerted reaction to the emerging global economic difficulties of the time, innovative regional debates and multilateral diplomatic projects began taking place in the non-industrialized world. These efforts also derived from the new political maneuverability allowed to non-industrialized peripheral states by the dynamics of a more peaceful co-existence established between the two world superpowers after the Suez Crisis of 1956. Similarly the acceleration of the process of decolonization – as well as the formulation of projects of economic autonomy in emerging states such as India, Pakistan, Indonesia, Sri Lanka, Vietnam, Algeria, and Ghana – helped creating a new political mentality, which would assume a more elaborated format at the various developmental multilateral conferences taking place in the period.⁴

The Bandung Conference, for instance, represented the beginning of a productive dialogue among non-industrialized nations about the topic of national development. The

³ Phillippe Braillard and Mohammed-Reza Djalili, *The Third World and International Relations*. (Boulder: Lynne Rienner Publishers, 1984).

⁴ Idem.

event's twenty-nine delegations would eventually translate their own plans for national development into a collective effort in favor of better international terms of trade for agricultural goods and global support for projects of industrial promotion in primary-based economies.⁵ The gathering also helped foster the notion that the colonial (or postcolonial)⁶ experience had to be surpassed considering that its underlining logic required that all sectors of the colonized societies be oriented to attending the needs of the central industrialized states. Moreover, Bandung's final communiqué would proclaim the historical responsibility that industrialized countries held to support the process of national development taking place in produce-exporting nations by means of international economic cooperation geared towards projects of industrial promotion.⁷

A line of intersection clearly exists between what was argued for by political leaders in recently emancipated (post-colonial) states and what Brazilian intellectuals were proposing at the Institute of Advanced Brazilian Studies in the second half of the 1950s, as will be examined in detail in Chapter Three. Brazilian intellectual of the period similarly advanced the view that, only by pursuing an ambitious project of national development their societies would be able to become effectively independent (*i.e.* economically self-sufficient). The most relevant works of Brazilian intellectuals in the 1950s advancing the need for a fast-paced project of industrialization by means of State planning and economic intervention were produced under the auspices of the Institute of Advanced Brazilian Studies (ISEB), as will be detailed in Chapter Three.⁸ They also

⁵ Pierre Queuille, *Histoire de l'afro-asiatisme jusqu'à Bandung*. (Paris: Payot, 1965).

⁶ Ania Loomba, *Colonialism/Postcolonialism*. (London: Routledge, 1998).

⁷ "Final Communiqué of the Bandung Conference," In: *Documents on International Affairs, 1955*. (Oxford: Oxford University Press, 1958), pp. 429-436.

⁸ An initial sample of works produced at the Institute include: Cândido Mendes de

argued that the true measure of national independence resided, not on formal (legal) sovereignty, but rather on the country's economic self-reliance or autonomy. Reaching such a goal required the promotion of fast-paced industrialization capable to reduce the country's vulnerability *vis-à-vis* the fluctuations of the international commodity market.

In tandem with the arguments presented by Brazilian proponents of fast-paced industrialization, the discussions and projects undertaken by leaders of recently independent Asian and African states represented a conscious effort to improve their economies. The independence negotiator and first president of Ghana K. Nkrumah, for instance, declared in 1958 that

[i]ndependence in itself does not change the world. It only makes possible the existence of the political environment required for the real process of national regeneration. If independence is the first step, development must come soon after and no leader of any African or Asian country can escape this pressure.⁹

According to influential intellectual formulations produced in Brazil and in newly independent states in the period, the main challenge their nations faced rested on the fact their national economies were structurally defined by the co-existence of pre-capitalist economic activities in tandem with few dynamic export-oriented sectors.¹⁰ Moreover, political elites in several of these countries argued that markets of underdeveloped

Almeida, *Nacionalismo e Desenvolvimento*. (Rio de Janeiro: Instituto Brasileiro de Estudos Afro-Asiáticos, 1963); Hélio Jaguaribe, *Condições Institucionais do Desenvolvimento*. (Rio de Janeiro: ISEB, 1958); Alvaro Vieira Pinto, *Ideologia e Desenvolvimento Nacional*. (Rio de Janeiro: ISEB, 1960); and Guerreiro Ramos, *A Redução Sociológica*. (Rio de Janeiro: ISEB, 1958).

⁹ K. Nkrumah, 'African Prospects,' In: *Foreign Affairs*. August 1958, p. 1.

¹⁰ See: "Plurality as Underdevelopment (Editorial Section)," In: *The Indian Economic Journal*, 1958; Cândido Mendes, *op. cit.*; and Jaguaribe, *op. cit.*

economies were prone to failures and should, therefore, be directed from above. This task was to be conducted by a demiurgic-like central state, which should also act as the main investor as private financial resources tend to be insufficient in their countries. Similarly, these developmental goals should be similarly assumed, at least partially, by the developed nations who held the blame for the legacy of colonialism, which prevented national unity and self-assertion in the former colonies.¹¹ Investigating how different scholars and policy-makers attempted to convert such a diagnosis and ideational formulations into concrete projects aimed at overcoming the state of underdevelopment in the context of Latin America, and their political impacts in Brazil, will occupy us next.

Development within a Hemispheric Perspective: Latin America's

Search for a New Economic Course

Even though similarities existed between the goals of proponents of national development in Asian, Africa, portions of Southern Europe, and Latin America in the 1950s, marked differences were also evident. Howard J. Wiarda, among others, called attention to the similarities between the experiences of national development promotion in the so-called Third World and Mediterranean countries such as Spain, Portugal, Greece, and even Italy. His argument is that both in Latin America and the Southern European countries a hierarchical, corporatist, patrimonial, and mercantilist traditional was in operation in the 1950s, when projects of fast economic growth were attempted.¹²

¹¹ For a critical analysis of these notions, see: George B.N. Ayittey, "The Failure of Development Planning in Africa," in Peter J. Boettke, ed. *The Collapse of Development Planning*. (New York: New York University Press, 1994).

¹² See: Howard J. Wiarda, ed. *Politics and Social Change in Latin America: Still a Distinct Tradition*. (Boulder: Westview Press, 1992). For more, see: Claudio Veliz, *The*

The search for an autonomous route of national development carried out by countries such as India, Indonesia, and Egypt would eventually be turned into a unified effort coordinated by the so-called Non-Aligned Movement, which advanced an adamant anti-Cold War rhetoric that demanded reduction of weapons build-up, economic assistance, and the transferring of technology. Conversely, Latin American countries, and especially Brazil, traditionally accepted the dominant role by the United States in the Western hemisphere, and their developmental quest thus assumed alternative formats.

As will be demonstrated later in this chapter, even the most ambitious diplomatic project Brazil's pursued in the decade did not represent a radical departure from the regional political alignment the country maintained with its richest northern neighbor since early in the century. The conservative nature of these projects notwithstanding, a reexamination of the traditional interpretations concerning Brazil's diplomatic history is still needed. Namely, the canonic historiography on the main foreign policy initiatives of the Kubitschek period has chiefly argued that it would take the coming of new idiosyncratic presidential administration to power, in 1961 for the country's foreign policy to assume an overtly developmental tone.¹³ My work alternatively suggests that, already in the mid-1950s, a clear developmental inspiration was manifest in the chief diplomatic actions conducted, and notions espoused, by several influential Brazilian

Centralist Tradition in Latin America. (Princeton: Princeton University Press, 1980).

¹³ See: Clodoaldo Bueno e Amado Cervo, *A Política Externa Brasileira, 1822-1985*. (São Paulo: Ática, 1986); Ricardo W. Caldas, *A Política Externa do Governo Kubitschek* (Brasília: Thesaurus, 1996); Letícia Pinheiro, *Ação e omissão: a ambiguidade da política brasileira frente ao processo de descolonização africana, 1946-1960*. (Dissertação de Mestrado defendida no Instituto de Relações Internacionais da PUC-RJ em 1988); Alexandra Mello e Silva, *A Política Externa de JK: a Operação Pan-Americana*. (Dissertação de Mestrado defendida no Instituto de Relações Internacionais da PUC-RJ em 1992); Paulo G.F. Vizentini, *As Relações Exteriores do Brasil: 1945-1964*. (Petrópolis: Vozes, 2004).

government officials, as will be detailed later in this chapter. This new political direction and diplomatic course reflected a similar historical trend taking place elsewhere in Latin America. This move had received its initial conceptual formulation in the aftermath of World War II, when regional intellectuals were devising innovative ways to promote fast-paced economic growth in the region.

The most influential proponent of such notions was the Argentine economist Raul Prebisch. He claimed that countries traditionally oriented to export-led growth had to increase their production output in about one hundred per cent per decade so that their growing population needs for imported manufactured goods could be sustained.¹⁴ Heading the Economic Commission of Latin America during the entire decade, Prebisch consistently advocated the view that the economic difficulties Latin American countries faced in the period were caused by the dependent incorporation of the region in the world market. Attempting to counter this very state of affairs, he urged the creation of coordinated efforts in each society towards the promotion of new economic course in the continent.

Moreover, this Latin American scholar proposed the conceptual formulations of center and periphery to account for the disparities existing between the economic realities of industrialized and agriculture-based counties. According to his view, an economic center and a peripheral economic region were historically constituted and maintained by the very process of technological innovations taking place in the global economy. Technological advances tended to be more easily integrated in the dynamic economic

¹⁴ Raul Prebisch, *Dinâmica do Desenvolvimento Latino-Americano*. (RJ: Fundo de Cultura, 1964). For a synthesis of Prebisch's ideas, see: Octavio Rodriguez, *Teoria do Subdesenvolvimento da Cepal*. (Rio de Janeiro: Forense Universitária, 1981).

sectors of central industrialized states than in the peripheral primary-producing countries, where these innovations were almost exclusively absorbed in activities directly tied to export-related activities.

Therefore, claimed the Argentine author, regardless of how much their economic productivity improved, agriculture-based economies would never be able to match the technological advances occurring elsewhere. In his own words, a “manifest disequilibrium [existed] between these two global economic realities which could be reframed only if a profound process of industrialization were to take place in the developing world.”¹⁵ To support his bold claims, in a ground breaking article initially published in 1949, Prebisch referred to an investigation conducted by the Economic and Social Council of the United Nations Organization, whose concluding report had been released earlier the same year.¹⁶

According to the Report, between the last decade of the nineteenth century and the late 1940s, there had been a constant decline in the prices paid for primary produces in the international market, compared to the prices paid for manufactured goods.¹⁷ He conversely argued that non-industrialized economies had to embark on a path of industrialization in order to escape the trap of using their increasingly scarce export revenues in purchases of foreign manufactured goods originating from central economies. It is important to point out that despite his staunch defense of industrialization in the

¹⁵ Raul Prebisch, “O desenvolvimento econômico da América Latina e seus principais problemas,” in: *Revista Brasileira de Economia*. (Fundação Getulio Vargas: Rio de Janeiro), 3(3), September 1949, p. 48.

¹⁶ Idem.

¹⁷ United Nations, *Post War Price Relations in trade between under-developed and industrialized countries*. Economic and Social Council. E/CN.1/Sub. 3/W.5, February 23, 1949, p. 18, cited in Prebisch, *O Desenvolvimento econômico da América Latina e seus principais problemas. op. cit.*, p. 49.

region, however, Prebisch consistently warned against seeking an unbalanced process of industrialization, where domestic food production would be removed from the list of governmental priorities.¹⁸ He also stressed that the production of food staples had to be sustained at its highest possible peak to assure that food prices in the large population centers could be maintained at affordable prices for the growing masses of industrial workers and the general urban poor present in most Latin American cities.¹⁹

In Brazil, the main proponent of the notions espoused by Prebisch at the Economic Commission of Latin America was the Brazilian economist Celso Furtado, who worked with the former at the ECLA early in the first half of the decade. Furtado would exert a profound influence in what would later be called structuralist economic ideas.²⁰ The Structuralist School in economics takes its appellation from its internal reasoning which seeks to explain important economic difficulties (*e.g.* inflation) faced by developing economies on the basis of the structural logic of the international market and the domestic structure of wealth distribution of these countries. According to the Brazilian economist, Latin American economies had traditionally been organized on the basis of a structural co-existence of stagnated productive activities (such as subsistence agriculture) and export-oriented, plantation-based, or mineral extraction, economic

¹⁸ Ironically, such would be the case of the industrial promotion carried out during the Kubitschek administration, as will be shown in Chapter Five.

¹⁹ Raul Prebisch, "Commercial Policy in the Underdeveloped Countries," In: *American Economic Review, Paper and Proceedings*. Vol. XLIX, No.2, May, 1959, pp. 252. For more on the defense for balancing the process of industrialization with a modernization and intensification of agricultural activities see: Raul Prebisch, *Dinâmica do Desenvolvimento Latino-Americano*. (Rio de Janeiro: Fundo de Cultura, 1964) and Celso Furtado, *A Economia Brasileira: uma contribuição à análise do seu desenvolvimento*. (Rio de Janeiro: Editora A Noite, 1954)

²⁰ For some of the main ideas of Furtado, see: *Formação Econômica do Brasil*. (São Paulo: Fundo de Cultura, 1959) and *Desenvolvimento e Subdesenvolvimento*. (Rio de Janeiro: Fundo de Cultura, 1961).

activities. He thus argued that effective national development could not occur in such circumstances, unless efficient governmental planning in favor a new sort of involvement in the international economy (*i.e.* ones less dependent on primary-export revenues) would take place. In his own words,

[o]ur countries can no longer depend on the exporting of primary products to sustain their economies. The first task that we as nations must undertake is to reorient our investment policies towards the promotion of industrialization so that our commercial balance can be made even. Additionally, given that industrial promotion leads to gains of scale and technological innovation, promoting this goal should benefit our entire economies.²¹

Furtado's ideas would progressively be turned into common currency among technocrats and decision-makers in Brazil in second half of the 1950s, considering many of them were trained in courses of 'development promotion,' organized by the Joint ECLA-BNDE Study Group, between 1953 and 1955. Even Kubitschek would help disseminate Furtado's and ECLA's propositions. In his very first Presidential Message to the National Congress, in February 1956, for instance, he expressed his concurrence with the notion of a progressive deterioration in the international terms of trade for primary products, and stressed the importance of the cooperation among countries in the Latin American region.²² Similarly, during his national campaign, the future president had already stated that:

²¹ Celso Furtado, *Manual of Programming and Economic Development Promotion*. (Rio de Janeiro: Economic Commission of Latin American, 1956), chapter 1, p. 8, available at Arquivo Roberto Campos: RC e bnde 1952.09.29. e/BNDE. (CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro).

²² Juscelino Kubitschek de Oliveira, *Mensagem ao Congresso Nacional*. (Rio de Janeiro:

[t]he world today is divided between countries that are part of the industrial age and those that continue to be exporters of primary produces and importers industrial goods.

(...)

Given that the prices of the former are increasingly lower than the prices of the latter, there is a persistent tendency towards unbalanced current accounts that can only be resolved by a steadfastness action on the part of the Federal State in promoting a national project of industrialization.²³

Statements of this kind demonstrate that, in the second half of the 1950s, the belief that national development had primarily to occur by means of government-sponsored programs of industrialization was becoming increasingly influential in Brazil. Such a position was largely based on the notion that no effective course of national development could occur unless industrial activities, considered to be the more dynamic and catalytic sector of the economy, picked up momentum. Developmental propositions advanced by the Economic Commission of Latin America were therefore becoming an increasingly prominent position among members of the Brazilian Federal administration in the period, including among those in the diplomatic realm.

An example of the influences ECLA-sponsored notions exerted among Brazilian foreign officers can be found in the Economic Study for the Operation Pan-America. The study was produced by the Economic Division of the Brazilian Ministry of Foreign Affairs in 1958 to support the most ambitious diplomatic project of the JK administration, the Operation Pan-America. The report was largely inspired in formulations advanced by

Departamento de Imprensa Nacional, 1956), p. 14.

²³ Kubitschek, *Diretrizes Gerais do Plano Nacional de Desenvolvimento*. (Belo Horizonte: Livraria Oscar Nicolai, 1955), p. 32.

the Economic Commission of Latin America. Among its most important propositions is the defense of the notion that, unless the country pursued the course of fast industrialization, it would remain not only poor, but under the continued oppressive influence of the industrialized states.²⁴

Connections between proponents of fast-paced State-led development promotion in Brazil and abroad also can be found in the positions advanced by Brazilian political authorities participating in international conferences of the period. In a speech that the Vice President João Goulart gave at a meeting of the Social and Economic Council of the United Nations, in Geneva in August 1960, for instance, Brazil's commitment to the promotion of fast-paced development was utterly proclaimed. Such a national pledge to the task of national development, however, according to Goulart's own words, had to be matched by a similar undertaking on the part of the multilateral agencies and governments of the industrialized economies.

In concrete terms, the Brazilian Vice President stated that:

[i]n an increasingly interdependent world, the fight against underdevelopment has to be fought not only domestically but requires new levels of international cooperation so that the trend towards growing disparities between rich and poor nations can be broken.²⁵

Moreover, Goulart stressed that:

²⁴ Fundo Roberto Campos: RC 58.09.23 d/md - *Documentos relativos à Operação Panamericana*, available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

²⁵ Fundo João Goulart: JG.vpr.1960.08.05, rolo 2, fot. 1221, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

[e]very nation has the fundamental right of development even if this right is halted by the lack of multilateral coordination among the countries. Promoting development has, therefore, to be seen essentially as a collective responsibility of the international community.²⁶

He also defended the view that national development had to be promoted simultaneously in the domestic and the international arenas given that formal (*i.e.* legal) independence had to be complemented by economic auto-sufficiency. The Brazilian politician would even echo the position expressed by President Nkrumah in 1958 (indicated above) by claiming that “(...) formal political independence [is] empty unless self-determination and economic self-sufficiency [can] be assured.”²⁷

An analogous defense of the existence of a global responsibility held by industrialized countries in promoting industrial projects in the developing world was advanced by Gustavo Capanema, a senior member of the Brazilian National Chamber of Representatives, in the 1956. The politician was a former Minister of Education and Health (during the New State regime), who was serving as the Head Delegate of the Brazilian diplomatic commission to the United Nations-sponsored Conference on Development when he stated that:

[d]espite the liberal promises of development promotion made at the end of the [Second World] War, world trade dynamics continue to be characterized by an increasing deterioration of the terms of exchange of underdeveloped countries in direct contrast to the undergoing fast growth of the industrialized nations.²⁸

²⁶ *Idem.*

²⁷ *Idem.*, fot. 1227.

²⁸ Fundo Gustavo Capanema: GC L 1956.11.14, available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

In another speech, given at an international conference in New Delhi the same year, Capanema advanced the notion that Brazil had to strengthen ties with other developing countries as a way to promote the agenda of development on a world scale. He declared that “as Prime Minister Nehru has claimed, the true division in the world today is not the one between East and West but rather that between the developed and the underdeveloped nations.”²⁹

Moreover, in the politician’s own words:

[i]f the prosperous nations of the world are effectively interested in promoting world peace, they should not raise objections to the creation of global fund for promoting educational programs in favor of national development in poor countries.³⁰

In the same fashion, the former governor of Minas Gerais, and then Federal Senator, Benedito Valladares also served as a *ad hoc* Head Delegate of the Brazilian diplomatic commission to the Eleventh Session of the United Nation General Assembly in 1956. He then vehemently criticized the difficulties that developing countries faced in obtaining the financial means they needed to promote their industrial goals. In his speech, the Brazilian Senator stated that the inter-governmental (public) multilateral financial institutions (such as the World Bank) had yet to prove their genuine interest in supporting the legitimate goal of industrialization held by the nations of the emergent world. According to his statements, “the transition from a stagnant economy to that of sustained

²⁹ Fundo Gustavo Capanema: GC L 1956.05.03, *Opening Statement of the Head of the Brazilian Delegation at the New Delhi Conference on Education for Development*, available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

³⁰ *Idem*, p. 9.

growth in our economies, a necessary condition to meet the growing demands of our populations, is currently halted by those who have already reached the industrial stage.”³¹

Similarly, Valladares argued that:

[o]nly by undergoing the process of becoming an industrialized society we can expect to provide an efficient answer to the persisting and anguishing condition faced by our agriculture-based economies, which are always at the risk of sudden disruptions originating from price and demand variations on the part of the industrial powers. (...)

It is based on such an understanding that we poignantly defend the right of becoming industrialized and the notion that the already industrialized countries are those primarily responsible for making this possible.³²

All of these diplomatic pronouncements were mirrored in several of the most influential intellectual formulations of the period. These ideational constructs similarly defended the need for finding an autonomous (self-sustaining) path of national development, which was essentially meant to be achieved by means of fast-paced industrial promotion. Nowhere this logic was more evident than in the works produced at the Institute of Advanced Brazilian Studies (ISEB), where a new generation of self-entitled ‘concerned intellectuals’ formulated the main lines of they saw as an ideology of national development promotion.

³¹ Fundo Benedito Valadares BVa cs 1956.10.17, *Discour prononcé par le Senateur Benedito Valadares, représentant du Brésil au Comité Economique de la 11ieme Session de Assemblé Generale de l’ONU, sur le Problème de l’Assistance Technique aux Pais Sous Developés*. (New York, November, 1956), available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

³² Idem.

While the specific propositions advanced at the ISEB will be the focus of Chapter Three, it should be noted that these constructions reflected analogous notions espoused by internationally renowned intellectuals, such as George Ballandier, Franz Fanon, and Jean-Paul Sartre.³³ Moreover, Cândido Mendes and Hélio Jaguaribe, the only two surviving members of the ISEB and among the Institute's most influential figures, also stressed the influence of the works of Karl Jaspers and José Ortega y Gasset in their own intellectual training.³⁴ One of the most important notions shared by ISEB intellectuals and what these international scholars were arguing for is that of the colonial (postcolonial or even semi-colonial) condition. This was the structural and systemic state of affairs (or a *fait social total*),³⁵ which continued to fundamentally shape underdeveloped societies even after they had achieved formal (legal) political independence.

According to this formulation, even after becoming politically independent (or legally emancipated), former colonial societies remained overwhelmingly defined by a persistent colonial 'state of mind.' Within this lingering state, the self-identity of the populations of post-emancipated nations continued being defined in contrast with the image they held about the industrialized world, consistently perceived as being superior and worthy of emulation. This unrelenting situation would thus be one of self-

³³ Among the many important works that influenced or reverberated the notions and propositions of ISEB members are: Georges Balandier, "Sociologie de la Dependance," In: *Cahiers Internationaux de Sociologie*, vol. XIII, 1952; Franz Fanon, *Les Damnés de la Terre*. (Paris: Galimard, 1961); and Jean Paul Sartre, "Le Colonialisme est un Systhème," In: *Les Temps Modernes*, n. 123, 1953, pp. 1273-1371.

³⁴ This information was provided by the two members in informal interviews I conducted with them in March 2008.

³⁵ According to Marcel Mauss' original formulation (in *Essai sur le don. Forme et raison de l'échange dans les sociétés archaïques* in *Annee Sociologique*, 1923/1924), and which was reproduced in Balandier's, Fannon's, Sartre's works, as well as in several works of members of the ISEB, in special those of Roland Corbisier, Hélio Jaguaribe, and Cândido Mendes (as examined in the next chapter).

depreciation wherein the measure of one's success is fundamentally based on copying societal models originated abroad.

Given the fact that postcolonial nations were thus considered as inexorably destined to be heteronomously defined societies, the ISEB intellectuals would claim that the only way for them to redefine their fates was by promoting an autonomous project of national development. Such a goal was consistently defined to mean the promotion of industrialization, under the guidance of the national government, considered to be the only political agent capable of pursuing such a task. Similarly, only by pursuing a new economic model – less dependent on the fluctuations and whims of the international markets – post-colonial (or semi-colonial)³⁶ societies would be able to overcome their underdeveloped condition.

Considering the significant influence these propositions exerted in inspiring a new, developmental course for the Brazilian diplomacy in the second half of the decade, I examine, in the next section, the central notions of most relevant foreign policy project carried out in Brazil during the Kubitschek administration: The Operation Pan-America. I show that the Operation was clearly shaped by the overarching developmental goals of the administration and that these were not limited to the constraints of the domestic political sphere. Instead, the ambitious aim of national development in Brazil in the period would be translated into a new, multilateral, and economic-oriented direction for the Brazilian diplomacy, at least in regards to the Western hemisphere.

³⁶ This was the definition advanced by Hélio Jaguaribe and Roland Corbisier to define the situation of countries like Brazil, which had acquired formal political independence early in the 19th century but which were still in a dependent (semi-colonial) condition. Details on this will be presented in the next chapter.

Development Promotion and Foreign Policy: The Path Towards the Operation Pan-America

Starting in 1953, and after Dwight Eisenhower had began his first presidential term at the White House, the United States seemed poised to modify the course of foreign policy the country had followed during the previous 20 years of Democratic rule. Pertaining to Western hemisphere, the new U.S. President hoped to close ranks with the nations of the continent so that the 'specter' of Communism could be kept at bay. A major change in the U.S. policies towards Latin America would thus ensue. Foreign aid to the region would be sharply reduced, and the loans the U.S. Export-Import (Exim) Bank granted to Latin American governments would be almost entirely curtailed. Namely, there would be a reduction in disbursements from close to \$147 million, lent to countries in the region in 1952, to only \$7.6 million dispensed in 1953.³⁷

In a direct contrast to the stance held by the North-American administration, several Latin American governments of the first half of the decade (*e.g.* such as that of Peron in Argentina, Vargas in Brazil, and Arbenz in Guatemala) conversely argued that their nation's primary need was not that of securing their country's borders from the threat of foreign ideological infiltration. In Brazil, the abandonment of Truman's Point Four program of economic assistance directly affected the country's developmental plans. Moreover the extinction of the Joint Brazil-U.S. Economic Commission, in mid-year 1953, eliminated the most important financial source the country had at its disposal to finance projects of infrastructure reform.³⁸

³⁷ Export-Import Bank, *Semiannual Report*. (Washington. D.C., 1953), p. 23.

³⁸ Stephen G. Rabe, *Eisenhower and Latin America: The Foreign Policy of Anticommunism*. (Chapel Hill: University of North Carolina Press, 1988).

Attempting to curb the sense of frustration in Latin America, the Republican administration would eventually agree to hold discussions about the economic prospects of the region, and formal conversations began taking place at the Inter-American Conference held in Rio de Janeiro in 1954.³⁹ Having agreed to meet with regional leaders, the North-American administration nonetheless believed that the United States should primarily perform the leadership role of facilitating international economic cooperation among private agents. As a fiscal conservative, Eisenhower had run a presidential campaign largely based on the platform of curbing public expenditure. He believed that private sources of capital should be favored in financing developmental programs in poor countries of the continent.

In a letter to his brother Milton Eisenhower, who served as his personal adviser for Latin America until 1956, the U.S. President stated that:

Foreign aid was only appropriate for those areas under direct assault from the Communist menace. (...) [Conversely], Latin American governments must recognize that the bulk of the capital required for their economic development can be best supplied by private enterprise and that their own self-interest requires the creation of a climate which will attract private investment.⁴⁰

³⁹ See: United Nations, *International Cooperation in Latin American: A Development Policy*. Prepared for the Meetings of Ministers of Economy for the Fourth Extraordinary Meeting of the Inter-American Economic and Social Council of the Organization of the American States, to be held in Rio de Janeiro in November 1954. (New York: 1954); and Rabe, *op. cit.*

⁴⁰ Dwight Eisenhower, *Letter from President Eisenhower to Milton Eisenhower, 1 December 1954*. Published by the Department of State, Agency for International Development, Overseas Loans and Grants, Volume 4. (Washington D.C., 1955), p. 82.

In spite of the President's personal views on the matter, different members of the administration advanced divergent positions regarding how to support the developmental goals of countries in the region. In 1953, Assistant Secretary of State for Latin American Affairs, John M. Cabot questioned whether foreign investment could resolve all of Latin American's economic problems. He declared that "(...) in countries that had favorable tax and investment laws, foreign investors stayed away because of an inadequate economic infrastructure and poor human resources."⁴¹ He also suggested that the Exim Bank assigned \$1 billion in public long-term loans to Latin America, over the course of five years, in order to support development projects in the region, preferably in improving its infrastructure (*i.e.* transportation and communications) networks.

Cabot's position was largely based on the fact that Latin American nations had a favorable credit history with the U.S. Development Bank, and he believed that only by providing such type of overt material support, the United States

"(...) would be able to convince our Latin American friends that our friendship is more than pious platitudes, that cooperation with us does benefit them and does raise their living standards, and that our democratic capitalism is far better for them than Communism with its rosy promises."⁴²

Cabot's views ran against those held by the U.S. Secretary of the Treasury, George Humphrey, an industrialist and a fiscal conservative with close personal ties to the President. Moreover the Secretary of State, John Foster Dulles, did not see that economic

⁴¹ John M. Cabot, *Letter to Secretary Dulles, 28 March 1953*. Published by the Department of State, Agency for International Development, Overseas Loans and Grants, Volume 6. (Washington D.C., 1954), p. 221.

⁴² *Ibidem*, p. 222.

matters should serve as guidance for the policies the United States should pursue in Latin America during a time of heightened High Politics, *i.e.* when the fight against the threat of Communism was the most important task at hand.

By mid-1954, Dulles named Cabot the U.S. Ambassador to Sweden, and his successor, Henry Holland, sought to keep the U.S. policies in the region within the global Cold War commitments the country espoused. Holland served as the Head Delegate of the North-American mission at the 1954 Rio Conference, when he defended the position that Latin America did not need State-funded developmental assistance.⁴³ Conversely, the recently appointed U.S. Under-Secretary argued that Latin American governments should focus their developmental efforts in attracting private investors to their own markets. The conference would produce few concrete results in terms of economic cooperation despite the high level of expectation that surrounded the event, given that preparations had indeed begun to take place already at the end of the World War II. The U.S. abstained from voting on any resolution involving regional development assistance, and the creation of an inter-American pro-development funding agency had to wait until 1960, when the Inter-American Development Bank would be established. Another important international influence affecting domestic Brazilian politics in the first half of the 1950s originated in the dynamics established with its historically most influential neighbor: Argentina.

In 1951, the Platine nation possessed a richer and more industrialized economic base and a national leader poised to implement a boldly nationalistic development program. Juan Peron had come to power in 1946 on the grounds of an aggressive

⁴³ Rabe, *op. cit.*, p. 69

campaign of economic reforms favoring the working sectors, and in support of the nationalization of foreign-owned industries in the areas of transportation (such as in the railroad system) and energy production. Peron's plans for promoting national economic independence seemed more feasible than Vargas' considering that Argentina was self-sufficient in food and oil production, and its international alliances were less rigid than Brazil's. Argentina had remained neutral during most of the Second World War and, in its aftermath, had refused to join the Breton-Woods system of multilateral economic regulatory agencies. Moreover, the Argentine President could rely more comfortably on the support of the organized labor sectors to implement his nationalistic agenda.⁴⁴

On May 4, 1954, former Vargas' Minister of Foreign Affairs, João Neves da Fontoura, declared to the Rio de Janeiro-based A Tribuna da Imprensa, that Brazil and Argentina (and potentially Chile) were considering the creation of a regional political alliance that threatened the traditional alignment Brazil held with the United States.⁴⁵ According to the former chancellor, who had resigned from his former post only a few weeks before the interview, conversations between Brazilian and Argentine political representatives had been carried out since the presidential campaign Vargas conducted in 1950. These negotiations, claimed Fontoura, represented a serious threat to the traditional hemispheric orientation (*i.e.* U.S. friendly) carried out by the Brazilian diplomatic leadership since the turn of the century.

⁴⁴ Thomas E. Skidmore, *A Case Study in Comparative Public Policy: The Economic Dimensions of Populism in Argentina and Brazil*. (Washington: The Wilson Center, 1978), Working Paper No. 3.

⁴⁵ Celia Maria Leite Costa (ed), *Impasse na Democracia Brasileira, 1951-1954: Coletânea de Documentos*. (Rio de Janeiro, Editora da FGV, 1983), p. 272.

The interview was followed by a series of official denials by both Brazil's and Argentina's foreign ministries, but the repercussion in the opposition press were sufficiently strong that a Congressional Investigative Commission was created at the National Chamber of Representatives in Rio de Janeiro. The commission supported a motion in favor of removing President Vargas from office, but when the bill was brought to the floor of the House, in June 1954, it was met with an overwhelming defeat.⁴⁶

Speculations about a dangerous approximation between Vargas and Peron had been disseminated in Brazil since the time of Vargas' campaign, mainly by influential opposition-leaning newspapers in Rio de Janeiro and São Paulo.⁴⁷ Contrary to such accusations, Vargas declared that his administration would not embark on any radical political maneuvers, particularly none that could strain the traditional ties with the United States.

In Vargas' own words,

[w]e are all Americans and should therefore form a single hemispheric bloc in order to face our common problems. Considering that the United States is the richest and most developed of us, we should count on its involvement, support and good-will in fostering our common developmental projects.⁴⁸

⁴⁶ Idem, p. 278.

⁴⁷ Monica Hirst, *Vargas-Peron Y Las Relaciones Brasil-Argentina*. (Buenos Aires: FLACSO, 1985). Série de Documentos e Informes de Investigacion No. 32.

⁴⁸ Getulio D. Vargas, *Mensagem ao Congresso Nacional*. (Rio de Janeiro: Departamento de Imprensa Nacional, 1951), p. 12.

Along these lines, Vargas's main foreign policy goal consisted of attempting to improve Brazil's bargaining power *vis-à-vis* the United States so that he could obtain the funds needed to implement his developmental agenda. The Brazilian President believed that this general objective could be pursued by strengthening the scope of mutual projects between the two countries, particularly in the areas of development promotion and infrastructural reform. It should not be hard, therefore, to imagine the damaging effects that the U.S. government unilateral decision to cancel any direct involvement in supporting economic development projects in Latin America – best exemplified by closing the CMBEU in 1953 – exerted over the Brazilian administration at the time. In concrete terms, it would take the coming of a new political administration (that of Kubitschek in the second half of the decade) to make possible the implementation of more constructive bilateral diplomatic relations between the two traditionally friend nations.

After Vargas had committed suicide in 1954, after months of bitter attacks related to corruption charges suggested by the opposition in Congress and in the media, Juscelino Kubitschek would come to power, in February 1956, with a similarly ambitious national development platform. This included an element of foreign policy centered on the promotion of a more diversified and beneficial commercial relationship between Brazil and the international community, particularly with the Western hemisphere. The new Brazilian president would pursue the establishment of more favorable terms of international loans targeted to developing nations, and repeatedly stressed the need that Brazil and other Latin American countries had to increase the pace of their economic growth. Moreover, Kubitschek emphasized that the industrialized nations, especially the

United States, had a ‘moral obligation’ to provide the required resources to aid the promoting of plans of (rapid) economic development in non-industrialized countries.⁴⁹

The notion that industrial economies had a duty to support potential competitors to become industrialized deserves some attention as it resonated within the larger context of claims posed by Latin American countries. Contrary to the position upheld by the Eisenhower administration regarding the priority role private capital should play in supporting economic projects in the region, Latin-Americans consistently argued for more favorable multilateral public (inter-governmental) sources of funds to finance their industrializing goals.⁵⁰

The Brazilian government demanded in 1951 that larger international public sources of funds should be made available to promote long-term investments in countries where private capital was reluctant to invest. This goal would receive further supported in 1953, when the concluding report of the Joint Brazil-U.S. Economic Commission acknowledged the infrastructural hindrances that existed in the energy system and transportation networks of the Brazilian economy. Considering that that bilateral commission had been unilaterally terminated by the United States government, Kubitschek knew, early in his administration, that he would not be able to accomplish his campaign promises of economic development unless innovations in the course of the

⁴⁹ See: Robert J. Alexander, *Juscelino Kubitschek and the Development of Brazil* (Athens, Ohio: State University of Ohio Center for International Studies, Monographs in International Studies, 1991) and Juscelino Kubitschek de Oliveira, “Interview to O Jornal do Brasil” of July 17, 1959 published in: *Artigos e Entrevistas Sobre a Operação Pan-Americana* (Rio de Janeiro: Ministerio das Relações Exteriores, Seção de Publicações, 1960).

⁵⁰ See: Gordon Connell-Smith, *Los Estados Unidos y la America-Latina* (Mexico City: Fondo de Cultura Economica, 1977) and Gerald K. Haines, *The Americanization of Brazil: A Study of U.S. Cold War Diplomacy in the Third World 1945-1954* (Wilmington: SR Books, 1989).

country's foreign policy toward the United State could be introduced. In the President's view, Brazil had to go beyond the main political orientations traditionally guiding the hemispheric behavior of Latin American, namely peaceful co-existence and reciprocal defense in case of external aggression.

Kubitschek would find some welcoming grounds for his own vision and plans in 1956, when Henry Holland left the State Department and his successor, Richard Rubottom began calling attention of the administration to the deteriorating economic conditions in Latin America. His calls were so vocal that he was able to convince Vice-President Richard Nixon to conduct a diplomatic tour throughout the region. The trip was to coincide with the inauguration of Arturo Frondizi into the Presidential seat in Argentina (in May), but the journey turned out to be a major political disaster. However, after visiting Buenos Aires, Nixon was harassed by protesting students in Lima, and was nearly assaulted in Caracas by a mob that blamed the U.S. for Latin America's social ills.⁵¹

There is no doubt that the protesting students had grounds for their actions considering that the Eisenhower administration provided support for dictators in Guatemala and in the Dominican Republic, had not offer any substantial economic assistance to Latin America, and had imposed new tariff barriers against the region's most important export item: Coffee. Nixon's voyage, however, would move beyond its embarrassing aspects towards a more constructive new debate about Latin America-United States relations.

⁵¹ Helio Silva, *Os Presidentes: Juscelino e o Desenvolvimentismo 1956 –1961* (Rio de Janeiro: Grupo de Comunicação Três, 1983).

This new trend originated in the fact that the events surrounding the North-American Vice President's trip would inspire President Kubitschek to launch a new diplomatic agenda for the region. The Operation Pan-America (OPA) would be born. In a letter sent to President Eisenhower on May 28, 1958, conveying his personal solidarity and sympathy against the aggression that Vice President Nixon had suffered during his trip to the region, Kubitschek declared:

Time has come for our countries to revise in fundamental ways the patterns within which our hemisphere has interacted and to proceed towards our historical Pan-American ideals of cooperation in its fullest sense. It is time to establish indestructible sentimental and practical connections amongst us. Your Excellency is in the position to lead this process as no one else and you will understand promptly that the vague impression that we live in fraternity in the Americas needs to be substantiated by a unique sort of regional operation, which to be lasting has to be capable of reinserting our actions into the virtues of our Pan-American vision.⁵²

Recounting these same events, later in life, the President claimed that:

My main intention with the letter to President Eisenhower was to urge him to act in rescuing the strained state of the Inter-American relation before it was too late. The moment indeed requested prompt measures, as the perception that the United States was to blame for our problems was becoming an accepted notion. The entire Pan-American system was being challenged on its effectiveness, beyond the formalistic juridical structures within which it found itself. The spirit of my letter could, in

⁵² Juscelino Kubitschek de Oliveira, *Operacion Pan Americana: Compilacion de Documentos – I* (Rio de Janeiro: Servicio de Documentacion de la Presidencia de la Republica, 1958), p. 5

fact, be summarized in one coherent notion that guided my entire administration, that of sovereignty through development.⁵³

According to Kubitschek, Brazil had to focus its diplomatic efforts in supporting the country's economic development, and the new foreign policy orientation established in the realm of Inter-American affairs had to seek the means to support the central goal of industrial promotion. In his Presidential Message to the National Congress, in January 1958, the President noted that "the main new principle guiding our foreign policy is the promotion of a program of development through the intensification of our level of international technical and financial assistance."⁵⁴

In order to foster his new diplomatic goals, in addition to contacting the North-American administration, JK worked to obtain the support from other Latin-American states. Namely, in an *Aide-Memoire* sent to every American president, in August the same year, the Brazilian leader proposed that hemispheric relations should be guided by the goal of enhancing multilateral credit to foment the industrial development in the region.⁵⁵

According to the document, this was the most effective measure towards modifying the historical terms of trade which historically benefited the already industrialized nations. Kubitschek thus sought to modify the logic of Inter-American relations from one basically guided by ideologically driven positions (*e.g.* preventing the

⁵³ Juscelino Kubitschek de Oliveira, *A Marcha do Amanhecer. op. cit.*, p. 117.

⁵⁴ Juscelino Kubitschek de Oliveira, Mensagem ao Congresso Nacional. Remetida pelo Presidente da Republica na Abertura da Sessão Legislativa (Rio de Janeiro: Presidencia da Republica, 1958), p. 54

⁵⁵ Kubitschek, *Aide-Memoire for the First Preparatory Meeting of Pan-American Operation*, In: Fundo Negrão de Lima: NL ad m 1958.05.28, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

communist infiltration in the continent) to one primarily oriented by the goal of development promotion. Notwithstanding its new strategic format and bold objective, the Operation Pan-America, however, fits nicely within a line of continuity of similar negotiating techniques utilized by previous administrations. During the Second World War, for instance, Vargas appealed to the United States for support to his plan to set up a steel plant in the country in exchange for Brazil's participation in the conflict alongside the allied military forces.

Similarly, the concluding report of the Joint Brazil-U.S. Economic Commission (CMBEU) had stated, already in 1953, the main lines of the foreign policy that Kubitschek would later pursue. Despite its high hopes, the second Vargas administration (1951-1954) could not deliver on its promises given its locked position of automatic alignment with (or even dependence from) the United States. The Brazilian leader of the first half of the decade could not convince its rich northern neighbor of his country's urgent need to pursue an agenda of fast economic growth. The CMBEU was terminated in 1953 its most important conclusion, that Brazil had to accelerate its industrial development would become an acceptable proposition among U.S. decision-makers only when new tactics were utilized, later in the decade.

Like Vargas, Kubitschek had been elected to carry out an ambitious agenda of development and he was very conscious of the problems his predecessor had faced when attempting to pursue similar goals. He sought to formulate a more conciliatory, cooperative, and multilateral approach to obtain the needed foreign support to implement his plans.

The new President's strategy for addressing the regional problem of underdevelopment introduced the concept of regional cooperation in favor of development promotion within the realms of the historically non-economically oriented agenda of Pan Americanism. This new pragmatic approach would push the traditional course of Inter-American relations without provoking a major political upheaval. Kubitschek was also successful in strengthening regional multilateral linkages given that his *Aide-Memoire* had found significant levels of support among several Latin American leaders.⁵⁶ Moreover, the course of action the Brazilian president had selected proved to be very strategic.

By sending Eisenhower a letter, Kubitschek approached his political counterpart on a personal, less ideologically marred, and ultimately effective basis.⁵⁷ In the document, the Brazilian President not only proposed a revision of the traditional course of action that the United conducted with the region but also expressed sympathy with the embarrassment a senior North-American official had suffered. This personal and non-political approach would convince Eisenhower to send a personal envoy to Rio de Janeiro to hear from Kubitschek himself what his plans for the Operation were.

In a similar fashion, Kubitschek astutely chose not to specify, in his initial pronouncements on the topic, the institutional format the Operation Pan-America should assume. He alternatively decided to be sufficiently vague about his proposed program so that broad political support could be harnessed, especially from the North-American

⁵⁶ Kubitschek de Oliveira, Juscelino. *Operacion Pan Americana: Compilacion de Documentos – I, op. cit.*

⁵⁷ Kubitschek de Oliveira, Juscelino. "Letter to President of the United States Dwight Eisenhower, May 28 1958," in Helio Silva, *Os Presidentes: Juscelino e o Desenvolvementismo, op. cit.*, p. 112.

economically liberal and politically conservative administration. Namely, in a speech given at a formal dinner offered to foreign delegations in Rio in June 1958, Kubitschek declared that:

[i]nsofar as the Operation Pan-America, our country only wishes to cooperate, in the limits of its own abilities, in creating a general process of understanding among our brotherly nations of the continent.

(...)

Brazil does not claim any specific role to itself beyond this purpose, and will not act bilaterally in any level. Among free nations, there is no place for unilateral control.⁵⁸

Such a course of (at least alleged) moderation in presenting Brazil's developmental foreign policy project was also expressed in an interview given to The New York Times in July 1958, when Kubitschek declared that the Operation, “[i]f seen only as a Brazilian initiative, is not a relevant political action,” (...) but (...) “[o]ur project needs to be evaluated in its capacity of reshaping the regional political and economical features of our continent considering that it express the interest and expectations of all countries in the region.”⁵⁹

The President's reflections about the Operation, latter in life, similarly indicate the existing ideational interconnections between the domestic developmental needs of the country and the international policies that Brazil pursued in the 1950s.

In his own words,

⁵⁸ Kubitschek de Oliveira, *Operacion Pan Americana: Compilacion de Documentos – I*, *op. cit.*, p. 33

⁵⁹ Juscelino Kubitschek de Oliveira, *Interview to the New York Times* on July 6, 1958, In: *Fundo Negrão de Lima: NL ad m 1958.05.28*, available at CPDOC, Getulio Vargas Foundation in Rio de Janeiro.

[c]reating a developmentist mentality in Brazil was our first and most important task. This new orientation was extended to our national foreign policy, which attempted to redefine the basis for the interaction among our continental sister Republics, particularly with the United States, who had until then remained aloof to our plight. In the end the OPA was so providential that the U.S. was forced to abandon its distant path of behavior, incorporating our policies into its own project, the Alliance for Progress.⁶⁰

Similarly, Francisco Negrão de Lima, Brazil's foreign minister during the launching of the Operation declared that "the Operation Pan-America is based on the principle that active participation in the international economy leads to higher political stability and that combating underdevelopment is the most efficient way to help defending our Western system of values."⁶¹ Thus, by following such conciliatory patterns, Kubitschek could promote a defense of national development that could find more welcoming grounds in the continent, particularly amidst the conservative North-American administration, at a time when it was essential to be seen as a trustful ally of the anti-communist rationale espoused by the United States. Brazil's partnership with the Western superpower did not imply, however, a position of autonomic alignment. Despite the initial positive reaction on the part of Eisenhower to Kubitschek's letter, when the American Secretary of State John Foster Dulles visited Rio de Janeiro, in August 1958, some of the differences between the two countries would become noticeable.

⁶⁰ Kubitschek de Oliveira, *A Marcha do Amanhecer*, p. 217

⁶¹ "Documentos a respeito da Operação Pan-Americana, lançada pelo presidente Juscelino e que objetivava renovar a expressão da solidariedade entre os países latino-americanos," In: Fundo Negrão de Lima: NL ad m 1958.05.28, available at CPDOC, Getúlio Vargas Foundation, Rio de Janeiro.

Dulles was pushing for a mutual pronouncement that focused exclusively on the need for combating communist infiltration in the hemisphere whereas the Brazilian President strove for a formal recognition of the importance of his new diplomatic project. Kubitschek believed that the occasion required him to be firm and refused to sign any document that would not make reference to his diplomatic program of development promotion in the Latin American region.⁶² His unyielding stance proved instrumental as subsequent North-American actions towards Latin America increasingly went in the direction of meeting the principles formulated in the documents giving rise to the Operation Pan-America.

In a special meeting of the Organization of American States held in Buenos Aires, in May 1959, the idea of creating a regional financing institution geared towards aiding the developmental needs of Latin American nations would finally receive the needed support from the United States. This would eventually lead to the creation of the Inter-American Development Bank (IDB), in the following year. The influence of the Operation Pan-America can also be attested in the Act of Bogota, which created the IDB in 1960, and by the Charter of Punta del Este, which gave birth to the Alliance for Progress, in 1961, as both documents acknowledge the OPA as their most immediate and important inspiration.⁶³ The IDB was initially funded by the \$500 million the U.S.

⁶² Kubitschek de Oliveira, *A Marcha do Amanhecer*, *op. cit.*

⁶³ See *Inter-American Relations Report: A Collection of Documents, Legislation, Descriptions of Inter-American Organization, and Other Material Pertaining to Inter-American Affairs*. Prepared by and presented to the Committee on Foreign Relations of the United States Senate. (Washington, D.C.: Government Printing Office, December 1988) and Lincoln Gordon, *A New Deal for Latin America: The Alliance for Progress* (Cambridge: Harvard University Press, 1963).

government had allocated to the Bank to assist developmental projects in the region via inter-governmental loans.

This late-coming compliance by the United States with the creation of the Bank represented a major shift in its traditional attitude towards the region, which could be interpreted as resulting, at least in part, from the dissemination of development-oriented policies on the part Brazilian political and diplomatic leaders in the 1950s. Brazil's regional quest for development promotion also reverberated in the debates taking place in the Organization of the American States (OAS).⁶⁴

Still, in spite of the increased relevance of development promotion as a legitimate topic of debate within the realm of the Organization, the Brazilian Ambassador to the United States, João Carlos Muniz, was pessimistic about how much the United States would actually commit to development promotion. In a personal note to the Foreign Minister Negrão de Lima, Muniz stated that U.S. authorities tended to consider the task of development promotion under a common label that included Africa and Asia. For him this made difficult convincing the State Department of the specific needs of Latin America.⁶⁵

Along similar lines, Roberto Campos, the shrewd Brazilian diplomat and one of the most important conductors of the Targets Plans, when examining the works of the OAS, he would state that:

⁶⁴ “*Minutes of the Meeting of the General Council of the Organization of the American States,*” called to discuss the formulation of new measures for promoting economic cooperation in the region, In: Fundo Ernani do Amaral Peixoto: EAP emb 1958.05.27, available at CPDOC, Getulio Vargas Foundation.

⁶⁵ “*Collection of Personal documents on the Pan-American Operation,*” Fundo Roberto Campos: RC d.md.1959.01.02, available at CPDOC, Getulio Vargas Foundation, in Rio de Janeiro.

[w]hile there are signs for optimism given that the problem of underdevelopment and the economic inequalities between industrialized and underdeveloped countries is becoming increasingly debated in the United States, we also see disappointing elements give that in the U.S. no one has a clear notion of how to treat the specific needs of Latin America nor have them been able to differentiate our claims from those of the African and Asian nations.⁶⁶

Moreover, Kubitschek's foreign policy achievements, at least in the long run, should not detract us from seeing the conservative nature of his diplomatic ambitions. In the very *Aide-Memoire* sent to all Latin American political leaders, the Brazilian President stated that the main objective of the Operation was the "maintenance of regional peace in conformity with the values of the Christian tradition."⁶⁷ His position was fundamentally supported on the notion that "the fight against underdevelopment is our main common goal given its damaging effects to our own survival."⁶⁸

⁶⁶ *Grupo de Trabalho do Comitê dos 21- Resumo do Relatório da Delegação do Brasil, apresentado em D.C. entre 15 e 30 de janeiro, de 1959*, In: Fundo Roberto Campos: RC d.md.1959.01.02, available at CPDOC, Getulio Vargas Foundation, in Rio de Janeiro.

⁶⁷ Kubitschek, *Aide-Memoire for the First Preparatory Meeting of Pan-American Operation*, In: Fundo Negrão de Lima: NL ad m 1958.05.28, available at CPDOC, Getulio Vargas Foundation in Rio de Janeiro.

⁶⁸ *Idem.*

Concluding Remarks

Throughout the 1950s a developmentist outlook was becoming increasingly noticeable among the political leadership in Brazil. The trend did not remain within the constraints of political initiatives taking place within the domestic realm. Instead, this ambitious political push was similarly translated policies carried out by Brazilian political and diplomatic authorities acting in international arena.

Even if more overt developmental foreign policies would be made explicit only in the first half of the 1960s, it is clear that the intellectual and political founding grounds that would later make such a demarche possible were already present in the second half of the previous decade. It should be evident, therefore, that it is no longer possible to examine the dynamics taking place in Brazil in the developmental decade as if these events were circumscribed to the country's geographic boundaries.

Moreover, by placing the developmental dynamics of Brazil within the context of Latin America and, at least initially, of dynamics taking place internationally, I have indicated fruitful innovative directions for further comparative examination. It should be also clear that the main lines of the developmental policies being pursued by Brazilian authorities found resonance among similar groups elsewhere in the world.

While conceptual convergence also existed between the formulations proposed by Brazilian and international intellectuals, particularly in regards to the search for overcoming the commonly called 'colonial condition,' the conservative nature of the Brazilian developmental search should be also evident. This seems to first and foremost the case when one compares the diplomatic projects carried out by Brazilian authorities

in the period with those advocated by the political and intellectual leadership of countries that would eventually gather under the auspices of the Non-Aligned Movement.

Notwithstanding these insurmountable differences between these two multilateral courses of foreign policy, the most ambitious diplomatic projects of the second of the 1950s, the Operation Pan-America proved successful in promoting Brazil's (moderate) developmental vision, at least within the Intern-American context. The specific ways in which these developmental notions were conceived within the structures of the Institute of Advanced Brazilian Studies (ISEB) is the focus of the next chapter, to which we turn next.

Chapter 3

The Institute of Advanced Brazilian Studies and the Technocrats: Development as State-Led Social Inclusion or as Market-Based Growth

Introduction

The reflection about national development promotion in Brazil in the 1950s was largely structured on the grounds of a binary reasoning suggesting the existence of an irreconcilable opposition between contrasting historical scenarios. Agricultural production vs. industrialization, export economy vs. domestic-oriented growth, economic stagnation vs. modern entrepreneurship would be contradictory terms within a dualistic interpretive logic positing the need for a rupture from the traditional fragmentary evolution of the country. This line of analysis would become paradigmatic for most social investigations produced in the period, particularly for examinations proposed by the groups of intellectuals gathered at the Institute of Advanced Brazilian Studies (ISEB), in the second half of the decade.

In this chapter, I examine how these intellectual formulations impacted the national debates on development promotion and how they interfaced with projects carried out by the Brazilian Federal administration during the JK Years. In general terms, and in spite of being prolific in its works, the Institute of Brazilian Studies defended a reasonably unified position on development promotion. In the Institute's view, national development meant a State-led coordinated effort of social incorporation based on concrete and measurable levels of betterment for the majority of the country's population.

In the second section of the chapter, I probe the positions held by some of the most influential policy-makers working at the main development promotion agency of the Kubitschek government: the Council of Development. I seek to show that while influential in shaping the national debate, the notions, views, and projects espoused by the ISEB competed with strictly economic pro-market developmental positions held at the Council. These latter propositions would prove to be more influential in the specifics projects carried out by the Federal administration in the period, as will be detailed in Chapter Four.

**The Institute of Advanced Brazilian Studies: National-Developmentism,
Overcoming the Underdeveloped Condition to Create the Nation**

The origins of the Institute of Advanced Brazilian Studies (commonly known in Brazil as ISEB and referred to here at times only as the Institute) are found in the informal discussions taking place in a specific group of intellectuals from São Paulo and Rio de Janeiro in 1952.¹ That year, journalists, lawyers, bureaucrats, economists, and businessmen from the two largest and wealthiest Brazilian cities met every fourth

¹ Detailed information on the structures of the ISEB are very scarce as its records were destroyed (or made unavailable) by the military forces following the coup of 1964. ISEB was one of the first governmental agencies to be shut by the military regime installed in the coup of March 31, 1964, (See: *Presidential Decree number 53.884* of April 13, 1964 which extinguished the Institute). Some works on the history of the institution, however, do exist. Particularly important are: Alzira Alves de Abreu, *Nationalism et Action Politique au Brésil: Une Étude sur L'ISEB* (Thèse pour le Doctorat de 3me Cycle, Université René-Descartes, Paris V, 1975); Maria Sylvia Carvalho Franco, "O tempo das ilusões," in: *Ideologia e Mobilização Popular*. (São Paulo: Paz e Terra/Cedec, 1978); Simon Schwartzman, *O Pensamento Nacionalista e os Cadernos de Nosso Tempo*. (Brasília: UnB, 1981); and Caio Navarro de Toledo, *ISEB: Fábrica de Ideologias*. (São Paulo: Ática, 1977); and Caio Navarro de Toledo, ed., *Intelectuais e política no Brasil: a experiência do ISEB*. (São Paulo: Revan, 2005).

weekend of each month at the Itatiaia National Park, a mountainous natural reserve located halfway between the two largest Brazilian cities, to discuss and propose solutions to what they saw as Brazil's major problems.

Coordinated from the outset by Hélio Jaguaribe, and bringing together a heterogeneous set of individuals in what would later be known as the 'Itatiaia Group,' the meetings taking place in that bucolic setting combined a set of self-entitled 'concerned intellectuals' of various backgrounds into a rich discussion about the country's prospects. Jaguaribe, a lawyer from Rio de Janeiro who early 1950s published extensively on national development, was the central figure of the Institute. Initially propounding his ideas via local newspapers, in 1953, along with other members of the Itatiaia Group, Jaguaribe created his own magazine to have more leeway in publishing his politically oriented articles. He also published several books on the topic of national development throughout the decade and beyond.² Therein he defended the position that the intellectual reflection about the country's problems had to be closely tied with the concrete concerns the broader society faced so that viable political projects could be articulated. In 1964, after a coup brought a military regime to power in Brazil, Jaguaribe was forced to leave the country. He then went to the United States, where he taught at Stanford, Harvard, and MIT until the early 1970s. In tune with Jaguaribe's work, most ISEB's works were also pragmatically oriented. Their main inspiration was the search for new ways to promote Brazil's socio-economic betterment and the country's political and cultural

² See: Hélio Jaguaribe, *Condições Institucionais do Desenvolvimento*. (Rio de Janeiro: ISEB, 1958) and *O Nacionalismo na Atualidade Brasileira*. (Rio de Janeiro: ISEB, 1958).

modernization, or, in Jaguaribe's words, towards a less patrimonial and more democratic society.

While these notions can be easily derived from the works produced by several ISEB authors, they were also uttered by Hélio Jaguaribe and Cândido Mendes, the only two remaining members of the Institute, in individual informal interviews I conducted with them, in February and March 2008, in Rio de Janeiro. In these meetings, both authors reinforced the views advanced in their works of the 1950s. They also indicated the influence (noticeable in their works) they received from the philosophical tenets of phenomenology and existentialism of the 1930s and 40s (particularly of authors such as Karl Jaspers, Karl Manheim, Ernest Cassier, and José Ortega y Gasset, in shaping their views. This was said to be the case particularly in regards to the notion that underdeveloped societies had to promote a self-sustaining economy so that they could become effectively independent, *i.e.* politically autonomous. Moreover, in this view, underdeveloped societies are seen as 'something in the making,' or as an entity that still had to become itself by means of a collective national effort so that the real nation (its own identity) could be manifest. In short, in underdeveloped societies, the nation is a project in the making and, only with economic self-reliance and political self-determination the real nation can come to fruition. More on these notions will be explained below.

The most important outcomes of the meetings conducted by the Itatiaia Group were the creation, in 1953, of the Brazilian Institute of Social and Political Studies (IBESP), and the publication of a periodical called Cadernos do Nosso Tempo (Essays of Our Time). The IBESP functioned only between 1953 and mid-1955. It was primarily

funded by its own members, with some institutional logistic support from the Ministry of Education, thanks to personal connections existing between some of its members and government officials.³ IBESP thus was a privately-run entity, coordinated by Jaguaribe, who also served as editor of Cadernos do Nosso Tempo and the magazine's main financial provider. This think-tank-like organization would gather the majority of the individuals who would later serve at the ISEB, including Roland Corbisier, Cândido Mendes de Almeida, Guerreiro Ramos, Heitor Lima, and Nelson Werneck Sodré. During its two years of existence, important newspapers in Rio periodically reproduced Cadernos' articles, thus making future ISEB members known to a broader reading public at the country's administrative capital.⁴

ISEB conversely was a government-funded official academic organization (the Institute was officially an agency of the Ministry of Education), created in 1955, to serve as an arena for the production of intellectual works pertaining to development promotion. It is remarkable that ISEB was created during the interim pro-market administration of Café Filho. This latter politician had become Brazil's President in September 1954 (after Getúlio Vargas had committed suicide) and was himself deposed in November 1955. This deposition was carried out in a, so-called preventive, coup carried out by the Ministry of War, Marshal Henrique Lott, under the argument of assuring that the recently elected president, Juscelino Kubitschek, would be allowed to take seat in the Presidential Office.

³ Fundo Castilho Cabral: CC c 0000.00.00/14, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

⁴ Alzira Alves de Abreu, "Os suplementos literários: os intelectuais e a imprensa nos anos 50," in: *A Imprensa em Transição: O Jornalismo Brasileiro nos Anos 50*. (Rio de Janeiro: Editora da FGV, 1996).

Despite having been chosen by Vargas to be his Vice-Presidential candidate, when in power, Café Filho aligned himself with conservative forces against the nationalistic path of industrialization that Vargas had tried to pursue. Café Filho was maneuvering with rightist factions of the armed forces, who did not agree with the electoral outcome of the presidential election of October 1955, to cancel the electoral results, when he was deposed by General Lott.

The creation of an academic institution that would carry out nationalistic-oriented studies during the term of an economically oriented politician can only be explained by taking into consideration the patrimonial political logic prevalent in the period. It was, in fact, only due to the personal connection existing between Café Filho's Education Minister (the literary critic Cândido Mota Filho) and Roland Corbisier, and through him to Jaguaribe, that the latter's plans would receive governmental support.⁵ In a document, prepared for Mota Filho in June 1955, Jaguaribe argued for the creation of an Institute of Advanced (Peace) Studies to produce a better understanding of the national reality and in devising needed theoretical instruments to promote a self-sustaining path of development for the country.

The document would receive Motta's official support, and early in July 1955, with the document in hand and not entirely aware of the strong nationalistic direction that the Institute would trail, Café Filho signed the Presidential Decree number no. 37608, in July 14 1955, thus creating the Institute of Advanced Brazilian Studies. The agency was created to provide a better understanding of the national reality and of the necessary tools for intervening in its economic and political realms, and with a mandate to conduct

⁵ Abreu, *Nationalism et Action Politique au Brésil*, op. cit.

academic work (*e.g.* lectures, training courses, publications, etc.) in an advanced (graduate) level in the fields of Social Sciences, Philosophy, Economics, and History.⁶

The Institute had a Board of Trustees with minimal levels of influence upon the routine operations of the organization but where influential people in the Federal structures of the government served. Among the most important of them were Anísio Teixeira, director of the program of higher academic training of university professors at the Ministry of Education, and Roberto Campos, the Brazilian career diplomat who would become a leading figure in implementing Kubitschek's Targets Plan. Initially working as one of the Brazilian negotiators of a program of economic assistance promoted between Brazil and the United States (the Joint Brazil-USA Economic Assistance Commission, CMBEU) during the years 1950 to 1953, Campos served the Kubitschek administration as Director and President of the Bank of National Economic Development (BNDE) until 1959. By-mid year 1959, Campos resigned from all his involvement in the administration in support of Lucas Lopes, who served as Minister of the Economy, and who had himself been forced to resign from his post given that Kubitschek did not support his Plan of Economic Stabilization. This was an anti-inflationary list policies devised to curb inflation rates primarily by means of wage and governmental credit control. The Plan would divide the political spectrum throughout that year until being finally discarded by the President. Campos and Lopes' own positions on national economic development, as for them the two terms were almost

⁶ Cândido Mota Filho, *Exposição de Motivos, no. 627, presented in 07/13/1955 to President Café Filho*, In: Fundo Castilho Cabral: CC c 0000.00.00/14, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

always mentioned together, will be examined later in this chapter (and again in Chapter Four).

The Institute's daily activities were largely conducted by its Executive Director, Roland Corbisier, ISEB's only paid faculty member. All other members were either employed in different sectors of the Federal government bureaucracy or in local academic institutions in Rio de Janeiro. Additional members with official appointments were Hélio Jaguaribe, who served as Director of the Department of Political Science, Alberto Guerreiro Ramos, Director of the Department of Sociology, Alvaro Vieira Pinto, Director of the Department of Philosophy, Cândido Mendes de Almeida, Director of the Department of History, and Ewaldo Correa Lima, Director of the Department of Economy.⁷

During its nine-year existence, the ISEB published over twenty two original works and translated various foreign titles, including by Karl Jaspers, Karl Mannheim, and Gunnar Myrdal. Moreover, while ISEB's concerns were essentially focused on proposing concrete solutions to what the Institute's member understood to be the country's main economic deficiencies, both Jaguaribe and Cândido Mendes were quick to acknowledge, in the interviews I conducted with them early in 2008, the influence they received from authors such as Jaspers, Mannheim, and Ortega y Gasset. Furthermore, both of these important figures in the Institute emphatically expressed their interest in having the works done by these European authors translated and published under the auspices of the ISEB so that those influential publications would be accessible to the Portuguese-reading Brazilian public.

⁷ Cândido Mota Filho, *Exposição de Motivos*, no. 627. *op. cit.*

The Institute ministered regular academic courses on a new field of research called Study of Brazilian Problems. The most important academic program consisted of year-long post-graduate classes, taught by the agency's faculty members and geared towards graduate civil and military servants of the Federal government, which awarded participants the participants a M.A. degree in Brazilian Studies. ISEB members also interacted closely with broader audiences beyond the academic setting. Worthy of note were the public speaking engagements, such as conferences and lectures, given faculty in several cities across the country on the behest of universities, local governments, and labor unions.⁸

If innovative in their specific formulations, the main inspiration underlining the examinations proposed at the ISEB reproduced heuristic categories shaping the reflection about the consolidation of modernity in Brazil since early in the twentieth century. Beginning with the works of journalists and social commentators, such as Euclides da Cunha and Graça Aranha, the notion that Brazil was characterized by a persistent contradiction between modernity and backwardness was increasingly noticeable at the turn of the century. Euclides da Cunha published *Os Sertões* in 1902, the same year when Graça Aranha published *Canaã*, works considered to be precursors of Modernism in Brazil and with large influence in the debates about national identity and the need for modernizing the political and economic structures of the country. Similarly, in the 1930s, when a centralized and nationalistic regime had been installed in the Federal government,

⁸ This point was raised by Hélio Jaguaribe in his interview and is corroborated in Abreu, *Nationalism et Action Politique au Brésil. op. cit.*

this dichotomic reasoning opposing a traditional versus a modern Brazil was transplanted into works of authors such as Oliveira Vianna and Sérgio Buarque de Holanda.⁹

In the 1950s, dualistic interpretations were consolidated in the fields of Sociology, Political Science, Economics, and History, thus exerting a profound sway in shaping the intellectual debates on national development in the period.¹⁰ Even though there was a significant degree of variations among themselves, ISEB intellectuals tended to see the Brazilian society through similar binary lenses and categories. Moreover, as will be detailed below, authors such as Vieira Pinto, Guerreiro Ramos, Werneck Sodré, and Roland Corbisier posited that Brazil was still largely defined by an inherent contradiction between modern and stagnant economic regions, political practices, and cultural values. Moreover, Hélio Jaguaribe and Cândido Mendes centered their examinations on analogous binary readings that posited the existence of an emerging modern-looking industrial economic sector tied to the domestic market, in opposition to a backward, primary based, export-oriented sector that favored foreign anti-national interests. Based on interpretations that portrayed the country as being fragmented between forward-looking and stagnated patrimonial sectors, the Institute thus argued in favor of an alliance between similarly-oriented social groups in support of a new course of development.

⁹ It is important to note that while Vianna argued in favor of a rapid pace of modernization, Holanda, on the other hand, valued several features of the traditional Brazil while acknowledging the inevitable fate of progress. See: Francisco de Oliveira Vianna, *História Social da Economia Capitalista no Brasil*. (Niteroi: Editora da UFF, 1988); and *Instituições Políticas Brasileiras*. (Rio de Janeiro: José Olympo, 1949); and Sérgio Buarque de Holanda, *Raízes do Brasil*. (São Paulo: Cia das Letras, 1995).

¹⁰ See: Lucia Lippi Oliveira, “A redescoberta do Brasil nos anos 1950: entre o projeto político e o rigor acadêmico.” In: Angélica Madeira & Mariza Veloso, ed., *Descobertas do Brasil*. (Brasília: Editora da UnB, 2001).

Nonetheless, while Marxism exerted significant levels of influence not only as political ideology but also as an academic frame of analysis by mid-century in Brazil, among ISEB members, only Sodré openly utilized Marxist categories in his historical examinations. Sodré was a military man dedicated to historical investigations (such as *Formação Histórica do Brasil*, published in 1962 by the Institute). Still, it is important to note the similarities between the evolutionist logic, regarding the alleged stages of development that nations undergo along their historical evolution, present both in most Marxist and ISEB formulations in the period.

The main arguments presented by the most influential members of the agency were advanced for the first time in the pages of Cadernos do Nosso Tempo. The articles written by Hélio Jaguaribe deserve special note, in particular the one entitled The Brazilian Crisis, published in 1953.¹¹ In the piece, the author sought to provide therein “a candid diagnosis” of the country’s main difficulties in promoting national development. He started his analysis by urging a movement of national unity so that the socio-political, economic, and cultural crisis the country faced could be resolved. No detailed information is provided as to what this alluded multidimensional crisis happened to be. One can hypothesize, however, that Jaguaribe considered that this sort of information was necessary given that there was a general perception at the time that the country faced dire economic and political problems which had led to a complete ministerial shake up in the Federal government in June the same year.¹²

¹¹ Hélio Jaguaribe, “A Crise Brasileira,” in: *Cadernos do Nosso Tempo* (no. 1, vol. 1, oct/dec, 1953), pp. 120-160.

¹² See Thomas E. Skidmore, *Politics in Brazil, 1930-1964: An Experiment in Democracy* (Oxford: Oxford University Press, 1967).

He occupied himself, instead, with the causes of the alluded crisis and with presenting its possible solutions. Insofar as the economic dimension of the crisis, Jaguaribe claimed that the main problems the country faced (namely diminishing foreign monetary reserves) derived from the continued deterioration of the terms of trade for agricultural products in the international market. For him, the Brazilian the economy had for far too long been tied to the exporting of primary goods, a situation which was being aggravated by the growing national consumption of manufactured imports becoming increasingly more expansive in the world market. He also stated that the country faced a national crisis given the absence of an awareness of the real interests of the nation and the political instability provoked the refusal of the Federal government to act as an agent of development promotion. In the second section of the article, Jaguaribe argued that Brazil was still in a semi-colonial condition given its inability to pursue a self-sustaining course of economic growth.

Jaguaribe's reasoning is grounded on the alleged opposition existing between the colonial condition and the state of being fully independent nation. This heuristic resource was common in works of other members of the Institute and it was in tandem with similar notions espoused by European authors at the time.¹³ Notwithstanding their interconnections, considering that the anti-colonial argument advanced by these latter authors was not applicable in its entirety to the reality of Latin American states – where political formal independence had been achieved 150 years earlier – ISEB intellectuals devised the concept of 'semi-colonial condition' to account for the realities of countries

¹³ See: Georges Balandier, "Sociologie de la Dependance," in: *Cahiers Internationaux de Sociologie*, vol. XIII, 1952; and Jean Paul Sartre, "Le Colonialisme est un Systéme," in: *Les Temps Modernes*, no. 123, 1953, pp. 273-1374.

like Brazil. This notion described societies that, in spite of been formally politically independent, could not fully exercise their independence given that their produce-exporting economies were organized on the basis of attending foreign interests. Along these lines, these heteronomously defined nations were said to continue to be controlled from abroad on the basis of the fluctuations on prices and demands for primary good in the international markets.¹⁴

The semi-colonial condition was translated into the state of underdevelopment that these countries faced, which was characterized by large rates of unemployment and underemployment, low economic productivity, low wages, low per capita income, lack of investment capital, social fragmentation between social groups involved in the dynamic exporting sector of the economy and those tied to subsistence agriculture. Given this socio-economic context, the first task that any government effectively interested in promoting national development, and the nation's consequent political autonomy, should perform was producing a valid diagnosis of the country's needs. It is important to note that several notions later elaborated in the field of Postcolonial Studies had been initially proposed, at least in a rudimentary but still provocative form in several works of the ISEB in the 1950s. For instance, along with Fanon, Jaguaribe, Corbisier and Mendes de Almeida examined the complexities of the 'colonial condition,' arguing that a country could be at the same time (politically) independent and (economically and/or culturally)

¹⁴ In addition to the works by Jaguaribe cited, see: Cândido Mendes de Almeida, *Nacionalismo e Desenvolvimento*. (Rio de Janeiro: Instituto Brasileiro de Estudos Afro-Asiáticos, 1963); Alvaro Vieira Pinto, *Ideologia e Desenvolvimento Nacional*. (Rio de Janeiro: ISEB, 1960); and Guerreiro Ramos, *A Redução Sociológica*. (Rio de Janeiro: ISEB, 1958).

semi-colonial. Very similar notions were espoused later by authors such as Loomba and Bhabha in explaining the concept of hybridity.¹⁵

It was with this goal in mind that, in the final section of The Brazilian Crisis, Jaguaribe claimed that the country had to reshape its structures of government so that the central State would be able to exert a coordinating role in leading the nation into the direction of autonomous national development. The notion that national solutions had to be found in political measures is particularly interesting as Jaguaribe's description of the difficulties the country faced is rooted on an allegedly existent economic structure that did not permit the nation to pursue its own interests. In the author's words, Brazil had to "liquidate the parasite features of the Brazilian State which only serve[d] a minority of inefficient public servants and the higher social economic strata linked to the exporting sector."¹⁶

Moreover, he urged for creation of a broad-base social movement in favor of economic efficiency inspired on a nationalistic ideology and concrete developmental goals. These should be pursued by an assertive central government "capable of defending the national interests at the international level and of offering hope for a common future to be reached by all social segments."¹⁷ Jaguaribe also claimed in favor of a common nationalistic front so that the social segments interested in pursuing an

¹⁵ See: Ania Loomba, *Colonialism/Postcolonialism*. (London: Routledge, 1998); and Homi Bhabha, "Remembering Fanon: Self, Psyche, and the Colonial Condition," in P. Williams and L. Chistman, eds. *Colonial Discourse and Postcolonial Theory*. (New York: Columbia University Press, 1994), pp. 112-123.

¹⁶ Jaguaribe, *A Crise Brasileira*, *op. cit.*, p 141.

¹⁷ *Idem*, p. 144.

autonomous path of development for the country could act as a unified political force.¹⁸ He believed that only by resorting to a new nationalistic and developmental ideology, capable of harnessing all sectors of the Brazilian society interested in overcoming the condition of underdevelopment, the country would become a developed and autonomous nation. For him, the formulation of such an ideology and, especially, its dissemination was the most important task that the nationalistic intellectuals coalesced at the Institute should perform. He even claims that he was the author of the very expression “national-developmentism” to name the ideology produced at the ISEB.¹⁹

An analogous reasoning can be found in an article written by Hermes Lima and published in the Cadernos in 1955. Lima was a politician who served in the National Brazilian Congress during the 1940s and, again, as Minister of Foreign Relations and Prime Minister in 1962 and 1963, respectively. He published some important articles in the Cadernos do Nosso Tempo, which merit attention here. In his view, countries characterized by a non-autonomous economic system, such as Brazil, should pursue the formulation of a nationalistic sentiment in favor of industrialization, so that effective independence could be achieved.²⁰ The nationalism that Lima defended, however, was of a moderate line, which he defined as non-Jacobine and which saw ‘positive role’ to be played by foreign investors in implementing economic projects in the country.

¹⁸ Hélio Jaguaribe, “Três Etapas do Comunismo Brasileiro,” in: *Cadernos do Nosso Tempo*. No. 2 (1), 1954, pp. 123-138.

¹⁹ This claim was made in the interview I conducted with the former member of the ISEB in March 2008 in Rio de Janeiro. For more on the need for creating a nationalistic ideology, see Jaguaribe, “Situação Política Brasileira,” in: *Cadernos do Nosso Tempo* (no.2, vol. 2, 1954).

²⁰ Hermes Lima, “Significação do Nacionalismo,” in: *Cadernos do Nosso Tempo* (no. 3., vol. 4, April/August 1955) pp. 85-100.

This position would be later find support in Jaguaribe's own work, but it was by no mean consensually shared by all members of the Institute, as will be demonstrated below. Lima also stressed that national development depended on understanding the concrete needs and potentialities of the country, and that the Brazilian government (State in the author's own formulation) had to assume its developmental responsibilities. The most important among these was that of coordinating the entire process of development promotion in ways contrary to be traditional liberal economic canons of non-governmental participation in the economic realm.

Along similar lines, Roland Corbisier defended the view that national development had to be pursued on the grounds of a genuine concern for the majority of the country's population. For him, no project of development would be successful unless the needs of the national population were kept at heart of the governmental policies implemented. Corbisier argued that "[a]ny policy of development needs to be evaluated on its ability to improve the living conditions of the national populations and to reorient the economic structure of the country in ways that produced higher levels of consumption among the popular sectors?"²¹ His views represented the mainstream positions of the agency and, as a typical ISEB intellectual, Corbisier was someone interested in producing works pragmatically tied to what he called the 'problems of our time.' Like most other members of the Institute, Corbisier was trained in law but had been an active journalist in several newspapers in Rio de Janeiro and São Paulo in the first half of the decade. He

²¹ Roland Corbisier, *Formação e Problema da Cultura Brasileira*. (Rio de Janeiro: ISEB, 1959), p. 97.

would serve as Executive Director of the ISEB until 1960, when he was elected to the State Assembly of the recently created State of Guanabara.²²

While in tandem with Jaguaribe's (and Lima's) heuristic utilization of a comparative frame of analysis about the colonial (or semi-colonial) condition, Corbisier centered his examinations on what he defined as the cultural dimension of colonialism. He claimed that even if different from the realities of the colonial possession of early twentieth century, Brazil did not differ from them insofar as their commonly shared lack of the means to exert economic (and thus political) self-determination. An autonomous path of development, more than mere legal (formal) elements, therefore, was what effectively defined the achievement of national autonomy.²³ Corbisier drew much of his ideas from comparing the case of Brazil with those of other non-industrialized societies, more specifically with the situation of the European colonies in the African continent, which he saw as similarly culturally dependent societies.

In his view, what primarily defined the condition of colonialism and underdevelopment was the generalized sense of inferiority vis-à-vis the industrialized regions of the world. While economic self-reliance seemed essential, such a reality did not seem possible, unless cultural autonomy (*i.e.* a sentiment of national pride) existed. For him, there was no other option but "(...) to invent our future by constructing our own culture as the guiding beacon of the new Brazil that we want to create."²⁴ Along these

²² Guanabara was the name given to city-state created to replace the Federal status that had historically defined the city of Rio de Janeiro after the capital of the country was transferred to the modernist-looking city of Brasília on that same year.

²³ Corbisier, *op. cit.*, p. 37

²⁴ *Ibidem*, p. 50

lines, he characterized underdevelopment as the condition of alienation about one's own potentialities and by the act of mimicking a foreign culture at home.²⁵

In order to buttress his position, Corbisier looked to works of foreign intellectuals who were arguing that the colonial reality was a deep-rooted and lasting system that penetrated the minds of the population in the colonized regions in a situation of self-alienation.²⁶ As a solution to such a condition, claimed the ISEB's Executive-Director, these nations had to create a sense of a shared common future supported by a program of autonomous development promotion which went beyond pure economic growth to include the cultivation of one's own culture.²⁷ Reverberating on Corbisier's position, Jaguaribe similarly differentiated the notions of economic growth and development, where the latter required qualitative improvements in the living conditions of a country's entire population.²⁸

Similar notions can be found in the work of Alvaro Vieira Pinto, an influential philosopher of the National University of Rio de Janeiro, who served as the Institute Executive Director from 1960 to 1964, and whose research centered on inserting the needs of the common people into the philosophical reflection. Pinto's works at the ISEB were largely based on a Hegelian-Marxist inspiration, and he would become one of the more radical intellectuals of the Institute. He argued that national development had primarily to serve the interests of the working sectors and defended an ideology of development that incorporated the lower social sectors. As he would put it, "(...) without

²⁵ Roland Corbisier, *Brasília e o Desenvolvimento Nacional*. (Rio de Janeiro: ISEB, 1960).

²⁶ See: Balandier and Sartre, *op. cit.*

²⁷ Corbisier, *Brasília e o Desenvolvimento Nacional*, *op. cit.* p. 78.

²⁸ Jaguaribe, *Condições Institucionais do Desenvolvimento*, *op. cit.*, p. 38.

an effective ideology of national development interested in attending the needs of the majority of the population, no development can be achieved.”²⁹ For him, overcoming underdevelopment demanded the end of the existing division between industrialized and non-industrialized countries. This required that the goal of national development be pursued on a global scale and this search harnessed the potentialities and the collective will of the populations in all poor nations in favor of an alternative path of economic insertion in the world economy.³⁰

Moreover, given that underdeveloped states were at the mercy of the whims of rich nations, the formulation and promotion of an ideology capable of creating a global awareness in favor of development was the most important political task of our time.³¹ While influential among fellow intellectuals in the period, Pinto’s radical defense of a new international economic order would have to wait until the 1970s to become a common notion included in the list of demands advanced by developing countries like Brazil.

Notwithstanding this reality, the ideas this ISEB intellectual had argued for late in the 1950s would be translated into an ambitious course of foreign policy in favor of economic and political autonomy for the country already in the few years of the 1960s.³² The sociologist Guerreiro Ramos also believed that promoting a project of national development required that all social segments interested in the goal of industrialization

²⁹ Alvaro Vieira Pinto, *Ideologia e Desenvolvimento Nacional*. (Rio de Janeiro: ISEB, 1960), p. 74 .

³⁰ Alvaro Vieira Pinto, *Consciência e Realidade Nacional*. (Rio de Janeiro: ISEB, 1962, vol. 1), p. 112.

³¹ *Idem*, p. 129.

³² Clodoaldo Bueno e Amado Cervo, *A Política Externa Brasileira, 1822-1985*. (São Paulo: Ática, 1986) and Paulo G.F. Vizentini, *As Relações Exteriores do Brasil:1945-1964*. (Petrópolis: Vozes, 2004).

would unite in a common front, given that “(...) it was intrinsic to the colonial and semi-colonial condition to have the national society divided between nationalistic and anti-nationalistic forces.”³³

Ramos was similarly adamant in his defense that intellectual production had to serve the concrete needs of the larger society and, like Jaguaribe, he divided the Brazilian society between two opposing social segments: a nationalistic and anti-nationalistic sector. To use Jaguaribe’s terms, the cosmopolitan social forces were traditionally tied to produce-exporting activities, whose interests were opposed to the nationalistic forces, who favored national industrialization tied to the domestic market. Despite this binary classification, however, in O Nacionalismo na Atualidade Brasileira, Jaguaribe defended the view that national development should be based on a pragmatic stance and not on an “impoverished version of a xenophobic sentiment.”³⁴ The book would stir a large controversy within the Institute since it proposed a profound revision in the position said to allegedly represent the nationalistic agenda, such as the refusal to accept foreign investors’ involvements in infrastructural economic activities.

Jaguaribe’s latter work would produce a deep fracture among ISEB’s members, and it would eventually lead to his departure from the Institute, late in 1958. This internal strife was replicated in a larger scale between those arguing against all forms of foreign capital and those defending the view that unless foreign investors were welcomed into the country, no significant rate of economic growth could be reached. While what

³³ Guerreiro Ramos, *A Redução Sociológica*, *op. cit.*, p. 33. See also his works *O Problema Nacional do Brasil*. (Rio de Janeiro: Saga, 1960) and *A Crise do poder no Brasil*. (Rio de Janeiro: ISEB, 1961).

³⁴ Jaguaribe, *O Nacionalismo na Atualidade Brasileira*, *op. cit.*

was at stake in the debate was the very definition of a nationalistic path of development, the group supporting the first position was self-identified as the true nationalists.³⁵

Furthermore, despite the fact that during the Kubitschek administration the majority of the industrial projects implemented relied largely on the participation of foreign private capital, as will be shown in the next chapter, most ISEB members were against such a developmental course. In effect, contrary to Jaguaribe's proposition, authors like Guerreiro Ramos, Vieira Pinto, Werneck Sodré, and Cândido Mendes were all against the participation of foreign investors in state-led economic projects. Moreover in contrast to Jaguaribe's defense that foreign capital should be welcomed under certain regulations increasingly throughout the decade a more xenophobic nationalist position would become largely influential.

Once again replicating anti-colonial notions of the time, this latter position repudiated foreign capitals *in toto*, as these were considered to be a manifestation of economic imperialism which had to be rejected and replaced by a higher participation of public (governmental) investment. A clear example of this latter stance, even the otherwise moderate Cândido Mendes argued against enlarging the presence of foreign capital in the country. In Mendes' views, foreign investors had historically been involved in exploitative economic activities in Latin America and should, therefore, be rejected as reliable developmental agents. Moreover, foreign involvements in the promotion of economic growth would only lead to the continuation of a type of growth based on export-oriented production rather than to effective development. He claimed that until

³⁵ See: Ricardo Bielchowsky, *O Pensamento Econômico Brasileiro: O Ciclo Ideológico do Desenvolvimentismo, 1930-1960*. (Rio de Janeiro: Contraponto, 2004) and Marcelo de Paiva Abreu (org.), *A Ordem do Progresso: Cem Anos de Política Econômica Republicana, 1889-1989*. (São Paulo: Campus, 1990).

the mid-1950s, 65% of all foreign capital invested in Latin America had been associated with the exporting of primary agricultural and mineral goods.³⁶

After the controversy associated with the publication of Jaguaribe's book in 1958, most moderate members of ISEB would indeed leave the agency and the organization would increasingly be associated with a militant version of nationalism espoused in Congress by the Nationalistic Parliamentary Front. The Nationalistic Parliamentary Front was an alliance between various parties at the National Chamber of Deputies which from 1956 to 1964 worked to support what was known as nationalistic projects, those that favored the involvement of the structures of the State in the economic realm, particularly in lieu of foreign investors. This radicalization in the positions propounded by the Institute was in tune with similar trends taking place in the broader political debates, especially in the discussion involving the negotiations between the Federal government and the International Monetary Fund.

In 1959, Brazil was negotiating a stand-by loan with the International Monetary Fund as part of the Plan of Economic Stabilization promoted by Lucas Lopes, who served as Kubitschek's Economic Minister. Late that year the President refused to sign the terms of the international loan agreement given the stringent terms of credit restrictions proposed by the Fund. Kubitschek made sure to utilize his decision to gather support among the so-called nationalists. The decision, nonetheless, was taken in spite of the fact that the market-oriented Lucas Lopes and Roberto Campos had heretofore been among the President's closest advisors. Moreover the two were the formulators of the Targets Plan and had served among the Plan's main coordinators at the National Bank of

³⁶ See: Cândido Mendes de Almeida, *Nacionalismo e Desenvolvimento*. (Rio de Janeiro: Instituto Brasileiro de Estudos Afro-Asiáticos, 1963), p. 244.

Economic Development and at the Council of Development, as detailed in the next chapter.

Since the mid-1970s, influential revisions to what has been labeled as a dualistic reasoning present in the works produced by ISEB members have been advanced in the sociological and historiographical literatures on contemporary Brazil. The critique has centered on the fact that the alleged contradiction existing between agrarian backward-looking and pro-industrial social sectors did not prevent the deepening of the process of industrialization that occurred in the later part of the 1950s. Conversely, it was due to the continued socio-economic gap between the growing industrial and stagnate agrarian sector that low wages could be maintained in the manufacturing urban centers, thus facilitating the very process of industrialization to take root. In the same way, revisionist works have shown that the very process of industrialization was not leading to a more equitable society, as urged by ISEB scholars, but rather to even sharper social disparities among geographic regions and socio-economic groups.³⁷ Despite these criticisms, ISEB's binary analytical logic proved, nonetheless, instrumental in inspiring functional explanations advanced in the late 1970s and early 1980s to account for the Populist Pact that allegedly existed in the 1950s (and early 1960s) in Brazil.³⁸

³⁷ Luis G. de Melo Belluzzo & Renata Coutinho, orgs., *Desenvolvimento Capitalista no Brasil – Ensaio sobre a Crise*. (São Paulo: Brasiliense, 1983); Luciano Martins, *Pouvoir et Développement Économique: formation et évolution des structures politiques au Brésil*. (Paris: éditions anthropos, 1976); João Manuel Cardoso de Mello, *O Capitalismo Tardio: contribuição à revisão crítica da formação e desenvolvimento da economia brasileira*. (São Paulo: Brasiliense, 1982); and Francisco Oliveira, *Crítica à Razão Dualista & o Ornitorrinco*. (São Paulo: Boitempo Editorial, 2003).

³⁸ Most influential works presenting this functional reasoning as a justification for the existence of the populist regime in Brazil are: Maria Victoria de Mesquita Benevides, *O governo Kubitschek: desenvolvimento econômico e estabilidade política, 1956-1961*. (Rio de Janeiro: Paz e Terra, 1976); Miriam Limoeiro Cardoso, *Ideologia do*

These latter formulations were based on the argument that given Brazil's purported division between opposing economic sectors and socio-political interests, the only way for the political system to function with minimal levels of stability was by resorting to an inter-class populist alliance. Even though these works rejected what they saw as ISEB's unjustified sense of optimism about the creation of a unified pro-industrial political front, they paradoxically advanced a similar portrayal of the national political reality of the 1950s. In their views, it was thanks to the existence of an alleged all-encompassing pro-development ideology that the political stability needed for the promotion of a plan of rapid economic growth could take place during the JK Years.³⁹ Revisionist examinations of the Institute's legacy proved similarly instrumental in the 1970s to account for the rise of the military regime then in power.

In a general sense, these works centered their criticisms on the fact that ISEB intellectuals had misplaced the focus of their studies given their artificially created heuristic categories. These notions would have exaggerated the contradiction existing between cosmopolitan vs. nationalistic economic sectors, productive vs. stagnant social

Desenvolvimento, no Brasil: JK-JQ. (Rio de Janeiro: Paz e Terra, 1978); Octavio Ianni, *O Colapso do Populismo no Brasil.* (Rio de Janeiro: Civilizacao Brasileira, 1978); Celso Lafer, *JK e o programa de metas (1956-1961): Processo de planejamento e sistema político no Brasil* (Rio de Janeiro: FGV Editora, 2002); Luis Carlos Bresser Pereira, *Desenvolvimento e Crise no Brasil.* (Rio de Janeiro: Zahar, 1968); and Francisco C. Weffort, *O Populismo na política brasileira.* (Rio de Janeiro: Paz e Terra, 1978).

³⁹ The list of works describing the JK Years as uniquely optimistic include: Carlos Heitor Cony, *JK, como nasce uma estrela.* (Rio de Janeiro: Record, 2002); Amaury Santos Fassy, *JK: o maior estadista do século XX.* (Brasília: Thesaurus, 2000); Jose Louzeiro, *JK: o otimismo em pessoa.* (Rio de Janeiro: Ediouro, 1996); Aluizio Napoleão, *Juscelino Kubitschek: audácia, energia, confiança.* (Rio de Janeiro: Bloch, 1988); Jose Aparecido de Oliveira, *JK: O Estadista do Desenvolvimento.* (Brasília: Memorial JK, 1991); Marly Rodrigues, *A década de 50: Populismo e metas desenvolvimentistas no Brasil.* (São Paulo: Atica, 1994); Helio Silva & Maria Carneiro, *Juscelino, o desenvolvimento, 1956-61.* (São Paulo: Editora Três, 1983).

agents, progressive vs. conservative political forces. Moreover, by reifying these dualistic constructs, the Institute's intellectuals were said to have misunderstood the fact that Brazil had a vibrant capitalist economy by the late 1950s, even though the majority of its population continued excluded from the country's abundant riches.⁴⁰

In specific, Abreu would stress that, entangled in the construction of sophisticated ideational formulations supporting a nationalistic project of development, ISEB intellectuals missed the fact that the Brazilian economy was becoming increasingly tied to the international economic order.⁴¹ Lafer would argue that the Kubitschek administration proved very successful in promoting the expansion of industrial sectors on the basis of attracting multinational companies, thus strengthening the existing ties between Brazilian and international business groups.⁴² In short, these authors, along other, have posited the view that instead of promoting national autonomy by mean of structuring the national economy on more stable grounds, making it less dependent on the interests of foreign economic actors, as ISEB nationalistic intellectuals had argued for throughout the entire period; the JK Years would represent the moment when the Brazilian economy would become ever more integrated into the global capitalist system.

To be sure, it seems plausible to argue that the very political stability of the period required the promotion of fast-paced economic growth to provide continued creation of employment opportunities in the urban centers, so that popular pressures for social incorporation could be appeased. Still, we should not be too quick to assume, however, that the Kubitschek administration had to act exactly as it did insofar as favoring private

⁴⁰ See: Abreu, *Nationalism et Action Politique au Brésil. op. cit.*; Carvalho Franco, "O tempo das ilusões," *op. cit.*; and Toledo, *Fábrica de Ideologia, op. cit.*

⁴¹ Abreu, *Nationalism et Action Politique au Brésil. op. cit.*

⁴² Lafer, *JK e o Plano de Metas. op. cit.*

economic in the implementation of its developmental agenda. Indeed, one of the main arguments I seek to advance in this work is that alternative views on development promotion were available at the time and that had these been implemented even higher levels of political stability would have been achieved – considering that broader social sectors would have been incorporated in the developmental dynamics of the period. This multiplicity of conceptions on national development notwithstanding, as mentioned, much of the historiography on the period has largely defined the economic achievements of the Kubitschek administration as largely grounded on the social consensus supposedly present at the time. Bresser Pereira, for instance, had claimed that the unique conciliatory skills that Kubitschek possessed allowed him to successfully arbitrate divergent interests, thus fostering fast-changing socio-economic dynamics.⁴³

Rather than a social consensus that allegedly supported the fast-paced economic growth of the period, important differences among the conceptions on national development held by different social segments did in fact exist and some of these have even been mentioned in some works on the period. Within the realms of the Federal administrations, for instance, two main positions were discernible.⁴⁴ One favored a higher role to be played by the government in economic promotion along with growing restrictions to be placed on foreign capital participation in what were considered to be strategic areas (*e.g.* mineral extraction, energy production, and public utilities distribution).

⁴³ Luis Carlos Bresser Pereira, *Desenvolvimento e Crise no Brasil*. (Rio de Janeiro: Zahar, 1968). See also: Benevides, *op. cit.*; and Skidmore, *op. cit.*

⁴⁴ Bielchowsky, *O Pensamento Econômico Brasileiro. op. cit.*

This view was largely advanced by lower-rank bureaucrats but also found resonance among some leading decision-makers of the first half of the decade, such as Rômulo de Almeida, who coordinated the Economic Advisory Committee of the Presidency early in the 1950s. The other position had a much smaller group of supporters but these would become increasingly influential as the decade unfolded. Its two most important advocates under Kubitschek were Lucas Lopes and Roberto Campos. They favored a more significant participation of private (foreign and domestic) investors and more strict control on public expenditures. Throughout the period the internationalist view would win-out, some important traditionally nationalistic decision-makers (such as Lúcio Meira) would support a higher presence of foreign capital in sensitive industries (such as automaking), and the economy would become increasingly more internationalized, as will be demonstrated in Chapter Four.

Debates about national development were not restricted to government officials nor to intellectual works, but were replicated in different newspapers, such as O Jornal do Comércio, Diário de Notícias, and Revista do Clube Militar in Rio de Janeiro. ISEB members, such as Jaguaribe, Guerreiro Ramos, Wernneck Sodré, Vieira Pinto were regularly invited to write special columns in these periodicals, where they could present their ideas to a larger reading public.⁴⁵ In these pieces, a nationalistic project of development was fostered. According to this position, development promotion had to be headed by an assertive and interventionist-type of government (State, in their formulations), focused in implementing a plan of national industrialization and on expanding the domestic economic forces.

⁴⁵ Abreu, *A Imprensa em Transição.op. cit.*

ISEB intellectuals believed that the condition of underdevelopment would not be eliminated unless the relationships of dependence established among industrialized and non-industrialized states would be similarly eliminated. The task required political developmental projects to be fostered in both domestic and international arenas, as demonstrated in the previous chapter. In their views, the nation was an entity defined not by its current attributes but rather by its prospective possibilities.

The national project, therefore, was a political proposition strategically deployed for achieving the fulfillment of a country's potentialities in the future. Nationalistic development promotion, thus, had to involve the entire country's population to be effective. Moreover, a special role was to be played by the national intelligentsia acting within the structures of a coordinating socially responsive government. Nationalistic intellectuals were to define the causes, and possible solutions for the problems of the underdeveloped condition. For ISEB intellectuals, the Brazilian nation was an entity still in formation; something that had yet to be constructed. This task was to be pursued on the basis on an effective understanding of the country's possibilities and its population's needs. Still, notwithstanding the broad and lasting impact of ISEB's formulations in the reflection about national development in Brazil in the 1950s (and in subsequent decades), it is important to point out that the Institute never assumes any executive role in the Kubitschek administration. The complex relationship established between the Institute and the main decision-makers in charge of implementing the Targets Plan will occupy us next.

The Kubitschek Administration and the ISEB: Diffuse Ideological Support and Balancing Acts of Negotiation

Throughout the JK Years, the executive branch of the Federal administration maintained a contradictory sort of interaction with the Institute of Advanced Brazilian Studies. The relationship between the Presidency and the agency was marked by divisions within government officials. Whereas Clóvis Salgado, the Minister of Education, supported financially and politically the Institute throughout the entire period, members of the Council of Development and of the military cabinet of the Presidency had a very different position.⁴⁶ Salgado made sure to express his support publicly when he published an enthusiastic defense of the ISEB, early in 1959, after the Industrial Federation of Rio had made accusations that the Institute was becoming dangerously associated with the Nationalistic Parliamentary Front, which, in the view of the Federation, was a serious detraction from the purely academic role the agency should play.

Conversely, General Nelson de Melo, Chief of the Military Cabinet of the Presidency, presented to Kubitschek, on December 10, 1959, a Secret Intelligence Report on the ISEB, which has been produced by the Joint-Chiefs of Staff. The document represented the outcome of a two-year long investigation motivated by fact that the Navy Captain Aristides Campos Filho, a regular student of Brazilian Problems at ISEB, had accused the Institute of working to disseminate communist-inspired ideas in its courses, lectures, and publications.⁴⁷

⁴⁶ See Salgado's article in *O Globo* of 12/02/59 In: Fundo Castilho Cabral: CC c 0000.00.00/14, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

⁴⁷ See: Fundo Nelson Melo: NeM.vp. 1956.02.07, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

In its detailed analysis, the Report claimed that the agency's ideary was in direct conflict with the values of the Christian Western elements of the Brazilian culture, and that the organization espoused a 'risky third position,' within the bipolar context of the Cold War. The Report considered such a political stand to be a dangerous and possible deleterious course, which could threaten Brazil's privileged relationship with United States. Moreover, this ideological position was seen as bordering the irresponsible and fallaciously neutral stance of newly independent countries like India and Indonesia, which were pursuing an autonomous path of foreign policy within the realm of the Non-Aligned Movement (as shown in Chapter Two).

It should be recalled that the goal of forging a more autonomous foreign policy course within the constrains of the Cold War was manifest in the reflections on national development promotion of authors such as Roland Corbisier, Cândido Mendes de Almeida, Guerreiro Ramos, and even the more moderate Hélio Jaguaribe. In concrete terms, these intellectuals had all argued that the Brazilian government should seek a more independent diplomatic orientation and that the country should subscribe to the main principles enunciated at the Bandung Conference, such as non-intervention, equitable terms of trade, and multilateral support for the process of industrialization, seen as the most efficient way to promote national development in agriculture-based economies.

For the leading sectors of the Brazilian military, however, by espousing such a notion of political autonomy, the Institute was going astray from its prescribed duties. In their view, the agency was becoming a subversive entity which paradoxically continued to receive institutional approval and logistical and financial support from an administration that prided itself for its Christian ideals and the defense of the Inter-

American family of nations. Even more dangerous, however, claimed the Report, was the fact that the ISEB disseminated its subversive propositions among subaltern ranks of the military and among prominent union leaders. Particularly the latter was considered to be “unprepared to differentiate between theoretical formulations of free-thinking intellectuals and the requirements of the practical life.”⁴⁸

In his personal remarks to the President, General Melo urged Kubitschek to replace the current members of the Institute by non-subversive scholars or to terminate the activities of the agency *in toto*. No additional paper trail regarding the Report could be traced. Still, it seems safe to assume that the military did not get its way given that ISEB continued its activities and no member of the organization was forced to resign by any decision coming from the President’s Office. Nevertheless, notwithstanding the fact that the Institute never became the focus of severe retaliatory measures coming from the Presidency, core members of the administration espoused very different ideological and political positions regarding nationalism and development promotion.

In a sharp contrast from ISEB’s main propositions, Kubitschek himself believed that the measure for attesting the existence of national development did not rest on higher levels of political autonomy, but rather on the governmental capacity of preventing social disruption caused by poor economic growth. In a speech he pronounced at the Inaugural Lecture for the academic activities of ISEB in 1956, Kubitschek declared that:

[w]e are true nationalists not because we are xenophobic but because we search national solutions for our problems. We welcome and request support to our efforts coming from abroad, such as investment capital, equipments and technical assistance. (...)

⁴⁸ Idem.

These are not the factors that maintain us in our underdeveloped state, which is rather caused precisely by the absence of foreign productive investments.⁴⁹

Similarly, a leading figure in the formulation and implementation of the Targets Plan, Roberto Campos also believed that the reasons for the economic underdevelopment of the country rested mainly in the absence of investment capital and the low purchasing power of its population. In his view, what was primarily required for economic development to take place was attracting large sums of foreign investment to selected economic projects.⁵⁰ Moreover, Campos demonstrated a continued concern about the problem of inflationary spending particularly during his terms as Director and President of the National Bank of Economic Development and Executive Director of the Council of Development.⁵¹

Along consistent lines, Campos argued against the notion that the Federal government should seek to attend basic social needs of the population by becoming the main promoter of economic development via excessive public expenditures. Alternatively, in his view, given the insufficient rate of domestic savings, the main task the government should pursue was convincing foreign investors to set shop in the country so that higher economic performance could be reached. In his words, “the option of development requires above all the acceptance by everyone that fast economic growth,

⁴⁹ Juscelino Kubitschek, *Discursos Proferidos no ISEB no Ano de 1956*. (Rio de Janeiro: ISEB, 1958), p. 48.

⁵⁰ Roberto Campos, *Introdução aos Problemas Brasileiros*. (Rio de Janeiro: ISEB, 1956), p. 232.

⁵¹ See Campos’ letter sent to Lucas Lopes, commenting on a draft version of the Candidate’s Message that Lopes had put together in May 1955. Campos’ comments were sent to Lopes on June 2nd 1955, In: *Fundo Roberto Campos, RC.e.ag.1955.05.02*, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

not socially oriented disbursement, is the main task at hand and the only way to reduce social economic inequalities.”⁵²

Campos accepted the ECLA-based notion that industrialization was favored course towards improving per capita income in agriculture-based economies. He repeatedly warned, however, that this goal should not be promoted at the cost of inflation. In his view,

[n]o one can contest the gains poor countries received from the process of industrialization. This is indeed a vital element of political stability in developing countries. This goal must be promoted even if protectionist measures have to be adopted. However, no one should believe that social upward mobility for all social segments is an immediate outcome of such undertaking, nor that inflationary growth can improve the conditions of living in the long run.⁵³

These views are reinforced when one examines Campos’ stance on the ideology of national development which was, in his view, becoming dangerously present across the Latin American region in the late 1950s. This influential diplomat believed that such a political construct was grounded on a flawed reasoning structured on an intrinsic and irreconcilable asymmetry existing between the need for continued investment and the rising expectation to satisfy popular consumption. According to him, the ideology of national development disseminated in the period represented a wrong evolution in the

⁵² In a *Speech Pronounced at ISEB’s Inaugural Lecture on December 21 1955*, p. 51. See: Fundo Roberto Campos: RC.e.bn.de.1955.06.30, available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

⁵³ See: Campos’ *Lecture at the University of Arizona in 1960*, In: Fundo Roberto Campos: RC.e.ag.1955.05.02, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

valid traditional ideology of nationalism which historically had served as a potent force of development, but which increasingly suffered from having become

(...) an ambivalent force, whose negative effects are too often present in our regional landscape today. This misled and emotional nationalism, instead of stimulating economic growth, creates a distorted sense of pride which may inhibit economic change and the absorption of foreign technologies. It may even lead to irrational planning and prevent faster development if it closes the doors to more productive enterprises and perpetuates local monopolistic positions.⁵⁴

Similar ideas were repeatedly uttered by Lucas Lopes, the main formulator and coordinator of the Targets Plan. In a speech pronounced at a welcoming reception for the U.S. Secretary of State John Foster Dulles, in 1958 (when Lopes served as Minister of the Economy), the Brazilian official declared that Brazil represented the best place for U.S. investments the region. In Lopes' view, Brazil could resolve its internal social ills, which represented welcoming grounds for foreign (Socialist) ideologies, only if private sources of capitals were favored within an attractive framework for foreign investors.⁵⁵

Lopes nonetheless warned Dulles that unless substantial foreign aid could be provided, the alluded promising opportunity of maintaining social stability would be wasted and social unrest could become a real threat. To support his claim, the Brazilian Minister claimed that since 1953, Brazil faced a challenging situation in its balance of payment given the decreasing returns the country obtained in the international market in exchange for its agriculture exports.

⁵⁴ *Idem*, p. 5.

⁵⁵ See: Fundo Lucas Lopes: LL pi Lopes, L 1958.08.06, available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

In such a scenario, Lopes stated, the easy call for state-centered demagogic nationalism could become an appealing motto in Brazil and throughout the entire continent. He alternatively defended that the main task that the administration should take upon was controlling inflationary spending by that targeting investments in what was called economic bottlenecks: infrastructural hurdles that prevented higher economic rates of growth to take place.⁵⁶ For him, the infrastructural deficiencies of the country merited preferential attention of the government so that a cycle of economic growth could be pursued on the basis of the germinative power of targeted public investments. The notion of *germinative* targeted investment derives from the Report produced by the *Joint Brazil-USA Economic Commission*, which argued that given the limited financial capabilities of the Brazilian State, investment should be preferentially targeted to those areas with the higher possibility of fostering additional investments by private hands.⁵⁷

Later the same year, Lopes went to New York University, where he lectured on the relations between Brazil and the United States. In the occasion he expressed an optimistic reading of the Brazilian economy and stressed his choice in favor of a market-based path of development for the country. He similarly voiced the position that controlling the rising material demands of the popular sectors was an urgent political task given that these groups pressed for excessive public expenditures which were causing

⁵⁶ *Speech Pronounced at the Annual Meeting of the World Bank in May 1958*, in: Fundo Lucas Lopes: LL Lopes, L 1958.00.00, available at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

⁵⁷ More on this will be examined on Chapter Four.

inflation to rise, thus putting in jeopardy the entire developmental initiatives undertaken by the administration.⁵⁸

In the following year, in a speech given at the Inter-American Economic Conference at the Organization of American States, Lopes once again stressed the need for attracting foreign investments to Brazil. He defended the notion that “given the deterioration of the terms of our international trade, our process of development is running the risk of being halted as we no longer can finance our purchases of manufactured items necessary to support our economic growth.”⁵⁹

In spite of his market-oriented economic positions, Lopes stated that promoting industrial projects of economic development – something he saw as a *sine qua non* measure for fast economic growth within an unstable international market for primary goods – would not be achieved without some measure of governmental involvement in the economic realm. In his view, the Federal Brazilian government had to act through conscious fiscal and monetary policies aimed at creating an attractive environment for domestic and foreign investors. Some of these policies included allocating non-inflationary resources to finance economic projects in the areas of energy production and transportation networks.⁶⁰ Moreover, in tune with similar propositions defended by Brazilian representatives in different international meetings (as shown in Chapter Two), Lopes argued for more favorable terms of international trade for developing countries. In his view, “[e]ven though the Regional Economic Commissions of the United Nations has

⁵⁸ See: Fundo Lucas Lopes: LL pi Lopes, L 1958.12.01. at CPDOC, Getúlio Vargas Foundation in Rio de Janeiro.

⁵⁹ See: Fundo Lucas Lopes: LL. Lopes,L. 0000.00.0012 at CPDOC.

⁶⁰ See: Fundo Lucas Lopes: LL pi Lopes.L 1958.08.00 at CPDOC.

been able to put together a well-argued doctrine of economic development, we still lack practical solutions for our insufficient economic growth.”⁶¹

Arguing, thus, for a more favorable international environment for development promotion in the periphery, Lopes did not partake, however, in the ISEB’s defense that Brazil should establish strategic alliances with other developing countries. He acknowledged that the economic assistance coming from the industrialized world had been insufficient, but expressed his conviction that center countries were becoming increasingly more receptive to the plight of developing nations. In his own words, “the selfish forces of colonialism are being destroyed and a more liberal spirit is becoming increasingly noticeable in projects such as the Marshall Plan.”⁶²

Along these lines, Brazil should take advantage of such a new historical trend not by seeking to become a proponent of dangerous neutralist propositions, such as those espoused by the recently emancipated colonial territories. Instead, Lopes argued that “our efforts should focus on promoting our own economic development so that our present immature political culture, which could lead us into ridiculous projects capable of straining our relationships with traditional friends, can be surpassed.”⁶³ Lopes’ views on economic development promotion were thus centered on creating an efficient governmental structure capable of targeting public investments to infrastructural priority areas and of attracting private (domestic and foreign) investors to industrial projects. He would play a central role in leading the process of restructuring the Federal administration under Kubitschek so that fast economic growth via industrial promotion

⁶¹ Idem.

⁶² See: Fundo Lucas Lopes: LL. pi.Lopes,L. 1962.0000, available at CPDOC, Getúlio Vargas Foundation, in Rio de Janeiro.

⁶³ Idem.

could take place. How these bureaucratic reforms occurred, and their levels of success are matters examined in the next chapter.

Before we turn to these matters, however, it is important to make a quick note about the support Kubitschek received in Congress and among business leaders so that we understand how he was able to pursue his developmental goals in the period. Contrary to traditional arguments, such as those advanced by members of the ISEB – which posit that the legislative branch of the Federal government represented the conservative and patrimonial portion of the national structures of power in Brazil⁶⁴ – the Kubitschek administration maintained unprecedented high levels of support in Congress for promotion its developmental agenda in the period. Studies reviewing the voting records of the National Chamber of Deputies in Brazil in the second half of the 1950s have indeed demonstrated that the administration regularly approved its projects with the majority of the votes. Even when examining projects assumed to be highly divisive, such as the transferring of the national capital to the new city of Brasília, the main opposition party approved the project submitted by Kubitschek in 1957.⁶⁵

⁶⁴ Several works have argued that the legislative branch represented the conservative side of government, working, therefore, to maintain a patrimonial and inefficient governmental machinery in opposition to the transformative trends sought after by the Executive. Among the most relevant works defending these views during ISEB' existence are: Hélio Jaguaribe, *A Crise Brasileira, o. cit.*; Guerreiro Ramos, *A Redução Sociológica.op. cit.*; Celso Furtado, "Obstáculos Políticos ao Crescimento Econômico no Brasil," In: *Revista de Civilização Brasileira*. Number 1, March 1965. Later works followed on similar lines, such as: Celso Lafer, *JK e o Programa de Metas, op. cit.*; Lourdes Sola, *The Political and Ideological Constraints to Economic Management in Brazil, 1955-1963*. Ph.D. Dissertation, Oxford, 1982; and Barbara Geddes, *Politician's Dilemma: Building Capacity in Latin America*. (Berkeley: University of California Press, 1994).

⁶⁵ See: Maria Isabel Valladão de Carvalho, *A Colaboração do Legislativo para o Desempenho do Executivo durante o Governo JK*. M.A. Thesis presented at the Institute of Advanced Research in Political Sciences of Rio de Janeiro, 1977; and Luanda Pereida

Brazilian industrial groups also were constant supporters of the projects carried out by the Federal administration. In its main publication, called Development and Conjunction, the National Industrial Confederation (CNI) not only supported the projects of the Federal state, but it did so by resorting to notions espoused by the Economic Commission of Latin America. The first issue of the periodical, released in July 1957, displayed a cover article presenting a staunch defense of governmental intervention in the economic activities in peripheral countries, which were described as “unable to promote industrialization only based on the laws of free market.” The developmental argument of the CNI also defended the position that governmental intervention in the economic realm “[did] not constitute any sort of communist-modeled economic model but instead play[ed] a crucial role in promoting and allowing the flourishing of private enterprising.”⁶⁶

In the same issue, on its editorial page, we see a statement declaring that “the promotion of industry in our country does not constitute only a response to the demands of the business sectors, but instead answers the aspiration of our social masses, particularly those in impoverished regions,” and that “expanding our productive forces is not an end in itself but rather a step in the direction of improving the human condition of our population given that our economic growth will lead our nation into its cultural maturity.”⁶⁷

Antunes, *Legislativo e Desenvolvimento no Governo JK*. Thesis presented at the Institute of Advanced Research in Political Sciences of Rio de Janeiro, 2002.

⁶⁶ National Industrial Confederation, *Desenvolvimento e Conjuntura*. Rio de Janeiro, July 1957, Number 1, p. 43.

⁶⁷ Idem, p. 7.

In spite of these resounding socially concerned statements, industrialists defended that one of the most important roles the Federal government should perform in its developmental agenda was attracting foreign investment capital. In the words of the President of the National Industrial Confederation, “the entire nation claims the cooperation between private domestic and international capitals in the promotion of our national task of development.”⁶⁸ The Confederation nonetheless differentiated, along the lines of the ISEB’s formulations, between preferential foreign capital (so-called productive investment, applied in restructuring the national economic infrastructure) and exploitative foreign capital (tied to traditional economic activities, such as export agriculture).⁶⁹

Moreover, despite the fact that, in general lines, there was a constructive relationship established between the Federal government and industrial groups, at times, and based on specific topics (such as the preferential importing rights granted to foreign-based corporations) industrialists made sure that the administration heard their complaints. The main innovation produced by the Instruction 113 was the special privilege granted to the industrial sector of not having to obtain importation licenses at the Bank of Brazil by means of purchasing dollars with the corresponding value amount in the Brazilian currency.⁷⁰ The Industrial Federation of São Paulo (FIESP), for instance, would increasingly voice its own objections in the publication called Boletim Informativo. The periodical published articles by several members of the ISEB (e.g.

⁶⁸ National Industrial Confederation, *Desenvolvimento e Conjuntura*. (Rio de Janeiro, August 1958, Number 5), p. 203.

⁶⁹ “Report on the Second Industrial Plenary Session of Industry,” in *Desenvolvimento e Conjuntura*. (Rio de Janeiro, October 1957), p. 157.

⁷⁰ This Instruction and its main impacts are examined in detail in Chapter Four.

Jaguaribe, Ramos, and even the more radical Wernneck Sodré) who argued in favor of more favorable conditions to domestic-based companies in opposition to the fiscal privileges held by foreign-based industrial groups.⁷¹

Connections between notions proposed by intellectuals of the ISEB and those articulated by the most important industrial groups in the second half of the 1950s are easily found in the pages of Boletim. In its issue number 319, published in November 1955, for instance, we see that FIESP advocated that “the entire nation had to be brought together in the promotion of a common project capable of transporting the country into a new phase in its history, when the problems deriving from our underdeveloped condition would all be resolved.”⁷²

The same publication, however, left no room for doubt about how far FIESP would go insofar as sharing the gains of rapid economic growth among all parties involved in the task of overcoming the condition of underdevelopment. In the same issue of the Boletim, there is a transcription of a speech of FIESP’s President Antônio Deviate, at the Second Industrial Plenary Session, in 1955, when he stated that “rising the living standards of our population must be sought by promoting higher levels of investment, not by wealth redistribution which dangerously hinders our economic progress in the long run.”⁷³ Along these lines, FIESP’s main leader declared that “no one should expect easy solutions nor waive the flag of social incorporation to our labor masses,” who must be

⁷¹ Maria A.P. Leopoldi, *Política e Interesses na Industrialização Brasileira: as associações industriais, a política econômica e o Estado*. (São Paulo: Paz e Terra, 2000), p. 286.

⁷² FIESP, *Boletim Informativo*, number 319, of November 14, 1955, p. 32.

⁷³ *Idem*, p. 54.

called, instead, “to serve in the difficult task of constructing a nation with sacrifices so that the future may reward those involved in the process with the fruits of progress.”⁷⁴

Concluding Remarks

In review the positions on national development held by all of these different members of the Brazilian intellectual elite, it become clear that the main lines of the conception on national development held by the most important members of the Institute of Advanced Brazilian Studies contrasted sharply with the positions held by the most influential decision-makers of the Kubitschek administration. The Institute espoused a view on national development that implied the promotion of a plan of industrialization capable of enlarging the purchasing power of the country’s population and the dissemination of new sense of self-pride and national identity. Moreover, these goals were to be reached primarily by means a responsive, interventionist and active governmental structure, acting on behalf of all members of the national society.

The reasoning underlining most works produced by members of the ISEB was largely based on the notion that underdevelopment was a socio-economic, political, and cultural condition characterized by irreconcilable social divisions and by a lack of autonomous political will in pursuing one’s national interests. Given such a reading of the national reality, these self-declared concerned social analysts believed that there was no alternative path of action, for any government effectively interested in promoting consistent development, than to take on the task of governmental political coordination and direct economic involvement.

⁷⁴ Ibidem, p. 58.

While well devised and influential in provoking a debate carried out in the national media, the Institute's formulations would not be pursued by the Kubitschek administration. While providing institutional support for the agency, the Federal administration implemented economic projects based on its own notions of national development, structured upon a strictly economic reading of the national reality.

This position was fundamentally based on the concern about the allegedly existent lack of investment capital needed to foster rapid economic growth in the country. In this technocratic conception of economic development, the search for political autonomy, something that had been argued for so forcefully by ISEB members, would be underplayed as a political priority for the developmental course of action the Federal government should embark upon. The main task the Federal government should undertake conversely consisted of creating socio-economic stability needed for attracting foreign investors. The details of how the Kubitschek administration sought to implement this economic conception of national development and its impacts are examined in the next chapter, to which we now turn.

Chapter 4

The Targets Plan and the Council of Development: Implementing the Technocratic Approach to Development Promotion

Introduction

This chapter examines the process of formulation and implementation of the Targets Plan, the ambitious program of State-led fast-paced economic growth executed by the Kubitschek administration. I probe the premises, evolution, and, in some sectors, the accomplishments and shortcomings of the Plan. I also advance what, in my view, are the main reasons for such results. We should begin by pointing out that the prevailing historiography on the Kubitschek administration has advanced the notion that the success in implementing its economic goals derived primarily from the insulated status of its main technocratic agencies.¹

These agencies were new administrative bodies created allegedly to efficiently execute the projects of fast economic growth by circumventing the traditional patrimonial bureaucratic structures of the Brazilian State and by remaining protected from the political pressures and demands posited by political parties, the media, and different social movements (*e.g.* unions). The most prominent agency of the period was the Council of Development, which will be examined in detail here.

¹ This historiography will be discussed in detail in the second section of this chapter.

Contrary to this line of argument, I posit herein that the areas of the Targets Plan with better results (in terms of achieving previously set targets) were those whose goals and mean to achieve them were devised on the basis of a close interface between members of the Federal bureaucracy and private economic actors. Moreover, while the main debates pertaining to the process of industrialization in Brazil have produced a dualistic line of interpretation (as discussed in Chapter Three), in the following pages I advance a middle-ground line of interpretation. This alternative reading seeks to replace the technocratic argument by an approach that highlights the impact that the activities of the Council of Development exerted over multiple segments of the Brazilian society, thus demonstrating the historical complexities of the period.

Given its importance in giving rise to a technocratic logic for development promotion in Brazil, I begin with an examination of the experiences leading to the creation of the National Bank of Economic Development (BNDE). The activities of the Council of Development (CD), the main governmental agency in charge of implementing the developmental projects of the Federal administration, are scrutinized in the second section of the chapter. In its closing portion, I examine the experiences related to the creation of a national automotive industry in Brazil in order to present a concrete case for the Council's *modus operandi*.

Searching for the Technocratic Approach:

Advisory Committees, Normative Instructions, and Development Banks

During his Presidential campaign, Kubitschek presented to the media his General Guidelines for a Plan of Economic Development, a generic list of tasks to be performed by the new administration published in small numbers in August 1955 and then again after his successful election in October.² In the piece the candidate articulated that “[i]ndustrialization is the essential goal for the economic development of any country, particularly one with a growing population, a large domestic market and adequate natural resources.”³ In November 1955, the President-elect commanded Lucas Lopes to detail the list of governmental priorities included in the Guidelines.

This longtime political associate had already worked for Kubitschek when the latter served as governor of Minas Gerais between 1951 and 1955. Lopes had also served at the Joint Brazil-U.S. Economic Commission (CMBEU) from 1951 to 1953, along with Roberto Campos, the career diplomat who would become a similarly central figure in the implementation of the Targets Plan. Lopes asked Campos to help him put together a more detailed version of what would later be referred to as the Targets Plan. By early December, a revised plan, largely inspired on the Concluding Report of CMBEU and on the work of the BNDE-ECLA Group, was presented to the incoming president. The document specified economic sectorial growth and infrastructural investments targets to be pursued by the new administration in close association with private economic agents.

² João Carlos Picolin, *Juscelino para Presidente: as estratégias de comunicação política na campanha eleitoral de JK em 1955*. (Paper presented at the 20th National Conference of Communication Sciences. Salvador, 2002).

³ Juscelino Kubitschek de Oliveira, *Diretrizes Gerais do Plano Nacional de Desenvolvimento*. (Belo Horizonte: Livraria Oscar Nicolai, 1955), p. 32.

While Kubitschek's initiatives represented a better structured and more ambitious and detailed plan, such a course of action has to be placed within a line of continuity of similar efforts undertaken by earlier Federal administrations. Coalesced in the Economic Advisory Committee of the Presidency, during Vargas' second term in office (1951-1954), a new generation of technocrats had come to power with the goal of addressing the infrastructural shortcomings limitations of the national economy.⁴ The Committee carried out broad economic examinations in close interface with the Joint Brazil-US Commission. To coordinate the Advisory Committee, Vargas invited Rômulo Almeida, who was serving as technical consultant at the National Industrial Confederation (CNI). While performed on a very rudimentary fashion, the work of the Committee was important in setting the stage for the role played by the Council of Development (CD) in the later part of the decade.

According to Almeida's own recounts of his time at the Committee, the agency had to rely on the secretarial work and meeting rooms of the President's Office. No formal logistic support was provided considering that Vargas wanted the agency to maintain a low profile given the active voice that the pro free-market opposition exerted in the press at the time. Moreover, Almeida claims that part of his salary in the Federal administration was paid by the Industrial Confederation, as insufficient funds had been assigned to the Committee.⁵

⁴ Fabio Giambiagi, et. al. *Economia Brasileira Contemporânea*. (RJ: Campus, 2005, chapter 1) and Marcelo de Paiva Abreu (org.), *A Ordem do Progresso: cem anos de política econômica republicana*. (RJ: Campus, 1990), particularly relevant are chapters 6, 7, and 8.

⁵ See: Projeto Memória, *Entrevista com Rômulo de Almeida*. (Rio de Janeiro: BNDE, 1982), tapes # 11 and 23.

Another important technocratic agency created by Vargas was the Industrial Development Commission (CDI), established in 1951 to conduct examinations on the viability of fomenting the goal of industrialization. The CDI operated on the basis of study groups (called sub-commissions), and it was manned by high members of various existing governmental offices, such as the Minister of the Economy, the Director of the Council on Foreign Trade, the President of the State-owned Bank of Brazil, and two representatives from the CNI.⁶ The most relevant industrial project formulated at the CDI (which was discontinued in 1954, a few weeks after Vargas' suicide) was produced by the Sub-Commission on Jeeps, Tractors, and Automobiles, coordinated by Admiral Lúcio Meira, who later served as Minister of Infrastructure and Secretary-General of the Council of Development under Kubitschek. Meira's initial report on the creation of an automotive sector in Brazil, in the first half of the decade, would later serve as the main inspiration, as well as the working paper, for the automaking promotion policies implemented during the Kubitschek administration – as will be shown in the final portion of this chapter.

The bureaucratic agencies and committees created in the second Vargas administration were instrumental in setting the stage for implementing a state-led plan of national development in the 1950s. No other initiative proved more important in providing the means to carry out industrial developmental projects, than the creation of the National Bank of Economic Development (BNDE), in June 1952. On the basis of a proposal sent by the Executive branch, the Brazilian National Congress approved the creation of the Bank to serve as the administrator of all projects of infrastructural

⁶ Ramiz Gattas, *A Indústria Automobilística e a Segunda Revolução Industrial no Brasil: Origens e Perspectivas*. (São Paulo: Prelo, 1981).

construction and renovation that had been already approved by the Joint Brazil-US Economic Commission (CMBEU).

In September 1951, the CMBEU had committed to allocate US\$ 300 million in loans (from the U.S. Eximbank and the International Bank of Reconstruction and Development) at a soon-to-be created state-owned Brazilian developmental financial institution. In exchange for these loans, the Brazilian bank had to allocate what corresponded at the time to US\$ 200 millions in the local currency of the 1950s (cruzeiros). This sum was to be collected by levying new taxes on revenues of large corporations which had to pay an additional 15 per cent income tax on their annual net revenues for the subsequent five years. In 1957, a new law approved by Congress extended the duration of this corporate tax to an additional 20-year period and established another tax targeted at individual income revenues.⁷

The promised foreign funds from the international financial institutions, however, were never delivered to the Brazilian government and the CMBEU was terminated in June 1953, when the mood of the U.S. government for funding projects of national development in Latin American had gone soured. Nonetheless, on the basis of the legislation that had established the Bank, the BNDE continued in existence, in charge of managing the Fund for Economic Restructuring. This fund had been set up to finance the Program of National Economic Restructuring, more commonly known as the Lafer Plan (after the last name of the Minister of Economy between February 1951 and June 1953). The Plan consisted of a list of priority areas, mainly related to the economic infrastructure, which should receive special governmental attention and preferred targeted

⁷ BNDE, *Exposição sobre o Programa de Reaparelhamento Econômico*. (Rio de Janeiro, 1956).

(public and private) investments were the country to pursue a path of accelerated economic growth.

Additional financial resources allocated at the BNDE came from a series of pre-existent sectorial funds which were redirected to the Bank's discretionary use. These latter funds consisted of various sectorial taxes, created on the basis of consumption of a specific item (*e.g.* fuel used to finance road construction), to raise monies to be allocated to pre-assigned budgetary expenses. Given that these funds were excluded from the annual budget-making haggling process that took place every fiscal year in Congress, they guaranteed a significant portion of budgetary needs used to finance discretionary projects approved by the Council of Development. As an illustration of their importance, in 1957, these Funds represented 24 per cent of all financial resources of the Federal government, as well as 55 per cent of all funds invested in implementing the Targets Plan.⁸

To many analysts, the BNDE represented the most important and influential 'pocket of efficiency' that existed in the structure of Executive branch of the Federal government in Brazil, at least until the 1970s.⁹ The main reason usually advanced to support such a claim is the fact that Vargas appointed former participants of the CMBEU to serve as the BNDE first Directors. Additionally, the argument goes, these technocrats

⁸ Conselho do Desenvolvimento, *Relatório Geral para o Exercício 1960*. (RJ: Presidência da República), p. 35.

⁹ See: Leslie E. Armijo, *Public Policymaking in a Semi-Autonomous State: Brazilian Financial Modernization, 1950 to 1987*. (Berkeley: UC Press, Ph.D. Dissertation in Political Science, 1989); Barbara Geddes. *Politician's Dilemma: Building State Capacity in Latin America*. (Berkeley: UC Press, 1994); and Eliza J. Willis, "Explaining Bureaucratic Independence in Brazil: The Experience of the National Economic Development Bank," in *Journal of Latin American Studies*, Vol. 27, No. 3 (October, 1995), pp. 625-661.

proved very successful in insulating the Bank from pressures originating in the traditional clientelistic logic of the political system.

Even though BNDE symbolized a hallmark in the creation of a professionalized technical bureaucracy, it is nonetheless clear that the Bank was not immune to negotiations with and pressures from other political actors and business interest, as will be demonstrated below. Moreover, despite being created in 1952, the BNDE would fulfill its assigned duties more completely only during the Kubitschek administration. To be sure, during the Kubitschek administration the President of the Bank also served as the Secretary-General of the Council of Development and the BNDE provided close to 65 billion *cruzeiros* (US\$ 1.3 billion) to projects devised by the Council. The Bank also served in the important role of co-signer on foreign loans taken by private Brazilian companies for projects of industrial expansion sponsored by the Council, particularly in the automaking sector.¹⁰

The year of 1952 proved in effect very difficult for the Brazilian economy, as foreign trade revenues plunged in more than 20 per cent (due to the over evaluation of the Brazilian *cruzeiro*) and the international demand for cotton (about 25 per cent of Brazil's export gains) dwindled. Furthermore, the trade deficit increasingly worsened, due to lowered prices in the international coffee market.¹¹ These factors, combined with the curtailing of foreign loans on the part of the U.S. in mid-year 1953, fostered a growing

¹⁰ Foreign loans would bring to the Brazilian economy about the same amount of money that the BNDE had loaned to private companies in Brazil with its own resources in the period. For more, see: BNDE, *Exposição sobre o Program de Reaparelhamento Econômico. Exerício do ano 1959*. (Rio de Janeiro, 1959).

¹¹ Pedro S. Malan. *Relações Econômicas Internacionais do Brasil, 1945-1964*, in Bóris Fausto. *O Brasil Republicano: Economia e Cultura (1930-1964)* Coleção História Geral da Civilização Brasileira. (São Paulo: DIFEL, 1984).

interest on the part of Brazilian authorities in promoting a rapid plan of industrial conversion of the country's economy.

In June 1953, President Vargas promoted an administrative overhaul in his cabinet attempting to curb the growing inflationary pressure and appease his vocal political opposition in Congress and the growingly dissatisfied labor unions. His new Minister of the Economy was Oswaldo Aranha, a long-time political associate who had already served as Vargas' Foreign Affairs Minister between 1937 and 1945. Aranha was a highly experienced politician who set out to address the economic problems of the rising inflation by creatively restructuring the national commercial and monetary legislations in order to control the drainage of reserves. His main innovation was the Instruction (legal regulation) Number 70 that came out of the SUMOC - the Monetary Superintendent's Office that, while formally a division of the Bank of Brazil, served as Brazil's central bank until this institution was created only in 1964.

The new Normative Instruction established the monopoly of foreign trade to be placed in the hands of the Bank of Brazil and created five exchange rate categories, depending on the item being imported. The 1953 trade legislation also established that imports considered to be of national interest (particularly those of fuel, wheat, and press-paper) would be subsidized by a very strong exchange rate on favor of the cruzeiro.¹² Imports of other items were discouraged due to a very weak exchange rate and the Instruction number 70 also created special overtaxes for imported items not considered as essential to the national economy.

¹² Marcelo de Paiva Abreu (org.), *A Ordem do Progresso: Cem Anos de Política Econômica Republicana, 1889-1989*. (São Paulo: Campus, 1990).

This surplus tax would become a very important source of governmental revenues for the ambitious industrial plans of the Kubitschek administration.¹³ Instruction number 70 was later complemented by another Normative Instruction (# 113), and together they would become the two most important pieces of commercial legislation that supported the import substitution industrialization policies during the Kubitschek period. The Normative Instruction number 113 had been created in 1955 by the Eugênio Gudin, who was serving as Minister of the Economy during Café Filho's term in office. Filho was Vargas' Vice-President and had only come to hold the Presidential seat given that Vargas had committed suicide in August 1954, after having been deposed by the military Joint Chiefs in the charges of having supported the murder attempt of a vocal opposition politician in Rio de Janeiro. Café Filho was President from September 1954 to November 1955. Despite being Vargas' Vice President, during his short time in power, Filho's pursued free-market policies and his cabinet basically consisted of conservative politicians. The most important political act of this brief administration was the signing into law Instruction number 113, which granted special privileges to the industrial sector. The main advantage offered to the industrial groups was the elimination of the legal requirement of having to purchase importation licenses for industrial equipments at the official Bank of Brazil. This Instruction proved important in stimulating the importation of industrial equipments in areas considered a national priority by the Federal government.

¹³ It is important to point out that similar legislations based on multiple exchange rates existed in other developing countries at the time, particularly in Korea, Honk Kong, and Taiwan; where these trade regulations proved to be similarly efficient instruments in promoting programs of import substitution industrialization. For more, see: G. Gereffi and D.L. Wyman, *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia*. (Princeton: Princeton University Press, 1990).

Moreover, in the dearth of multilateral and inter-governmental loans available to Brazil in the international arena (especially after the Joint Brazil-U.S. Commission had been terminated in 1953), the Instruction #113 proved to be the most effective instrument for attracting private foreign investments in the second half of the 1950s. To be sure, about 70 per cent of all foreign private investments coming into Brazil in the period (estimated in around US\$ 500 million) indeed consisted of industrial equipments. Additional industrial equipments were bought into the country under the rubric of supplier's credits (i.e. credit lent by international private investors in the form of industrial equipments or components) with low interest rates and with the approval and co-signing of the BNDE.¹⁴

The Technocratic Approach Reaches a New Ground: The Targets

Plan and the Council of Development

Even though in the first half of the 1950s the industrial production already represented the dynamic sector of the Brazilian economy – growing at a faster pace than other economic sectors: 11 per cent annual growth in the industrial sector compared to the 6 per cent average national growth – the majority of industrial goods produced in Brazil consisted of non-durable items.¹⁵ It would be only in the second half of the decade that, what is considered to be the second industrial revolution in Brazil would take place. This new industrial phase derived partially from the larger availability of private international capital, but was mostly caused by a purposeful effort on the part of the Brazilian Federal

¹⁴ See: *Fundo Conselho do Desenvolvimento*, 1Q, SDE, Boxes 3149 and 3150, Arquivo Nacional. Rio de Janeiro.

¹⁵ Lessa, *op. cit.*

government in implementing a plan of fast-paced industrial growth.¹⁶ The Targets Plan redefined significant segments of the Brazilian economy, such as energy production, transportation networks, and the production of durable goods. And much of its achievements depended on the existence of a new conception about development promotion, within the Brazilian bureaucracy, a positioning which placed a central role on foreign sources of private capital.

Vargas' second administration had been marred by a political polarization taking place in the media and in the National Congress concerning the role to be played by foreign private capital in the implementation of infrastructural developmental plans, leading to the tragic resolution of his suicide in August 1954. While Vargas' economic advisers believed that state-owned companies should be created and enlarged in order for industrial growth to take place, his opponents defended free-market oriented economic views in favor of low import tariffs and a welcoming legislation. It would take a new perspective that reconciled these two opposing views, during the Kubitschek Years, to consolidate the industrialization of the Brazilian country. This compromise was achieved with a new developmental model that assigned roles to be played by both, state-owned and private, national and foreign, enterprises – as showcased in the experiences pertaining to the creation of the automobile industry in the second half of the decade.

¹⁶ Largely due to the economic assistance provided by the United States and the multilateral financial institutions set up after the Second World War, Western Europe and Japan were able to restructure their economies within the first 10 years after the conflict, and by the second half of the 1950s were, once again, seeking for investment opportunities in Asia, Europe, and in Latin America.

In his presidential campaign documents Kubitschek mentioned six areas that he considered to be crucial for the ‘taking off’ of the Brazilian economy: energy production and transport networks, basic industries (*e.g.* steel and chemical), agricultural production, labor conditions, the educational system, and the regional economic inequalities.¹⁷ When the first version of Targets Plan was finally presented to the press (on the same day that the Council of Development was established, on February 1, 1956),¹⁸ the topics pertaining to labor improvements and to geographic disparities had been suppressed, and, in the end, the agricultural and educational sectors were those with the lowest rate of investment and improvements achieved¹⁹

Interestingly one cannot find any mention of the label Targets Plan in the documents presented in 1955, and it is hard to pinpoint when the Plan received such an appellation. What is clear is that already in the General Guidelines presented in the presidential campaign we see a mention to the word target when Kubitschek stated that “[t]o better focus our attention given the various dimensions of our plan, it would be more practical to set specific targets to be achieved within the five year-length of our administration.”²⁰ Similarly, already in the first few months after the installation of the Council of Development, letters from various sectors of civil society (businessmen, lawyers, teachers, etc.) praised the creation of that coordinating governmental agency and referred to the Presidential Plan as the Targets Plan. This designation would eventually

¹⁷ Kubitschek de Oliveira, *Diretrizes, op. cit.*, pp. 40 to 43.

¹⁸ This date corresponds to Kubitschek’s first day in Office. He opened the meeting at 7:00 a.m. by presenting the Targets Plan to his Cabinet, submitting a copy to the press, and by creating the Council of Development in his first presidential decree.

¹⁹ For detailed information on all thirty targets of the Plan, see Appendix I.

²⁰ Kubitschek de Oliveira, *Diretrizes Gerais do Plano Nacional de Desenvolvimento*, p. 43.

become a common term utilized by Council's members themselves, even in official documents, beginning late in 1956.²¹

During the implementation of the Targets Plan (1956-1961), 350 billion *cruzeiros* were invested in multiple sectors of the economy. This sum corresponded at the time to about US\$ 7 billion and close to 24 per cent of the entire Brazilian GDP. The origins of these financial resources were primarily the following governmental Sectorial Funds (about 55%); private investors (30% - where 25% came from foreign investors, mainly in the form of foreign industrial equipments brought into the country under the legal privileges granted by Instruction #113 or as supplier's credit, and 5% from domestic investors); and State-owned banks (about 15% of all investments, which were granted as long-term loans directed mainly to industrial and infrastructural projects).²²

The notions of economic 'bottleneck,' 'germination,' and 'linkages' largely guided the Plan's formulators in designing the target areas to be addressed. These concepts had been suggested in the final report of the Joint Brazil-United States Economic Commission (CMBEU) to refer to the infrastructural deficiencies of the economy, the economic sectors with the highest potential for growth, and the cumulative effect that budding enterprises could exert over additional economic activities, respectively.²³ These conceptions proved very relevant in the process of implementing

²¹ *Fundo Conselho do Desenvolvimento*. 1Q, SDE, Box 3138, Arquivo Nacional. Rio de Janeiro.

²² See: Conselho do Desenvolvimento, *Relatório Geral para o Exercício* (RJ: Presidência da República, 1960); and BNDE, *VI Exposição sobre o Programa de Reparcelamento Econômico*. (Rio de Janeiro: 1960).

²³ Eduardo Campos Scaletsky. *Dois projetos para o Brasil: 1945-1954: uma análise dos projetos da Missão Abbink, da Comissão Mista Brasil-Estados Unidos e do Grupo Misto BNDE-CEPAL*. (Master Thesis, presented at the Graduate Program in Economics at UFRGS in 1988).

an automobile industry in Brazil by providing a neat justification to a project that relied simultaneously on the attraction of foreign-based auto companies and on the creation and/or expansion of the domestic auto-part business groups.

Commenting on Kubitschek's inauguration, Hélio Jaguaribe published an influential article where he stated that the new President had two alternatives in implementing his developmental plans.²⁴ The first one required a profound restructuring of the entire bureaucratic apparatus the Federal government as a whole so that the clientelistic pressures would not surmount his reforming initiatives. The second possibility was to create what he labeled as a dynamic agency (later called by other political scientists examining the period as paralleled administration)²⁵ within the traditional bureaucracy. The latter would be the course Kubitschek would choose to follow.

The institutional agency designed to implement Kubitschek's national plan of development, the Council of Development (CD), was created on February 1, 1956. It had its origins in the suggestion made by Lucas Lopes and Roberto Campos, when both were putting together the final version of the Targets Plan in December 1955. Despite its most elaborate format, this was not the first time that the Federal Brazilian government had created a bureaucratic structure to promote its developmental efforts.

²⁴ Hélio Jaguaribe. "Sentido e Perspectivas do Governo Kubitschek", in *Cadernos do Nosso Tempo*. (5): 1-17, jan/mar: 1956.

²⁵ See: Barbara Geddes, *Politician's Dilemma: Building State Capacity in Latin America*. (Berkeley: University of California Press, 1996); Celso Lafer, *JK e o programa de metas (1956-1961): Processo de planejamento e sistema político no Brasil* (Rio de Janeiro: FGV Editora, 2002); Edson de Oliveira Nunes & Barbara Geddes. "Dilemmas of State-Led Modernization in Brazil," in John Wirth, *et. all., State and Society in Brazil*. (Boulder: Westview Press, 1987); and Edison de Oliveira Nunes, *Dilemmas of State-Led Modernization in Brazil* (Rio: IUPERJ, Serie Estudos, No. 39, 1985).

Still, the Council of Development was original given its supra-ministerial status and ability to conduct on its own a series of independently devised projects and actions. Since its inception the Council was the main agency in charge of coordinating all governmental efforts pertaining to the implementation of the Targets Plan. The Decree that created the CD (number 38.744) indeed stipulated that the agency should serve as the official and central governmental body in charge of

(...) examining of all measures needed for the coordination of all policies related to the promotion of national development, such as: formulating plans and programs capable of increasing the efficiency of the governmental efforts related to the goal of development, stimulating the private sector to get involved in the projects being deployed by the State, producing reports and analyses about the conditions and the evolution of the various sectors of the national economy, preparing law projects, decrees and administrative resolutions that could foster economic growth and efficiency, as well as supervising the implementation of the any legal measure approved by the Executive and Legislative branches.²⁶

The Council was headed by a Secretary-General who happened to be the President of the BNDE, even though this only was an informal penchant of Kubitschek and not a legal stipulation of the presidential decree that created the agency. Senior members of both civil and military sectors of the administration served in several roles in the Council, as requested by the Secretary-General. Daily operations of the Council were structured around Working and Executive Groups, each one with its own mandate and member structure.

²⁶ *Presidential Decree number 38.744, of February 1, 1956, article 2, in Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3130, Arquivo Nacional. Rio de Janeiro.*

Working Groups performed the functions of investigating specific economic areas selected as worthy of receiving priority action on the part of the administration and of putting together legal projects in support of these assigned sectors to be presented to National Congress. These groups did not have any executive role and their decisions were not binding to any sector of the government beyond the Council. Executive Groups, on the other hand, were powerful inter-ministerial bodies which could also include representatives of the business sectors and which held the legal authority to elaborate binding legal projects for specific sectors of the economy.²⁷

Lucas Lopes served as the first Secretary-General of the Council from February 1956 to August 1958, when he was appointed Minister of the Economy by Kubitschek and replaced by the career diplomat Roberto Campos. Campos had served as BNDE's Superintendent Director and when he replaced Lopes at the Council he was promoted to the Presidency of the BNDE. The diplomat remained in this position until July 1959, when he was replaced by Admiral Lucio Meira. Campos decided to resign from any further direct involvement in the administration in solidarity to Lopes forced resignation in June 1959. As the Minister of the Economy, Lopes had been pushing Kubitschek to approve a plan of economic stabilization that would decrease credit supply and thus decrease economic growth as a means to curb the rising inflation. In spite of their historical political association, Kubitschek did not hesitate to choose in favor of his developmental goals in detriment to Lopes' recessive economic suggestions. The President then replaced Lopes with Bank of Brazil's President, Paes de Almeida, who proceeded with the government's investments in the economy despite the inflationary

²⁷ *Fundo Conselho do Desenvolvimento*. 1Q, SDE, Box 3157, Arquivo Nacional. Rio de Janeiro.

pressures. Meira was Kubitschek Minister of the Infrastructure and Public Works since the beginning of the administration, and he would then accumulate that position with those of Secretary-General of the Council and of BNDE's President until the end of Kubitschek's Presidential term.

The admiral would prove a central figure in the implementation of one of the Council's greatest achievements: the creation of an automaking industry in the country. The National Bank of Development functioned as the operational arm of the Council and the latter operated in BNDE's building in downtown Rio de Janeiro, during the entire period of the Targets Plan. The Bank also provided much of the administrative staff the Council needed to run its daily operations.²⁸

While the Council had been working since February 1956 on the basis of the mandate provided by the decree number 38.744, on March 13, 1958, a new Presidential Decree (number 43.395) reformulated some of the Council's prerogatives and structure so that it would be better able to perform its assigned duties. Central in this modification was the goal of providing administrative flexibility for the CD to conduct detailed examinations of the implementation of the Targets Plan. Sectorial analyses were consequently undertaken from that point onwards on a regular basis. Equally the 1958 Decree stipulated that every senior member of the Cabinet and Directors of all agencies of the Federal government had the obligation to provide any information requested by the Council.

²⁸ *Entrevista com Lucas Lopes*, p. 22.

One final provision of the decree of 1958 was the allocation of specific funds for the Plan in the General Budget of the Federal government.²⁹ Until that moment the Council's expenses had been paid by *ad hoc* requests made by the General Secretary to the Minister of the Treasury, and, at least based in the correspondence examined at the National Archive, had been granted in every case.

The Council of Development would be terminated by another presidential decree (# 53.914), in May 5, 1964, about a month after a military regime had been instated in Brazil. This latter decree also created for the first time the Ministry of Governmental Planning and Economic Coordination, largely based on the experiences of Council under Kubitschek.³⁰ A quick note on the institutional history of the creation of the Ministry of Planning is in order. In June 1962, President João Goulart had created the Extraordinary Ministry of Planning, assigning Celso Furtado to head the new Ministry.

Furtado had been a Director of the ECLA, and President of the Agency for the Northeast during Kubitschek's term in office. The agency had been devised by JK to carry studies about possible solutions to the economic and social problems related to the poor and highly populated northeastern region of the country. He would serve as Planning Minister for about one year, period during which he prepared the Triennial Plan of Development. The Plan was never executed as by mid-year 1963, the political climate was growingly unstable and Furtado was forced to resign from the Ministry. Amidst these political tensions Goulart would be deposed in the military coup of March 31, 1964.

²⁹ See *Presidential Decree number 43.395, of March 13th, 1958*, in Fundo Conselho do Desenvolvimento. 1Q, SDE, box 3130, Arquivo Nacional. Rio de Janeiro.

³⁰ For a detailed narrative of the process, see: Carone, *op. cit.*; Skidmore, *op. cit.*; and Silva, *op. cit.*

Despite the fact that the actions carried out by the Council varied in scope and focus, they all had in common the goal of increasing the levels of production in key areas of the Brazilian economy. Moreover, in addition to the projects related to governmental investments in state-owned companies, the Council of Development pursued the overarching goal of expanding the industrial sector by inducing foreign companies to come and set up shop in the country.

This process would lead to the transfer of advanced industrial technologies (such as automaking companies) into the country, or so was the assumption held by the Council's main decision-makers. This goal was pursued primarily with new economic incentives aimed at attracting multinational companies to Brazil. Foreign business groups would receive special privileges in the form of tax breaks and special exchange rate conditions to import equipments to produce domestically their products. These economic stimuli, however, were granted and renewed on the condition that the multinational companies met a rigid calendar of converting their imported items into goods produced locally. Particularly in the automaking sector a very precise schedule was set by the Executive Group of the Automobile Industry (GEIA) based on the percentage of each product that had to be manufactured in the country in each specific product line.³¹ The JK Years should thus be seen as a period when the Federal administration revamped its administrative and financial means in order to better behave as an agent of national development.

³¹ See Presidential Decrees numbers 39.412, number 39.568, number 39.569, number 39.676-A, and number 41.018, in *Fundo Conselho do Desenvolvimento*, 1Q, SDE, box 3157, Arquivo Nacional. Rio de Janeiro.

The National Bank of Development and the Council of Development served as the two main mechanisms needed to implement the most important State-led plan of national development in Brazil heretofore. This conclusion, however, should not mislead us into believing that the Council was a self-sufficient political actor, as most of the historiography on the period would have us believe. While serving as the main coordinating agency responsible for the implementation of the Targets Plan, in key sectors of economy the achievements of the Plan derived directly from the close interface the Council established with several non-state actors.

Moreover, particularly in the case of the automobile industry, the new availability of international capital (particularly European) searching for new markets to invest in the second of the 1950s must be also seen as a reason for specific achievements of Council.³² A detailed account of the interactions established between the Federal bureaucracy and private economic actors in the implementation of at least some of the targets set in the Targets Plan will be provided in the last section of the present chapter.

Before this analysis can be presented, however, I examine in the following section the cultural and symbolic impacts of the Council of Development in the broader Brazilian society. In so doing, I advance the notion that the Council of Development operated in direct interface with various types of non-state actors who provided constant inputs into the Council's daily activities. My central goal is to demonstrate that the notion of fast-paced State-led development promotion in the period was in close tune with the general

³² See: Helen Shapiro. Determinants of Firm Industry Entry into the Brazilian Automobile Manufacturing Industry, 1956-1968. in *The Business History Review*, Vol. 65, No. 4, The Automobile Industry (Winter, 1991), 876-947.

Brazilian public, who continuously attempted to make their own views on national development heard by the State planners behind the implementation of the Targets Plan.

The Council of Development Interacts with the Broader Brazilian Society

On September 20, 1957, Dorothy Del Ben Pedroso sent a letter to the Council of Development to obtain information pertaining to the status of the target of mechanizing the Brazilian agriculture. Given that receiving correspondence from Brazilians of various walks of life was a routine in the agency and that Ms. Pedroso's letter offers a good look into the impact the Council exerted over broad segments of the national society, some elements of this communication are worthy of note.

First, the letter was addressed to the Secretary-General himself and the missive requested extreme urgency in dealing with her demand. Ms. Pedroso's leverage in making the agency act fast, however, was minimal given that she was not the representative of any business group that regularly contacted Council to advance their political leverage in its dealings with the Brazilian Federal branch of government. Far from being a business leader, Ms. Pedroso was a student from Cesário Almeida Public Middle School and a resident of the tiny farming town of Laranjal Paulista (estimated population in 2004 of 23,000). And she had sent a half page letter to request information to complete a school paper on the state of the Brazilian agricultural production.³³

The fact that this young girl from the countryside would contact the most important bureaucratic agency in the Brazilian Federal State dealing with development promotion is in itself a clear sign of how the Council, or more importantly, the notion of

³³ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3148, Arquivo Nacional. Rio de Janeiro.

development promotion impacted broadly the Brazilian society. Even more interesting, however, is the paper trail created by the girl's letter. To begin with, Dorothy's request received the same formal treatment as any correspondence to the Council would have received. After being read by Secretary-General Lucas Lopes, the letter was examined by other four different Council's executives who passed the letter down the hierarchical ladder along with their own instructions for how their respective subordinates should handle the matter.

In the end, about three weeks after been received, the correspondence was sent to the Regional Office of the Ministry of Agriculture in charge of the portion of the State of São Paulo where Laranjal Paulista is located. Ironically the local officer of the Ministry's regional branch resubmitted the original missive back to the Council, explaining that he could not answer the demands presented by the student given that his office did not have the information requested. The local officer of the Ministry of Agriculture similarly indicated that he had assumed that the Council, of all State's agencies, should be the place where the information needed to answer Dorothy's request was gathered and, therefore, could be found.³⁴

No additional information is available in the archival folder and we are left to imagine what might have happen to Dorothy's demand and to her school work. It is utterly interesting, nonetheless, that an important Federal agency like the Council of Development would spend its time and resources dealing with a letter sent by a middle-school student of a countryside hamlet. Similarly relevant, and worthy of note, is the fact

³⁴ Idem.

that a young student like Dorothy would write to a, said-to-be, insulated agency like the all-powerful Council of Development.

Should we take at face value the majority of works on the Kubitschek period, particularly those dealing with the purported self-sufficient, centralized, and autonomous ways in which the Council operated, we could not make sense of Dorothy's letter – unless we are to consider this an exceptional or irrelevant case. When contrasted, however, with a long list of letters and request sent by all types of individuals – ranging from people like Dorothy, elementary school teachers in fishing villages in the Northeast, mayors of small town in the Amazon region, to business representatives of multinational corporations in the central industrialized southeast region of the country – this young student's letter should be taken to represent, not a deviation, but rather the norm of how the Council interfaced with the general Brazilian society.

Moreover, the prevailing literature on the period had argued that that, in late-developing countries, the central government had to devise innovative institutions or practices to guarantee efficient means and the needed insulation (from popular demands) to perform its alleged demiurgic role of development coordination.³⁵ The Federal government, the argument goes, acted with an almost total degree of autonomy from the influence of interest groups when implementing its economic goals in the 1950s. Particularly in the case of the implementation of industrial projects in mid-century, the

³⁵ See: Armijo, *op. cit.*; Maria Victoria de Mesquita Benevides, *O governo Kubitschek: desenvolvimento econômico e estabilidade política, 1956-1961*. (Rio de Janeiro: Paz e Terra, 1976); Geddes, *op. cit.*; Octavio Ianni, *Estado e Planejamento no Brasil*. (RJ: Civilização Brasileira, 1963); Lafer, *op. cit.*; Nathaniel H. Leff, *Economic policy-making and development in Brazil, 1957-1960*. (New York: Wiley, 1968); Luciano Martins, *Industrialização, burguesia nacional e desenvolvimento*. (Rio de Janeiro: Saga, 1968); and Nunes and Geddes, *op. cit.*

characterization was that “there was small or nonexistent influence of Brazilian industrialists on policymaking and the government was able to ‘turn a deaf ear’ to the domestic equipment’s petition for protection.”³⁶

This line of interpretation has normally been supported by the claim that the targets set under direct supervision of the Council (such as those pertaining to the creation of the auto industry) presented better rates of result than those that remained under the traditional bureaucracy, such as the Ministry of Agriculture. Similarly, most of these works have advanced the argument that the developmental plans of the Kubitschek Years were formulated and conducted by neutral and enlightened ‘técnicos,’ who pursued nonpolitical goals in secluded bureaucratic agencies protected from the patrimonial politics of the time.

I seek to alternatively suggest that it was not due to the bureaucratic seclusion or protection from political pressure that some targets were more ‘effective’ than others. Different rates of completion among the set targets of the Plan actually derived from the fact that some of these goals were implemented in closer association with private economic actors who constantly interacted with the Council, as will be detailed in the latter part of this chapter. Moreover, the Council of Development would never act in any way that could be qualified as a secluded (or insulated) decision-making agency. On the contrary, throughout its years of operation, the agency established and maintained close communication with various social segments that constantly appealed for the Council’s attention in implementing its developmental goals.

³⁶ Nathaniel Leff, *op. cit.*, p. 208.

Some studies, to be sure, have downplayed the demiurgic role of the central government in the developmental efforts carried out in the country, particularly in the 1930s and 1940s.³⁷ While acknowledging the importance of additional social actors in the dynamics of industrial promotion, these works nonetheless still take the central government to represent a purposeful rational agent. Moreover, the social inputs that have therein been scrutinized have consisted predominantly of those originating from business associations and interest groups representatives. Even though economic groups certainly maintained privileged levels of access to the Council of Development, the documentation examined at the National Archive in Rio de Janeiro shows a constant flow of communication between the Council's policymakers and a vast list of social and political actors, ranging from private individuals, such as elementary school teachers, to large multi-national business administrators.

A rich thread of evidence of the flow of communication that took place between the Council of Development and a number of different members of the Brazilian society is actually demonstrated in the plentiful correspondence the agency received from all types of people and places. Most of these missives consisted of request for information about the Council and its projects, and for the mailing of the Council's publications. Complimentary notes and letters of support, praising the creation of, and the tasks

³⁷ Renato Boschi, *Elites Industriais e Democracia*. (Rio de Janeiro: Graal, 1979) Eli Diniz, *Empresário, Estado e Capitalismo no Brasil, 1930-1945*. (Rio de Janeiro: Paz e Terra, 1978); João Manuel Cardoso de Mello, *O Capitalismo Tardio: contribuição à revisão crítica da formação e desenvolvimento da economia brasileira*. (São Paulo: Brasiliense, 1982); Maria A.P. Leopoldi, *Política e Interesses na Industrialização Brasileira: As associações industriais, a política econômica e o Estado*. (São Paulo: Paz e Terra, 2000); and Flavio Limonic, *A Civilização do Automóvel: a instalação da indústria automobilística no Brasil e a via brasileira para uma improvável modernidade fordista, 1956-1961*. (Dissertação de Mestrado em História, UFRJ, 1997).

pursued by, the Council, were also very frequent. Furthermore, these documents were mailed overwhelmingly not by business executives interested in establishing a good rapport with the agency, but more commonly originated from individual citizens whose main interest was to have their letters read by Council members.³⁸

This dynamic interaction between the governmental agency and the broad Brazilian society, or at least a good portion of its literate segments, is also indicative of the generalized interest that the creation of the Council, its projects, and daily operations created on the Brazilian reading public at the time. From March 1956 to October 1960, several dozens of letters – commending the Council’s Secretary-General for the extremely relevant and long-needed work performed by the organization and/or normally requesting copies of the CD’s official publications – were mailed by people and organizations from all over the country. Among these individuals of organization were private business groups, state-owned companies, commercial and industrial business associations, municipal governments, labor unions, universities, libraries, and a diverse range of unaffiliated citizens. These included elementary school teachers, who wrote to ask the Council to send them its publications so that he could teach students about the various relevant projects presently under way in the country, active and retired lawyers, engineers, social workers, and students of different ages and from cities of every geographic region of the country.

The fact that business groups and state-owned companies would contact the Council should not be considered, in itself, very relevant nor representative of much more than the fact this could have been a standard procedure between sectors of the

³⁸ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3138, 3139, 3140, and 3141, Arquivo Nacional. Rio de Janeiro.

government and private lobbying groups. When placed within a much longer list of publications requests and congratulatory notes originating from numerous social agents from multiple geographical locations, professional sectors of activity, and interests, the written dialogue between all of these political actors needs, however, to be put under a different interpretative light.

A good example of one of these many requests is provided by the elementary school teacher Theodoro Fonseca, from the small town of Marquês de Valença (in the state of Rio de Janeiro), who wrote to the Council in March 16, 1958, with the following words:

I was very excited to learn more about the activities of this esteemed organization when reading yesterday's paper. I believe that it would be extremely valuable for my students to have a better knowledge of the big problems our country currently faces and of the way in which they been attacked. I am confident that you will attend promptly my request for several copies of your important publications, such as that of the Targets Plan.³⁹

The Council, in fact, had a long list of publications, which included annual updates on the state of execution of the Targets Plan, published for the first time at the end of 1958 in various volumes. Likewise, a specialized report on the economic conditions of the country, entitled Observador Econômico e Financeiro, was published in 1958 and in 1959, probably aimed at attracting further private investors to specific economic sectors, such as mining and the manufacturing of heavy machinery. Finally, a special report on

³⁹ Idem, Box 3141.

the activities of the Council was published in December 1959, under the name of Relatório de Atividades do Conselho de Desenvolvimento.⁴⁰

A similar illustrative communication trail showing the interface of the Council and the broad Brazilian society was the established between the agency and small business groups and small town politicians in the states of São Paulo and Minas Gerais early in 1956. This written dialogue had been provoked by the Council's expression of interest in creating a large state-owned siderurgical company. In each one of these two economically important Brazilian states, negotiations between private domestic and foreign investors and the state government for the establishment of a local steel mill, were taking place. Given that viability studies were simultaneously underway in both regions, a vivid dispute for the Council's support ensued between town representatives and businessmen of the municipalities where the mill installation would possibly take place (Cubatão in São Paulo and Ipatinga in Minas Gerais). Until Kubitschek decided, by mid-year, that the Federal government would fund both projects, this quarrel produced dozens of letters (sent to Kubitschek but addressed to the Council) giving reasons for why their own region should be favored in detriment of the one in the neighboring state.⁴¹

Another common reason leading different organizations and peoples to contact the Council of Development was to submit unrequested socio-economic documentations on their cities and regions – such as from the cities of Crato, in the state of Ceará, Campina Grande in the state of Paraíba, and Juazeiro in Bahia, from the Industrial Federation of Vale do Itajaí, from the Association of the Cities of the Vale do Paraíba do Sul, and from

⁴⁰ *Idem*, Box 3139.

⁴¹ Kubitschek's 'Salomon-like' decision created two of the main siderurgical holdings in Brazil by making the BNDE a key stockholder of Cosipa in São Paulo, with 55% of the stocks, and of Usiminas in Minas Gerais, with 45% of the stocks.

the governor of Paraná – under the justification of “helping the Council devise its strategic plan of national economic development.”⁴² In most cases these materials were accompanied by a written appeal that the Council considered investing in each specific region or city or that the Council would advise the city/region in promoting its own development.

Demands for investments and funds were also submitted to the Council by various agencies of the Executive branch of the Federal administration, such as local representatives of the Ministry of Infrastructure and Public Works. These requests normally received the same response given to the appeals made by mayors and business associations. As a standard procedure, the replies stated that the Secretary-General was very appreciative of the interest the sender had shown in the works of the agency. Furthermore, they explained that the Council did not have the power, nor the resources, to authorize public investments (or even studies for that matter) in any geographical area or sector of activity beyond the strict scope of action defined within the limits of the implementation of the Targets Plan.⁴³

While it is not hard to conclude from its numerous publications that the Council wanted to make public its activities, it is descriptive of the Council’s shortcomings – thus in direct contrast with the propagated image of administrative efficiency – the fact that almost half of all requests for publications had attached comments (many times by Council’s Directors) pointing out to the impossibility of attending the demand given that the materials were out of print. Throughout the entire period, in fact, many publications,

⁴² *Idem*, Box 3138.

⁴³ *Idem*.

particularly those pertaining to the implementation of the Targets Plan, tended to be repeatedly unavailable.⁴⁴

One demonstration that the Council faced several types of difficulties in attempting to promote its plan of national development can be found when examining a long epistolary exchange between the Secretary-General and the local phone company in Rio de Janeiro. The communication begins when Lopes sent a formal request (using a letterhead of the Presidency, which was a recurrent habit of Lopes and demonstrates his and the Council's importance and proximity to Kubitschek) to the Companhia Telephonica Brasileira on August 14, 1956 asking them to install a phone line in the house of Gastão Ceccatto. The latter was Lopes technical assistant at the Council and the political liaison's officer between the agency and the National Brazilian Congress. Lopes' demand explained that the work that Mr. Ceccatto performed at the agency was extremely relevant for the country's future and that he expected a prompt response given that his assistant lived at Atlântica Avenue (one of the wealthiest addresses in Rio de Janeiro).⁴⁵ Probably to the Secretary-General's greatest surprise, the phone company responded, in a brief and dismissive note, that Lopes' request could not be met given that they did not have available lines in that region at that time.

In addition to the requests mailed to the Council by local public authorities and civic leaders, demands from private individuals similarly interested in promoting their own socio-economic interests were also very common and are particularly relevant given the content of their appeals. In his examination of the hundreds of letters sent by

⁴⁴ *Idem*, Box 3138A.

⁴⁵ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3141-A, Arquivo Nacional. Rio de Janeiro.

Brazilian workers to President Vargas, in the late 1930s and early 40s, Jorge Ferreira demonstrated that the vast majority of the missives aimed at obtaining some sort of personal favor, mostly in the form of employment or political appointment. The study also showed that this path of action was to be expected from individuals who tended to see the President as the caretaker of the poor – an image built by the very propaganda machine of the regime.⁴⁶

Contrary to what was to be expected, few letters sent to the Council of Development by private citizens included requests for personal employment or for any sort of economic assistance to be provided by the Federal government. Although they advanced what could be considered to be personal appeals, these messages were conversely filled of description about the needs of a specific city or region which, due to its underdeveloped deplorable state (so claimed their authors), deserved special attention from the Council.⁴⁷

Even when these letters included descriptions of personal economic difficulties – a typical discursive recourse utilized in the requests examined by Ferreira – the most frequent claim presented by common Brazilians of various regions and places was in favor of a more active role to be played by the Federal government in “controlling the rising prices that were hurting the poor and unprivileged amongst us.”⁴⁸ A good example of a communication exchange between the Council of Development and unaffiliated

⁴⁶ See: Jorge Ferreira, *Trabalhadores do Brasil: O Imaginário Popular*. (Rio de Janeiro: Editora da FGV, 1997).

⁴⁷ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3138 and 3139, Arquivo Nacional. Rio de Janeiro.

⁴⁸ Letter sent by Abel de Carvalho on June 26th, 1956 addressed to Kubitschek but mailed to the Council of Development, in: Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3141, Arquivo Nacional. Rio de Janeiro.

citizens who contacted the agency to present generic developmental claims – instead of typical individual pleas that could be placed under the rubric of a patrimonial patron-client political logic – took place already in the first few months of 1956.

In a handwritten letter, dated on May 21, Estefânia Penido and Francisca Meireles, two self-identified *trabalhadoras* (female workers) from the town of Governador Valladares (in the State of Minas Gerais), wrote to the Council (while addressing directly the President, as most letters during *Estado Novo* did) asking the President's attention to their request for the creation of an industrial plant in their city. They stated that they had been following with excitement the President's initiatives in favor of national development given that the much promised economic transformation of the country would finally take place. Moreover they justified their claim not on the basis of personal gains but rather on arguing that the President's developmental initiatives would benefit all workers in their town. In closing their missive, the two ladies stated that they would be happy to meet in person with the President and, then, invited him to visit their city so that he would be able to see 'with his own eyes' how deserving of special developmental attention their city was.⁴⁹

After been reviewed by Kubitschek's Chief-of-Staff, Alvaro Lins, the letter was sent to the Council of Development. The agency then sent the two ladies a standard response thanking them for their communication and interest in the activities carried out by the entity. The response also explained that the Council would closely examine the request in favor of Governador Valladares. Regrettably no additional information could be found regarding this specific request.

⁴⁹ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3138, Arquivo Nacional. Rio de Janeiro.

As indicated above, the correspondence exchanged between the Council of Development and various segments of the Brazilian society is rich and diverse. While attempting to promote one's own business interests, such as justifying one's plea for subsidized loans to open an industrial plant on the basis of "helping to promote progress in our community" was a very common narrative recourse utilized by many writers. A good illustration of this procedure was offered by Mr. Antônio Alencar, a small businessman in the town of Crato (in the Northeastern state of Ceará), who contacted the Council on September 21, 1956, to present its 'técnicos' a project to open a textile plant in his city so that he would be able to (...) "humbly support the developmental efforts of the government of President JK by helping promote progress in a backland impoverished region of our nation, from where hungry compatriots have fled to the main cities in the South, where they are a source of serious social problems."⁵⁰

While it is clear that representatives of various walks of life constantly approached the Council, it is similarly evident that the most prolific web of interactions between State managers and private interests took place between Council's Directors (particularly those running executives groups) and powerful business groups. In addition to the fact that the Council activities impacted the private economic sector in a direct manner, this closer interaction between business executives and the foremen of the Council derived from a very specific legal requirement that the organization had to follow. Namely, the fact that all economic incentive in the form of tax break, particularly for the case of tariff exemptions, had to be approved on an individual basis by the Council by means of a

⁵⁰ Idem, Box 3139.

specific legal provision that required Kubitschek approval to be submitted to the National Congress for a final vote and publication.

This intricate bureaucratic proceeding forced most large business groups to contact the Council (particularly in the person of its Secretary-General, who served a very political role) in order to obtain, for instance, the agency's approval for any importation license they needed to run their businesses.⁵¹ Moreover, in addition to the individual requests presented by specific industrial groups demanding tax exemptions privileges, the most common demand in this sort of correspondence was for the creation of a general law granting universal tariff protection for any company attempting to import industrial equipments.⁵²

Here it is important to explain that while very generous in its tax breaks and tariff privileges, the Normative Instruction Number 113 specified that these benefits would be granted only to companies that had their industrial expansion projects approved by the Council. This explains both the recurrent pleas industrial companies presented to the agency and their continuous request for the sanctioning of a general tariff regulation. The Tariffs Law of 1957, which simplified the exchange rate categories, can thus be seen as resulting, at least partially, from the pressure imposed by business groups on the government in favor of a specific legislation on foreign trade. While unifying some legal provisions, however, the new bill maintained the legal requirement that special duty

⁵¹ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3150, 3150, and 3153, Arquivo Nacional. Rio de Janeiro.

⁵² Idem, Boxes 3149 to 3153.

privileges were to be granted on a case-by-case basis, depending, therefore, on the Council's approval.⁵³

In closing this section, I would like to present a summary of the *modus operandi* of the Council of Development to demonstrate the existence of constant communication, and effective negotiations, taking place between the agency and the larger Brazilian society. Reiterating the main argument of this chapter, it seems clear that the very implementation of a new, considered-to-be irreversible, phase in the process of industrialization in Brazil resulted from these very same interactions and negotiations. Particularly in the business sectors, private (national and foreign) corporations constantly approached the Council in order to promote their interests even if their requests had to be framed within the general guidelines set by the Federal bureaucracy. These approaches included requests ranging from import licenses to subsidized credit, but could also include appeals for legal revisions of trade quotas, or of specific production targets.

Once these cases had been presented, the Council's Secretary-General (normally with the support of in-house or externally hired consultants) examined each individual request. Should we believe the formal procedural regulations, any request could be turned down and, at least in theory, that would be end of it. The records at the National Archive abundantly indicate, however, that in these cases the sender, especially when this was an important business person, would present his case direct to the President himself.

As a general rule, Kubitschek tended to redirect the request to the Council "for further consideration." The agency then examined the request once more – this time around under 'a new light.' This time around, several appeals would be eventually

⁵³ *Idem*, Box 3169.

granted. Time delays in approving the request, nonetheless, were a common bureaucratic tool the Council made use of in order to stall controversial approvals resorting to the excuse that technical examinations demanded more time until a final decision could be made. Moreover, in several occasions the request presented to the Council came not from one individual company, but rather from industrial associations.

In these cases, the Secretary-General would normally present a detailed (and favorable) report to Kubitschek himself, suggesting a sectorial adjustment in one specific legal provision so that the request could be answered. A good illustration of how these dynamics played out is found in the case of the communication from the Industrial Machinery Manufacture's Association of the State of São Paulo, in October 11, 1959, when the organization stated that:

[g]iven the present difficulties in restructuring our production lines, we would like to request that Admiral Meira, Secretary-General of the Council of Development put together a new importation legislation that exempts all industrial equipments purchased abroad so that we may expand our facilities.⁵⁴

Five months later Meira sent Kubitschek a memo explaining that:

The implementation of a definite industrial complex composed of basic (heavy) industries is a *sine qua no* condition for our continued national development. It is therefore essential that Your government may offer a new legal framework that provides total importation exemption for equipments that the industry needs in order to expand its facilities.

(...)

⁵⁴ Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3150, Arquivo Nacional. Rio de Janeiro.

This framework needs to be crafted by the National Congress and this is why I submit to your revision the draft of a bill so that You will be able to request from Congress its approval. The bill will offer total tariffary exemption during the period of four years for all imported industrial equipments, provided that no similar product is currently produced in the country.⁵⁵

In some cases, however, the Council would not reach an agreement regarding the demands presented by one specific business sector given that different views were expressed by the various consultants (técnicos) examining the matter. When this occurred, unless the Secretary-General would intervene in favor of one specific position, the agency would not make any decision and the requests were somehow “lost” in the bureaucratic maze.

The Council of Development and the Business Sector:

How Automobiles Came to be Produced in Brazil

In this final portion, I examine the negotiations taking place between the Council of Development and the business groups directly involved in implementation of an automaking industry in Brazil, in the second half of the 1950s. In doing so, I seek to reveal the intense interactions that existed between policymakers and private corporations during the implementation of the Targets Plan. My central purpose here is to refute the prevailing notion that the ‘developmental state’ operated primarily on the basis of its bureaucratic imperviousness from political and economic pressures from the broader Brazilian society.

⁵⁵ Idem, Box 3151, unfortunately, the draft bill was not available at the National Archive.

The decision to center my examination about the interface between the Federal bureaucracy and the private sector on the relationship the Council of Development maintained with the budding automaking sector is based on three main reasons. First, this historical case expressed paradigmatically the conception on national development held by State officials in the period: to industrialize by means of an alliance between the State and private business groups. Secondly, the ways in which a large automaking complex was established in Brazil represented the clearest expression of the new model of industrialization at play in the Kubitschek Years. This model combined what had until then been irreconcilable factors of production: foreign, national, and governmental capital. Finally, the implementation of this hybrid industrial project resulted in profound and lasting broad socio-economic transformations, such as the deepening of the process of urbanization and the enlargement of industrial working sectors. Moreover, the creation of an automaking complex under Kubitschek placed Brazil among the largest auto producers in the world at the dawn of the 1960s.⁵⁶

Even though industrializing was the central goal of the ideology of national-developmentism, additional reasons were repeatedly voiced by ‘policymakers’ and interest groups involved in setting up the auto industry in the period. One of the most frequently justifications present in the available documentation pertained to the economic difficulties the country had faced in attempting to stabilize its balance of payment in the first half of the decade.⁵⁷ The creation of an automaking industry was even described as

⁵⁶ Sydney A. Latini, *Suma Automobilística*. (Rio de Janeiro: Editora Tama, 1984), vol.1

⁵⁷ Werner Baer, *Industrialization and economic development in Brazil* (Homewood, Ill.: Irwin, 1965); Amaury Fassy, JK: *O Maior Estadista do Século XX*. (Brasilia: Thesaurus, 2000); Lincoln Gordon and Engelbert L. Grommers. *United States Manufacturing Investment in Brazil: The Impact of Brazilian Government Policies, 1946-1960*.

a necessary ‘political’ aimed at “stop[ing] the hemorrhage of funds being drained by our growing needs for imports in a period of an increasingly difficult position for our foreign exchange.”⁵⁸

Since 1953, the Brazilian trade balance had been in the red as consequence of the falling coffee prices in the international market and the continued need to finance imported goods with convertible currencies obtained abroad. This situation was particularly acute in the case of motorized vehicles, which represented (along with wheat and petroleum) the most significant items of the list of regular imports.⁵⁹ Additionally, by the middle of the decade, Brazil needed to obtain about US\$ 300 million, on an annual basis, from lending international agencies to balance its national current account.⁶⁰

Despite Oswald Aranha’s attempts to curb the deficit in the balance of payments, by late 1955, US\$ 143 million in ‘importation licenses’ had been purchased at the Bank of Brazil to be used in buying foreign-manufactured vehicles. This was known as the Aranha Plan which created the multiple-exchange-rate system that existed from 1953 to 1957.⁶¹

Given this deteriorated economic scenario, the Kubitschek administration operated since the outset on the premise that:

(Cambridge, Mass: Harvard Graduate School of Business Administration, 1960), and Limonic, *op. cit.*

⁵⁸ Gordon and Grommers, *op. cit.*, p. 124.

⁵⁹ Donald Hurdle, ‘Balanço de pagamentos e controle de câmbio no Brasil: diretrizes, políticas e história,’ in: *Revista Brasileira de Economia* 18(1), março, 1964.

⁶⁰ Conselho do Desenvolvimento, *Economic Cooperation between the United States and Brazil Document # 5.*(Presidência da República, 1956), available at CPDOC, Fund: EMS.d. 1956.04.00, reel 16, fot. 1034-1037 (Getúlio Vargas Foundation, Rio de Janeiro).

⁶¹ Abreu, *op. cit.*, p. 173.

(...) the balance of payment of the country is overloaded by the burden created by our current imports required for our process of development. This reality inspired the government to begin examinations on the possibilities of stimulating the private sector to obtain alternative sources of financing industrial equipments in the form of 'supplier's credits,' particularly from Europe.⁶²

Along these lines, on April 27, 1956, based on a request from Admiral Lúcio Meira, the Minister of Public Works and Transportation Networks, Kubitschek signed into existence the Presidential Study Group of the Automobile Industry to investigate the viability of creating a domestic automotive manufacturing sector industry in the country. The Group included Roberto Campos among its main officers, under the coordination of Meira himself. This navy officer was an experienced bureaucrat who had conducted studies on the automobile industry since the late-1930s.

The concluding report the Study Group, presented to Kubitschek in May, suggested the creation of the first executive group of the Council of Development: the Executive Group of the Automobile Industry (GEIA). Additionally, the report established the initial guidelines that were to coordinate the creation of an entirely new industrial sector. Most importantly, the goal was to be implemented on the basis of an alliance to set between the Federal government and domestic and foreign private companies.⁶³

⁶² BNDE, *Exposição sobre o Programa de Reaparelhamento Econômico: Exercício 1957*. (Rio de Janeiro: Dezembro 1957), p. 117.

⁶³ Conselho do Desenvolvimento, "Relatório das atividades do GEIA," in: *Plano de Desenvolvimento Econômico Industrial de Base*, Volume 1 – Indústria Automobilística (Presidência da República, 1957).

On June 16, 1956, Kubitschek established the GEIA by signing a new Presidential Decree (number 39412). The admiral was tapped by the President to serve as Secretary-General of the Group, along with the Superintendent Director of the BNDE, Roberto Campos. The Executive Group met on a weekly basis at the headquarters of the Ministry of Public Works or at the BNDE, particularly when the sessions included representatives of the industrial associations. According to its preliminary examinations, the main task the GEIA should perform was that of finding a way to reduce, on a progressive basis, the need for the importation of motorized vehicles. This goal was to be achieved by attracting foreign automaking companies to produce close to 130,000 vehicles, by the end of 1960.⁶⁴

Despite the fact that the policies the GEIA carried out were especially focused on attracting foreign corporations to the country, an active auto-parts manufacturing segment already existent in Brazil. It would be along the lines of a synergic relationship between the foreign automaking firms and the domestic auto-parts business that this new industrial segment was implemented in the country.⁶⁵ This interdependence was labeled ‘horizontal integration’ by Meira and by Sydney Latini, another member of the GEIA. He served in the agency as representative of the auto-parts industries, which had gotten organized under their own association, the Sindipeças. It is important to point out auto-parts companies had been in Brazil since the mid-1920s, when Ford and General Motors began

⁶⁴ Idem.

⁶⁵ See: *Ata de Fundação da Associação Profissional da Indústria de Autopeças para Automóveis e Similares do Estado de São Paulo*, October 1st 1951, in: Ramiz Gattas, *op. cit.* For a detailed discussion of the model, see: Caren Addis, *Cooperação e desenvolvimento no setor de autopeças*. In Glauco Arbis & Mauro Zilbovívius, eds. *De JK a FHC: a reinvenção dos carros*. (São Paulo: Scritta, 1997); and Shapiro, *op. cit.*

assembling vehicles by putting together parts brought into the country in separate lots.⁶⁶ This domestic industrial sector serviced the foreign corporations in replacing and repairing damaged parts that had been previously imported.

In addition to working closely with the domestic auto-parts sector, under the guidance of its business association, the GEIA pursued the goal of attracting foreign automaking companies by resorting to several policy instruments. Instead of investing directly in the production of vehicles – a position that had been attempted in the second Vargas’ administration, when the state-owned Fábrica Nacional de Motores (FNM) had tried to produce its own vehicles – the Kubitschek administration considered that its role should be that of an indirect promoter of the industry. A clear demonstration of the new path pursued under Kubitschek, the FNM was severely chastised in the report that proposed the creation of the GEIA.⁶⁷

Moreover, GEIA officials believed that the Group’s main duties should be restricted to coordinating the creation of the industry by means of credit, fiscal, and commercial legal incentives which included favorable exchange rates, fiscal benefits, preferential credit terms, and market guarantees via tariff protection.⁶⁸ In exchange for these economic incentives, foreign companies setting shop in the country had to follow a very strict schedule of nationalization of their production, based on the total weight of each vehicle category. Several timelines of nationalization were put in place.

⁶⁶ Anfavea, *Indústria Automobilística Brasileira: uma história de desafios*. (São Paulo: DBA, 1994).

⁶⁷ Conselho do Desenvolvimento, “Relatório das atividades do GEIA,” in: *Plano de Desenvolvimento Econômico Industrial de Base*, Volume 1 – Indústria Automobilística (Presidência da República, 1957).

⁶⁸ Conselho do Desenvolvimento, *Relatório sobre a Meta 27: Indústria Automobilística*. (Rio de Janeiro: Presidência da República, Serviço de Documentação, 1959), pp. 22-26.

Beginning with the one pertaining to the production of trucks (decree number 39.568 on July 12, 1956); followed by the nationalization plans for utility vehicles (number 39.569, on July 30, 1956), station wagons and vans (numbers 39.676, also on July 30, 1956); and for the nationalization plan for passenger cars (decree number 41.018, on February 26, 1957). Given the pressure exerted by the multinational companies, which tried to reduce the percentage rates of nationalization of auto parts for passenger cars, the Executive Director of GEIA, Eros Orosco resigned from the agency in June 1959. This episode shows the leverage held by these companies over the Council, particularly over GEIA, and from that point onwards the production of this type of vehicles was augmented.⁶⁹

Put together, the schedule of nationalization of auto production was as follows:⁷⁰

Vehicle	12/31/1956	07/01/1957	07/01/1958	07/01/1959	07/01/1960
Truck	35%	40%	65%	75%	90%
SUV	50%	60%	75%	85%	95%
Van	40%	50%	65%	75%	90%
Car	-	50%	65%	85%	95%

⁶⁹ Given the pressure exerted by the multinational companies, which tried to reduce the percentage rates of nationalization of auto parts for passenger cars, the Executive Director of GEIA, Eros Orosco resigned from the agency in June 1959. This episode shows the leverage held by these companies over the Council, particularly over GEIA, and from that point onwards the production of this type of vehicles was augmented. See: Latini, *op. cit.*

⁷⁰ Source: Conselho do Desenvolvimento, *Relatório interno do GEIA, preparado para a elaboração da Mensagem Presidencial de Janeiro de 1960*. In Fundo Conselho do Desenvolvimento, 1Q, SDE, Box 3157, Arquivo Nacional. Rio de Janeiro.

Between 1956 and 1960, GEIA approved thirty projects for the installation or expansion of automaking plants in Brazil. Among them, twenty seven were actually implemented with technology and capital of fourteen different companies from seven different countries (USA, Germany, Italy, Sweden, France, England, and Japan). In addition to credit provided by the BNDE for the construction of industrial plants, the largest portion (64 per cent) of all foreign investments arriving in the country in the period consisted of advanced credits in the form of industrial equipments. This was normally done under the legal category of supplier's credit provided by the headquarters of the foreign vehicle companies with the approval and co-signature of the BNDE. The capital invested in creating the new industrial complex reached the sum of US\$ 414 million during the period, where about half (214 million) of the total had come from abroad. Insofar as the concrete results achieved, the initial target of 130,000 vehicles was increased to the figure of 170,000 units by the end of 1958.

By the end of 1960 the actual production of Brazilian-made vehicles was of 220,000 vehicles, with an average of 90 per cent of its total parts or components being produced in Brazil. As a general figure, within 4 years (from 1957 to 1960) Brazil had produced 483,000 vehicles, surpassing the original target of 377,000 units for the period. Should the country had attempted to continued importing similar figures of automobiles in the same period, GEIA estimated that the total cost involved in these operations would add up to US\$ 560 million.⁷¹ Private, foreign and domestic, economic agents thus performed a vital role in creating and automaking industry in Brazil in the 1950s, particularly during the JK Years.

⁷¹ Conselho do Desenvolvimento, *Relatório sobre a Meta 27: Indústria Automobilística*, *op. cit.*, p. 26-29.

Beginning with Vargas' Industrial Development Commission, business representatives, particularly those working in the auto-parts sector were instrumental in supporting Meira's vision and in defining the main guidelines for entire industry. This was especially clear in the case of the legal requirement which forced foreign manufacturing companies to subcontract auto-parts services provided by the already existing domestic firms. The private sector was indeed favored in the model set out by the GEIA to implement a national automaking industry from the start. The initial report presented to JK in May 1956 proposing the creation of GEIA even proposed the privatization of the Fábrica Nacional de Motores as a necessary step in attracting foreign companies to the country.⁷²

Given that FNM would not be privatized (which only occurred in 1968, under the military regime), a new report was presented by GEIA to Kubitschek in October 1957, proposing additional guidelines for the successful implementation of the automaking industry in the country. Among its most important suggestions, there was the technical decision to reduce the size and weight of trucks allowed to be produced in Brazil. In practical terms, such a resolution hindered the continuation of production of the bestselling item produced by FNM: a very large and heavy truck which had been heretofore very popular.⁷³ Beyond the legal fiscal, and credit instruments benefiting

⁷² Conselho de Desenvolvimento, *Relatório sobre a Indústria Automobilística elaborado pelo Grupo de Estudos*. In Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3148, Arquivo Nacional. Rio de Janeiro

⁷³ Conselho do Desenvolvimento, *Relatório do GEIA sobre a Fixação de Normas Gerais a Serem Adotadas pela Indústria Automobilística, presented on October 23rd, 1957*. In Fundo Conselho do Desenvolvimento. 1Q, SDE, Box 3148, Arquivo Nacional. Rio de Janeiro.

private business groups and used by the GEIA to induce the industry, there was a program to increase labor availability to make the entire project feasible.

In 1958, the GEIA established a legal agreement with the National Service of Industry – SENAI, a division of the National Industrial Confederation in charge of training industrial labor in partnership with the Federal government since the 1940s – to provide in-factory short-term intensive training so that the incoming factory workers would learn the rudiments of the craft. For the training of the technicians, specialized courses would be set up at SENAI's own schools in the main urban industrial centers.⁷⁴ In 1960, auto plants employed about 40,000 workers (while the auto-parts employed about 110,000 workers), and GEIA was increasingly concerned with recruiting additional workers given that salaries in the São Paulo metropolitan area were growing faster than the national average.

Very few works have tried to investigate the reasons leading the automaking sector to become so densely concentrated in this metropolitan region of the city of São Paulo known as the ABC, after the names of Santo André, São Bernardo, and São Caetano. Nonetheless, among the main reasons normally provided are the fact that São Paulo had a trained and more expensive work force while it was cheaper to hire labor in the ABC region, the fact the ABC is located in the crossroad between São Paulo and the harbor city of Santos, available land to be purchased by incoming multinational corporations was considerably cheaper in the ABC region, and the fact that most cities in

⁷⁴ *Relatório sobre a Indústria Automobilística elaborado pelo Grupo de Estudos, op. cit.*

the ABC offered fiscal incentives, such as tax rebates to attract these companies to come and produce there.⁷⁵

As a result the agency established a partnership again with SENAI – as well as with DNOCS, the Federal agency in charge of providing public infrastructural works, such as water dams, in the drought stricken region in the Northeastern portion of the country – to recruit inexperienced workers in that poor and very populous region of the country. The main point of the partnership was to recruit workers that would receive a crash-course administered by SENAI instructors during 12 weeks in the warehouses of DNOCS, particularly in the state of Ceará, and then would be transported by truck to the metropolitan area of the city of São Paulo.⁷⁶

The project was intended to attract around 15,000 northeastern workers on an annual basis in order to alleviate the inflationary pressure on industrial salaries in the auto sector. The agreement between GEIA, SENAI, and DNOCS was, nonetheless, never implemented and most workers from that portion of the country who eventually went to work in the automaking industries, they had done so on their own initiative (and funds), attracted by the rising salaries and large availability of jobs in the area. A final indication of the importance of the close interaction between private interest groups and the bureaucratic agencies of the Federal State can be found in the ways the promotion of target #7 (railroad construction) was conducted.

⁷⁵ For more see: Luis Eduardo Simões de Souza. *Políticas Públicas em São Bernardo do Campo no Pós-Guerra: 1945-1964*. (Master Thesis presented to the Graduate Program in History at the University of São Paulo in 2002).

⁷⁶ See: CEPAL, *La creacion de la industria automobilistica brasileña analisada como un caso de programacion sectorial*. Studios de Cepal. (Santiago: Cepal, Juño 1961); and Luciano Martins, *Pouvoir et Développement Économique: formation et évolution des structures politiques au Brésil*. (Paris: éditions anthropos, 1976).

Even though they had a much longer presence in Brazil – as the first trains had been implemented in Brazil in the middle of the nineteenth-century, on the basis of private investments – railroads transported only around 25 per cent of all passengers and cargo of the country in the mid-1950s. Initial studies produced by the Council of Development estimated that meeting the set goal of 1,500 Kms of new tracks required around US\$ 150 million in investments from the Federal government, something seen as untenable by Council officials.⁷⁷

Once again, the very own Minister of Transportation, Lúcio Meira, believed that the government should pursue the broad goal of reforming the country's transportation networks by focusing primarily on the auto industry given its germinative potential. Furthermore creating an automobile industrial sector required smaller sums of funds from the Federal administration given that the model implemented by the GEIA relied primarily on foreign and domestic private sources of capital.⁷⁸ The Council of Development even attempted to replicate the successful policies conducted by the GEIA in the railroad industry, but dismal results were reached.

In 1959, the Executive Director of the Council, Victor da Silva, put together a questionnaire to gauge the interest of large private companies that utilized the rail system to join with the Federal government in purchasing new trains and in building new tracks to renovate the existing network. The survey was mailed to hundreds of companies but very few of them were mailed back to the Council – or this is the indication provided in the documentation available at the National Archive. The small amount of responses that

⁷⁷ It is important to note since the 1930s most railroads had been nationalized.

⁷⁸ Fundo Conselho do Desenvolvimento. 1Q, SDE, Boxes 3140, 3148, 3150, 3151, and 3152. Arquivo Nacional. Rio de Janeiro.

made it to da Silva's hands (about twenty two) contained basically the same answer: "[w]e have no interest in purchasing railroad equipments for the expansion of our business activities."⁷⁹

Concluding Remarks

The rich official documentation examined in this chapter indicates that the course of development pursued in the JK Years was fundamentally defined by the legal provisions and economic incentives formulated by centralized governmental agencies in charge of development promotion. Even though the Federal administration devised a well designed project of fast-paced economic growth via fast industrialization and targeted infrastructural germinative investments, it is evident that the Council of Development did not hold demiurgic powers.

Moreover, in one of its most successful cases, the completion of a previously set target, that of implementing an automaking industrial sector in the country, such outcome derived more from the proficuous partnership established between the Council of Development and key private economic agents than from the alleged technocratic nature of the agency. Even though national development mattered to multiple segments of the Brazilian society – as demonstrated in the extensive thread of communication produced by members of the broader Brazilian society – very few socio-economic sectors were successful in making their own developmental views and positions heard in the period, in addition to influential industrial business groups.

⁷⁹ Idem.

Despite the significant impact that the promises of the Targets Plan exerted over multiple, diverse, and heterogeneous sectors of the Brazilian population, and in spite of the repeated attempts made to influence the course of actions pursued by the Council, the agency promoted its own goals in a unidimensional fashion. These policies favored large industrial projects, controlled primarily by foreign economic agents, thus in close association with powerful business interests.

Which other positions, views, and conceptions on national development existed among less politically and economically influential Brazilians, and how these were articulated *vis-à-vis* the central Brazilian government at the time, are the focus of the following chapter. In examining the experiences of industrial workers, my aim is to demonstrate that alternative positions on national development did in fact exist in the period. Similarly, my aim in Chapter Four is to show that these parallel developmental notions held by industrial workers were assertively articulated by a social segment increasingly mobilized and engaged in making their own voices heard and taken into consideration.

As will be shown in Chapter Five, while supportive of the general goals of the administration, during the JK Years, metalworkers of Rio de Janeiro and São Paulo would increasingly try to advance their own views on national development so that a more socially inclusive development project could be achieved. These positions would increasingly resemble those held by members of the ISEB. They all believed that national development had to positively affect all members of the national society in order for it to be sustainable. Similarly, both industrial workers and nationalistic intellectuals espoused the view that the national state (government) was the agent primarily

responsible for reaching such an outcome. In order to examine the views and political engagements of industrial workers in the period, let us proceed to the next chapter.

Chapter 5

National Development and Industrial Labor: Metalworkers of São Paulo and Rio de Janeiro and the Case of Carestia

Introduction

In May 1956, a few days after the first May Day¹ of the Kubitschek Presidency, A Voz do Metalúgico² published a cover page article reproaching the President's behavior during the worker's celebration of that year. Written by Eurypedes Ayres de Castro, President of the Federation of Metalworkers of the State of Rio de Janeiro,³ the piece stressed the disappointment metalworkers felt with Kubitschek's cold reaction to the list of demands presented at the event by CNTI's⁴ president, Dioclesiano de Hollanda

¹ Labor Day is celebrated on May 1st in Brazil.

² Monthly newspaper of the Metalworkers' Union of the city of Rio de Janeiro.

³ Since the mid-1930s, the structure of labor (and business) organizations in Brazil follow a pyramidal logic, where each labor sector is allowed to organize into only one union at the local (city) level. Unions of every state are then combined into a Union Federation, and, at the national level, one single National Confederation is formed. The underlining rationale of the system is corporatist as on the side of employers a similar structure is followed. Every union has to be registered at the Ministry of Labor in order to be allowed to function, and labor unions are involved in every aspect of any employed person's professional life, from hiring to firing regardless of whether the person is affiliated or an active member of his or her specific sector-based union.

⁴ The National Confederation of Industrial Workers (CNTI) was created 1946, as part of the hierarchical system of labor representation that still functions in Brazil. The Confederation was to represent all industrial workers of the country by coalescing all sectorial (per industrial sectors or field of activity) unions of each state. CNTI tended to be supportive of the Federal government, and, in the 1950s, the organization was a member of the International Confederation of Free Trade Unions (ICFTU), a labor association created in 1949 and headed in Belgium, and of its regional branch in the Americas the Trade Union Confederation of the Americas, both vocal opponents of 'communist infiltration' in the labor movement.

Cavalcanti.⁵ The article synthetically expressed some of the most important elements of much of the labor publications of the period, particularly those published by industrial unions of São Paulo and Rio de Janeiro, Brazil's largest urban industrial centers. In the author's own words,

The President did not care to give us a single response to our long list of demands. (...) [instead] he harangued about his own well known biography of a self-made man. It is important to be aware that the President's speech did not respond to our needs nor suggested a single thread of hope to our poor people. As producers of the wealth of our nation, we expected to hear from President Kubitschek a serious plan of governmental actions, not a candidate's platform. (...) There is still time, Your Excellency, to mend your Labor Day performance. Not much time, though. The sharks⁶ are always ready to oppress the poor by maintaining the situation of **carestia**,⁷ and unless Your government is

⁵ Cavalcanti was a long-time unionist known to be supportive of the governments and who served in this position throughout the Kubitschek administration. A detailed analysis of the behavior of the CNTI is presented later part in this chapter.

⁶ Shark (*tubarão*) was a very popular word in the 1950s and early 60s used as a generic term to make reference to the wealthy. Normally the word was used as a synthetic label to criticize those whose interests were allegedly opposed to the interest of the poor.

⁷ **Carestia** etymologically means shortage or scarcity. In the 1950s, the term described the fact that prices for basic consumer goods, such as food staples, were increasingly higher. The reasons for the rising inflation throughout the decade are complex and object of some debate in Brazil. Among the main elements of any explanation of the phenomenon, one should acknowledge the fact that the period witnessed a massive migration from the countryside to the urban centers, particularly in the Center Southern region, where Rio de Janeiro and São Paulo are located. Carestia was the most recurrent theme in the list of demands and complains advanced by urban labor in their publications (periodicals, congress resolutions, speeches, etc.) in the period. It thus became essential to examine the case of carestia as a way to give credit to the actual voices of workers, who were increasingly disillusioned with the ways in which development promotion was carried out. Moreover, given the fact that urban labor unions blamed private industrial groups, as well as the government, for the 'desperate condition of carestia,' and the fact that, in reaction against such a state of affairs, workers advanced their own agenda of possible solutions, focusing on these very experiences represented a unique heuristic tool

ready to stand by our side, they will crash our hopes, leading to uncontrollable and desperate actions on the part of the working peoples. (...) Mr. President, beware!⁸

More than a good illustration of how a specific labor leader perceived the Kubitschek administration, this vignette richly describes the broader context of urban labor during the JK Years. The second half of the 1950s was, to be sure, characterized by high economic growth rates (about 8% a year) and by the promotion of an ideational convergence in favor of rapid industrial promotion. The period, nonetheless, was also shaped by growing levels of labor mobilization in favor of ideological positions diverging from the main notions espoused by the most influential sectors of the Federal government, such as the Council of Development.

In tandem with these dynamics, I advance in the following pages the notion that urban industrial workers were not automatically responsive to the developmentist appeals made by the main operators of the industrial plans carried out during the Kubitschek administration. Furthermore, I seek to demonstrate that one of the labor segment most directly affected by the industrial policies implemented under the auspices of the Targets Plan – that of metalworkers in São Paulo and Rio de Janeiro – held their own views about national development and made sure to voice them out so that their positions could be taken into consideration. While initially convergent to the broad plans of the administration, the more nationalistic and government-centered positions held by

to assess the positions about national development held by urban industrial workers in Brazil at the time.

⁸ “Ecos do Primeiro de Maio,” in *A Voz do Metalúrgico*, May 1956, cover page and page 3.

industrial workers would increasingly become a counterpoint to the plans pursued by the Council of Development at the time.

The main lines of the prevalent historiography on industrial labor in Brazil has traditionally assumed that, by the mid-twentieth century, industrial workers had, for most purposes, been co-opted by the corporatist union structure of the Federal government.⁹ Moreover, industrial workers would be subordinate and readily supporting partners of an inter-class political alliance known as the Populist Pact. I alternatively argue that throughout the 1950s, at least in the main urban centers, Brazilian industrial workers challenged the traditional corporatist structures of labor control by resorting to creative and increasingly autonomous forms of mobilization. In so doing, this progressively active social segment demanded politically responsive and economically interventionist actions from the Federal government, in lieu of the rapid, but socially excluding, policies then being pursued.

A close examination of some of the most important industrial labor' publications of the JK Years demonstrates that national development meant something very real to Brazilian working groups, who persistently acted to make their voices heard. In the following pages, I scrutinize the main periodicals published by the two most important metalworkers' unions in Brazil in the 1950s, those of São Paulo and Rio de Janeiro, the main industrial and urban centers of the country at the time. I also probe the most

⁹ See: Maria Victoria de Mesquita Benevides, *O governo Kubitschek: desenvolvimento econômico e estabilidade política, 1956-1961*. (Rio de Janeiro: Paz e Terra, 1976); Miriam Limoeiro Cardoso, *Ideologia do Desenvolvimento, no Brasil: JK-JQ*. (Rio de Janeiro: Paz e Terra, 1978); Octavio Ianni, *Industrialização e desenvolvimento social no Brasil*. (Rio de Janeiro: Civilização Brasileira, 1963) and *O Colapso do Populismo no Brasil*. (Rio de Janeiro: Civilização Brasileira, 1978); Francisco C. Weffort, *O Populismo na política brasileira*. (Rio de Janeiro: Paz e Terra, 1978).

important documents produced by the national representatives of industrial labor, as a way to situate the experiences of these two cities within the broader national context.

I have chosen to focus on the case of metalworkers not only because they were centrally placed in the industrial plans of the Federal administration,¹⁰ but also because they have traditionally been seen as a case of non-political (*i.e.* purely wage-centered) labor mobilization which allegedly began taking place in Brazil in the latter part of the 1950s.¹¹ As will be shown below, this characterization of the mobilization of metalworkers is inaccurate and does not do justice to the complex historical dynamics of the period. Moreover, by centering my attention on the experiences of metalworkers of the two main industrial centers, broader historical dynamics pertaining to Brazilian industrial labor of the mid-twentieth century can come to the fore.

The Populist View of Workers: a Critical Review

Initial investigations of urban labor in Brazil have almost consensually emphasized the difficulties that most unions faced when attempting to mobilize their specific constituencies. The situation was explained on the grounds of an alleged backward

¹⁰ Throughout the 1950s industrial production grew from 21% to 34% of GDP and while the overall annual industrial growth in the five years of the *Targets Plan* was of 12%, in the metalworking sector this rate was of 15.7%. For more, see *Estatísticas Históricas do Brasil: Séries Socio-Econômicas, Demográficas e Sociais, 1950-1988*. Publication of the Instituto Brasileiro de Geografia e Estatísticas, IBGE (Rio de Janeiro: 1990).

¹¹ Kenneth Paul Erickson, *The Brazilian Corporative State and Working-Class Politics*. (Berkeley: UC Press, 1977); John Humphrey, *Capitalist Control and Workers' Struggle in the Brazilian Auto Industry*. (Princeton: Princeton University Press, 1982); Francisco Weffort, *Origens do Sindicalismo Populista no Brasil: A Conjuntura do Após-Guerra*. (Estudos Cebrap, nº 4. São Paulo, Cebrap, 1973) and "Democracia e movimento operário: algumas questões para a história do período 1945-1964," in: *Revista de Cultura Contemporânea*, No.1 SP: Cedec, 1978; and Jordan Young, *Brazil: 1954-1964, o fim de um ciclo civil*. (Rio de Janeiro: Nova Fronteira, 1973).

outlook held by industrial workers who, in the 1950s, predominantly consisted of recently-arrived rural migrants, who tended to consider their geographical dislocation as an expression of upward social mobility.

Thus, along the lines of notions espoused by the Theories of Modernization,¹² analysts of the prestigious University of São Paulo argued, early in the 1960s, that the national economy was undergoing a profound transition from an agrarian base economy to an industrial one.¹³ This process of modernization was described as leading to a situation where the majority of industrial workers, who faced difficulties in adjusting to a new collective urban identity, tended to reject the recruitment efforts made by union leaders. These examinations also claimed that the political outlook of this new labor segment was fundamentally conservative and that most new industrial workers tended, therefore, to be enthralled by the little gains and charming appeals promised by populist leaders acting within the logic of a corporatist labor structure.

¹² This sociological paradigm was initially advanced in Latin America by the Argentine sociologists Torquato Di Tella e Gino Germani in their no classical works: Di Tella, *Para uma política latino-americana*. (Rio de Janeiro: Paz e Terra, 1969) and Germani, *Política e sociedade em uma época de transição: da sociedade tradicional à sociedade de massas*. (São Paulo: Mestre Jou, 1973).

¹³ See: Juarez Rubens Brandão Lopes, *Sociedade Industrial no Brasil*. (São Paulo: DIFEL, 1997); José Albertino Rodrigues, *Sindicato e Desenvolvimento no Brasil*. (São Paulo: DIFEL, 1968); by Leôncio Martins Rodrigues, *Industrialização e Atitudes Operárias*. (São Paulo: Brasiliense, 1970) and *Conflito Industrial e Sindicalismo no Brasil*. (São Paulo: Difel, 1966); and Azis Simão, *Sindicato e Estado no Brasil*. (São Paulo: Dominus, 1966). Similarly see: Michael Lowy & Sarah Chucid. 'Opinões e atitudes de líderes sindicais metalúrgicos' in *Revista Brasileira de Estudos Políticos*. No. 13, Jan. 1962 (Universidade de Minas Gerais, Belo Horizonte); Alan Touraine, 'Industrialisation et conscience ouvrière à São Paulo,' in *Sociologie du Travail*, III, No. 4, 1961; and Alan Touraine and David Pecaut, 'Working-Class Consciousness and Economic Development in Latin America,' in Irving Louis Horowitz. *Masses in Latin America*. (New York: Oxford UP, 1970).

Moreover, labor's autonomy was essentially curtailed by the existence of an entire set of labor legislations, and by a series of economic benefits (in the forms of public employment and union contributions administrated by Labor Ministry) granted to obedient State-sponsored union leaders.¹⁴

While setting the stage for almost all subsequent examinations of Brazilian urban labor, the initial studies on the topic, produced in the 1960s primarily by labor sociologists, were complemented in the 1970s by new assessments about the political consciousness held by industrial workers. About ten years after the 1964 military coup had taken place – and after a wave of labor mobilization had occurred in the metropolitan areas of Belo Horizonte and São Paulo¹⁵ – analysts, such as Francisco Weffort and Octavio Ianni, sought to explain how industrial labor in large urban centers did not act more assertively in 1964 in defending the so-called populist regime which (allegedly) benefited them.¹⁶

In advancing a possible explanation for the events leading to the coup, a new line of interpretation came to the fore, under the label of the Populist Collapse Paradigm. The core of this new historiographical argument is that during the Populist Republic (1945-1964), and especially during the JK Years, labor unions were subordinate supporters of

¹⁴ The most important piece of labor legislation is, the still valid, *Consolidated Labor Laws* (CLT), granted by the authoritarian *New State* in 1942, wherein rights and obligations of organized labor are clearly stipulated.

¹⁵ In contrast to what had been said about workers mobilization in the 1950s, the events taking place in Contagem, Guarulhos, and later in the ABC region in the late 1970s were seen as representatives of a new type of syndicalism, defined as more autonomous and democratic than its predecessor of the time of the Populist Republic. See Marco A. Santana, "Entre a Ruptura e a Continuidade: Visões da História do Movimento Sindical Brasileiro," *Revista Brasileira de Ciências Sociais*, São Paulo, v. 14, no. 41, 1999, pp 103-120.

¹⁶ Francisco Weffort, *O Populismo na Política Brasileira*, *op. cit.* and Octavio Ianni, *O Colapso do Populismo no Brasil*, *op. cit.*

an inter-class alliance established primarily between the Federal State and the increasingly influential industrial business sector. Along these lines, these so-called populist unions were said to perform a functional (but passive) role in maintaining a populist order which operated under a allegedly 'dangerous logic,' given that such a subsidiary importance "reduced [unions] potential for effective resistance when needed."¹⁷

Another important notion advanced in these latter works concerned the alleged differences in organization and levels of political involvement said to exist between workers of traditional versus modern industrial sectors.¹⁸ The nodal point of the argument was that unions organized in traditional industrial plants (*e.g.* food processing and textile) tended to focus their demands on making the Federal administration grant regular wage increases, while workers in modern industrial units (*e.g.* metalworkers) centered their mobilization on direct salary negotiations with their employers. This latter labor segment was described as being less inclined to partake in broad (inter-union) mobilizations, which were becoming increasingly important in the large urban centers late in the decade.¹⁹ Moreover, unions in the modern industrial plants purportedly tended to be less influenced by broad ideological notions, such as nationalism and social inclusion, and, thus, more interested in advancing the concrete needs of their specific union bases.²⁰

¹⁷ Francisco Weffort, *Origens do Sindicalismo Populista no Brasil: A Conjuntura do Após-Guerra.*, *op. cit.*, p. 12.

¹⁸ See: Erickson, *op. cit.*; Humphrey, *op. cit.*; Weffort, *Origens do Sindicalismo Populista no Brasil*, *op. cit.*, and Young, *op. cit.*

¹⁹ Humphrey, *op. cit.*

²⁰ Fransisco Weffort, 'Democracia e movimento operario,' *op. cit.*

Inspired by works produced by E.P. Thompson on the formation of the English working class,²¹ new examinations on Brazilian workers, such as one by Angela Castro Gomes opened the way for a new wave of interpretations portraying urban workers during the Populist Republic as active historical actors with high levels of agency.²² In the same fashion, Jorge Ferreira rejected the condescending depiction of the labor movement of the period as functional not only in explaining the 1964 coup, but also in constructing a positive image of the labor movement of the 1970s.²³ He claims that, even if useful in explaining the demise of the democratic order, such a characterization can not accurately describe the complexities of a period when organized labor pushed the limits of the corporatist regime in order to foster their own positions and demands.²⁴

Moreover, also along the lines of Thompson's works, but similarly inspired by the concept of 'cultural circularity' (as articulated by authors such as Carlo Ginzburg, Roger Chartier, and Peter Burke), in the 1990s new investigations began searching for the views and conceptions held by actual members of popular social segments.²⁵ Particularly important, a new Brazilian generation of social historians – also encouraged by North-

²¹ Of special interest for this analysis are: *The Making of the English Working Class*. (Harmondsworth: Penguin, 1968) and *Customs in Common: Studies in Traditional Popular Culture*. (London: Merlin Press, 1991).

²² Angela de Castro Gomes, *A Invenção do Trabalhismo*. (Rio de Janeiro: Editora da FGV, 2005).

²³ Jorge Ferreira, ed., *O populismo e sua história*. (Rio de Janeiro: Civilização Brasileira, 2001).

²⁴ By this same author, see: *O Imaginário Trabalhismo: getulismo, PTB e cultura política popular, 1945-1964*. (Rio de Janeiro: Civilização Brasileira, 2005).

²⁵ Among other important works, the most influential in the historiography produced in Brazil in the recent years are: Carlo Ginzburg, *O queijo e os vermos: o cotidiano e as idéias de um moleiro*. (São Paulo: Cia das Letras, 1987); Roger Chartier, *A história cultural, entre práticas e representações*. (Lisboa: Difel, 1990); and Peter Burke, *A cultura popular na Idade Moderna, 1500-1800*. (São Paulo: Cia das Letras, 1989).

American researchers like Timothy Harding, Joel Wolfe, and John French²⁶ – enriched the reflection on labor agency with examinations that uncovered the concrete experiences of workers involved in wage negotiations with their own employers and/or the Labor Ministry.²⁷

One of the most representative studies of this new wave of social history on the 1950s is a collective work suggestively entitled Fighting for Rights.²⁸ Of especial interest for this examination are the works of Paulo Fontes and Fernando Silva. The former author examines the second half of the 1950s, with particular attention to the general strike that occurred in São Paulo in the latter months of 1957, which became known as the strike of the ‘400-thousand’ (workers). The stoppage was headed by an inter-union alliance that had no legal provision in the labor legislation, the Inter-Union Unity Pact (PUI). Fontes claims that the 1957 strike demonstrated that workers could get mobilized in creative new ways when needed.²⁹

²⁶ See in particular: Timothy Harding, *The Political History of Organized Labor in Brazil*. (Ph.D. Dissertation in Political Science, Palo Alto: Stanford University, 1973); Joel Wolfe, *Working Women, Working Men: São Paulo and the Rise of Brazil's Industrial Working Class, 1900-1955*. (Durham: Duke UP, 1993); and John French, *O ABC dos Operários: Conflitos e alianças de classe em São Paulo, 1900-1950*. (São Paulo: Hucitec, 1995).

²⁷ See: Helio da Costa, *Em busca da memória*. (São Paulo: Scritta, 1995); Paulo Fontes, *Trabalhadores e cidadãos-NitroQuímica: A Fábrica e as lutas operárias nos anos 50*. (São Paulo: Annablume, 1997); Antonio L. Negro, *Linhas de Montagem*. (SP: Boitempo, 2004); Jose R. G. Ramalho, *Estado Patrao e luta operaria: o caso FNM*. (RJ: Paz e Terra, 1989); Marco Aurelio Santana, *Homens partidos: comunistas e sindicatos no Brasil*. (Rio de Janeiro: Boitempo, 2001); and Fernando Teixeira da Silva, *A carga e a culpa Os operários das Docas de Santos: Direitos e Cultura de Solidariedade. 1937-1968*. (São Paulo: Hucitec, 1995).

²⁸ Alexandre Fortes, ed., *Na Luta por Direitos: Estudos Recentes em História Social do Trabalho*. (Campinas: Editora da Unicamp, 1999).

²⁹ Paulo Fontes, “Centenas de Estopins acesos ao mesmo tempo: a greve dos 400 mil e a organização dos trabalhadores em São Paulo, 1957,” in Alexandre Fortes, *Na Luta por Direitos, op.cit.*

Similarly, Silva reviews the classic image of an appeased labor movement in the 1950s, showing that in the case of the Port of Santos (in the state of São Paulo and where the union leadership was purportedly detached from its base), union leaders made sure to maintain the needed support among the rank and file while pressing government officials for improvement in wages and local working conditions.³⁰ Despite all these revisionist studies of urban labor during the 1950s, much is still to be done in order to place the specific experiences of workers within the broader socio-political dynamics of the period.

In the following pages, I demonstrate that during the JK Years one of the most important labor segments of the country – that of metalworkers of Rio de Janeiro and São Paulo – played an active role in the debates about national development taking place at the time. I also argue that industrial workers were increasingly mobilized and growingly autonomous in the period, and that their demands were becoming ever more political and nationalistic in orientation. Beyond immediate material benefits (i.e. wage increases), industrial Brazilian workers of the developmental decade strove for more intangible goals, namely the promotion of an economically more autonomous (not foreign-dependent) and socially inclusive path of development.

The decision to focus on the experiences of metalworkers is primarily based on the fact that they were located at the heart of the pro fast-paced industrializing efforts of the national government in the period. In both of these cities, metalworkers organized themselves along with workers in the sectors of electrical and mechanical production, and

³⁰ Francisco Teixeira da Silva, “Política e Trabalho no Porto de Santos,” in Alexandre Fortes, *Na Luta por Direitos*, *op.cit.*

the official name of their union was that of Union of Workers in the Industries of the Metalworking, Mechanical, and Electrical Material.³¹

For the sake of brevity, I have chosen to abbreviate the labor union's name to SindMet (or Metalworkers Union) and to make use of the generic appellation of metalworkers to make reference to the entire category - as utilized in the period (and still today) by these workers themselves.³² Likewise, the suffix RJ (SindMet/RJ) will be utilized to make allusion to the metalworkers union of the city of Rio de Janeiro, and SP (SindMet/SP) for the metalworker union of the city of São Paulo. Still, the experiences of metalworkers in both cities are examined in parallel with an analysis of the main labor debates taking place at the national level. I have resorted primarily to a close examination of workers' own publications, minutes of their internal meetings, and published documents (resolutions, manifestos, etc.) produced at their regional and national gatherings. I am certain that these sources provide a better way of accessing (at least some of) the most relevant conceptions and positions that these social actors held in the period than it would have been possible to reconstruct by reviewing the regular press. I am confident that the arguments herein presented are representative of the broader

³¹ Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e de Material Elétrico.

³² Alternative ways to make a brief reference to the Metalworkers Unions of the city of Rio de Janeiro are available in the two most important analyses of this specific union produced by Marco Aurélio Santana (*Partido e militância sindical: a atuação comunista no Sindicato dos Metalurgicos do Rio de Janeiro, STIMMERJ, 1947-1964*. Master Thesis, presented the Institute of Philosophy and Social Sciences of the Federal State of Rio de Janeiro, in 1992) and by Thomas Jordan (*Contesting the terms of incorporation: labor and the state in Rio de Janeiro, 1930-1964*, Ph.D. Dissertation, University of Illinois Urbana-Champaign, 2000) who proposed the abbreviation SMRJ - no specific study has been produced on the experiences of the union of São Paulo. I have chosen to use *SindMet* as brief reference to be clearer about this specific labor segment, among other unions mentioned along the text.

socio-political and ideological dynamics taking place at a time of fast-paced economic transformations such as during the JK Years.

It is clear that in examining published sources, I am privileging the views of the labor leadership, who probably tended to hold a more vocal and elaborated view about national politics than the average rank and file. Given, nonetheless, that these publications were primarily targeted at their own cohorts, who subscribed to the newspapers, it seems reasonable to assume that these materials offer a valid heuristic window into industrial workers' diffuse political and ideological positions (*imaginaire*).

Metalworkers of São Paulo and Rio de Janeiro and the Case of Carestia

The Metalworkers' Union of the city of Rio de Janeiro (SindMet/RJ) was established in 1917, whereas its counterpart in the city of São Paulo (SindMet/SP) was founded more than a decade later, in 1932. In the middle of the 1950s, there were close to fourteen thousand workers formally affiliated with the SindMet/RJ, with an estimated demographic base of about sixty thousand metalworkers in the metropolitan area of the city. During the period examined (1955-1961), a significant enrolment took place in the Rio-based metalworker's union, demonstrated in the recruitment effort that brought more than six thousand new members to the organization between 1957 and 1959. Another demonstration of the growth experienced is shown by the fact that in 1959, largely based on the fees paid by new members, a new union headquarter building (called the

Metalworker's Palace) was inaugurated in the neighborhood of São Cristovão, in downtown Rio.³³

In São Paulo, the Metalworkers' Union estimated the existence of 120 thousand potential members (i.e. in the city and close surroundings), out of which about forty-five thousand were formally registered as union members in 1955.³⁴ By the end of the decade, the SindMet/SP estimated the existence of about 200 hundred thousand potential members in the legal jurisdiction of the union. Moreover, based on the little data available, we can say that in the interior portions of the state of São Paulo there were about thirty-five thousand metalworkers in 1955, and about eight-hundred thousand industrial workers in the entire country.³⁵

In the years prior to our central period of investigation, the SindMet/RJ had been, along with several other unions in the country, under strict control of the Ministry of Labor. Namely in 1947, under the aegis of Cold War anti-communist cannons, the Federal administration of General Dutra (1946-1950) decided to intervene in all labor unions considered to be involved in dangerous (*i.e.* allegedly communist oriented) political activities. It would be only in 1953 that these unions would be allowed to select, once again, their own leadership.

³³ See: list of *Minutes of Meetings of the SindMet/RJ* between 1947 and 1957, transcribed and collected by Marco Aurélio Santana, and maintained at the *Núcleo de Estudos Trabalho e Sociedade* at the Federal University of Rio de Janeiro; and newspaper collection *A Voz do Metalúrgico* in Fundo Roberto Morena at *Arquivo de Memória Operária do Rio de Janeiro* (AMORJ), at the Federal University of Rio de Janeiro (UFRJ).

³⁴ See: *O Metalúrgico*, periodical owned and published by the SindMet/SP and *Minutes of Meetings of the SindMet/SP* from 1955 to 1960 available at the SindMet/SP in São Paulo.

³⁵ See: *Estatísticas Históricas do Brasil: Séries Socio-Econômicas, Demográficas e Sociais, 1950-1988*. Publication of the Instituto Brasileiro de Geografia e Estatísticas, IBGE (Rio de Janeiro: 1990).

At this latter date, the political commentator that wrote the article which opened this chapter, Eurypedes Ayres de Castro, a long-time member of the SindMet/RJ was elected president of the organization, along with Benedito Cerqueira (a rising figure in the local and national labor movement), who was elected the union's Secretary-General.³⁶ In May 1955 Cerqueira was elected President of the Rio-based metalworker's union. He would be reelected to that position four other times until 1962, when he was elected to the National Chamber of Representatives on a ticket of the Brazilian Worker's Party (PTB).³⁷

The main demands advanced by the SindMet/RJ in the period corresponding to Cerqueira's term as president had been made explicit already in the electoral platform of his first election. Several items of Cerqueira's initial electoral platform would become central in the list of demands the SindMet/RJ advanced in the period. Those meriting a special note here include reducing the costs of living and implementing a program of massive industrialization on the basis of direct governmental participation in the economic activities.³⁸ In his first election, Cerqueira received unanimous support within union's members, thus bringing together two important political forces that existed within the organization. One group was led by influential long-time members and former associates of the Brazilian Communist Party (PCB), which exerted a significant influence over labor unions in the 1950s despite having been made illegal in 1947.

³⁶ See: *Minutes of Meetings of SindMet/RJ*.

³⁷ Two months after Cerqueira's election, Eurypedes Ayres de Castro was elected President of the state-based *Federation of Metalworkers Unions of the State of Rio de Janeiro*. See: *Minutes of SindMet/RJ*.

³⁸ See: *Programa da Chapa Renovação* published in *A Voz do Metalúrgico* in the issue of May 1955.

The PCB competed with the Brazilian Worker' Party (PTB) for a prominent position over Brazilian industrial workers. Members of the first group within the SindMet/RJ tended to be well educated. Their most prominent members included Izaltino Pereira and Heraclides Santos, who will receive more attention below. The second group was primarily represented by Cerqueira and his supporters, who were more inclined to accept the more moderate positions defended by the party of the Vice-President João Goulart (PTB), which held sway over unions primarily by providing labor leaders with sinecures within the bureaucratic machinery of the Ministry of Labor.³⁹

Pertaining to the experiences of metalworkers in the city of São Paulo, both presidents of the SindMet/SP in the second half of the 1950s were moderate traditional members: Fortunato Martinelly from 1955 to 1958, and Remo Forli, a former member of Martinelly's administration, between 1958 and 1962. Another important member of the São Paulo-based union was Aldo Lombardi, who served as the SindMet/SP's Secretary-General during the entire period. He exerted large influence over the association given his recurrent articles dealing with the broader socio-political context of the country and which were regularly published in the union's official periodical called O Metalúrgico (The Metalworker), which was distributed for free among regular members (those who had their fees in good standing). The publication had been established in 1942, and, after an interruption during the military regime, continues in circulation today.

The SindMet/RJ also published its own periodical, edited by members of the union, but delivered by paid subscription (one issue cost as much as one baguette in 1955, *i.e.* 1 cruzeiro). This periodical was called A Voz do Metalúrgico (the Voice of the

³⁹ See: Santana, *Homens Partidos*, *op. cit.*

Metalworker), and it was first published in May 1953. The editors included Izaltino Pereira and Heraclides Santos. The latter also served as Secretary-General of the union during Cerqueira's term in office, and under their leadership the Rio-based newspaper served as an important instrument in disseminating the views, and in reporting on the events, pertaining more broadly to urban labor in the period, given that until 1960s the country's capital was still seated in that city. A Voz do Metalúrgico was similarly censored by the military forces that had come to power in the coup of March 1964, but it was not brought back into operation once a new democratic political order was reinstated in Brazil in the mid-1980s.⁴⁰

Both publications were primarily geared to their respective union bases, but it was common to see that workers of other unions were also among the reading public of each newspaper.⁴¹ Particularly relevant in the case of metalworkers in the city of Rio de Janeiro, it is clear that A Voz do Metalúrgico exerted at least some level of influence over unions nationwide as well as over the national printed press published in Rio.⁴² This probably was the case due to the fact that this periodical circulated in the (then) Federal administrative capital (which was transferred to Brasília early in 1960) and included

⁴⁰ See: newspaper collection of *A Voz do Metalúrgico* at AMORJ/UFRJ in Rio de Janeiro.

⁴¹ This can be demonstrated when mentions of articles published in both periodicals were found in similar periodical of other union sectors, such as textiles, railroad, and carpentry workers, see labor publications available at Fundo Roberto Morena in: ASMOB Collection, available at *Centro de Documentação e Memória* da Unesp in São Paulo.

⁴² This can be attested when reviewing newspapers of Rio de Janeiro published in the later 1950s, wherein recurrent mentions of the metalworkers' publication of that city can be found. See: Newspaper collection available at the *Public Archive of the State of Rio de Janeiro*, Fundo DPS, Série: Dossiês, Notação 30070.

articles reporting on union delegations from the entire country, which had come to the city to present their demands to the Federal administration.

The two newspapers were regular monthly publications which, nonetheless, at times skipped a month or even two, probably due to lack of funds. Most issues normally ran on an average of twelve pages in length, but it was common to have special pieces enclosed, such as reports on regional and national conferences of metalworkers and other industrial labor sectors. Small ads of items sold by union members were occasionally published in these newspapers, particularly in the case of the São Paulo-based paper. In addition to regular articles and columns commenting on the national (and occasionally international) political context – where the most recurrent topic was that of the rising cost of living, as will be shown below – both periodicals published on a regular basis: poetry (in most cases written by members of the unions), reports on athletic activities, news on upcoming social events (such as the union's annual ball), announcements of upcoming birthdays, the christenings of family members, and the passing of union members or of their family members.⁴³

Both unions offered a wide range of membership services. Each organization had a Social, Athletic, and a Women's Department; and, in the case of Rio de Janeiro, there was a Sewing and a Flowering Division. Each entity also had an active drama club, which performed in their several annual celebrations, and they ran a permanent small library to members and their families. Additionally, both unions provided medical and dental services and organized vacations trips and sport events. It is interesting to note that, insofar as the services provided, women merited special attention in both entities

⁴³ See newspaper collection of *A Voz do Metalúrgico* at AMORJ/UFRJ and newspaper collection of *O Metalúrgico* available at the SindMet/SP in São Paulo

even though no women served in the board of directors of neither labor representative body during the entire period here examined.

Demonstrating the wide audience of both newspapers and their impact on rank-and file members of both unions, it was very common to find in both publications mailed-in articles written by union members (who had their registration numbers published under their names in the articles), commenting on various topics, with recurrent attention being paid to the growing economic difficulties of the period. These pieces included poems, such as the one by Alcebiades Silva – published in the June 1955 issue and entitled as nothing else than the very operative inspirational word of the main demands advanced in the period: *A Carestia*. In the piece, Silva described, in a jokingly and rhymed manner, the dire situation of salary workers who had to make ends meet amidst constant rising prices.⁴⁴

In a similar fashion, already in March 1956 (the second month of the Kubitschek administration,) the topic that would be the most prevalent in both union's newspapers, that of the rising cost of living and the consequent 'situation of carestia,' was the cover story of *A Voz do Metalúrgico*. The article mentioned that the price of a single baguette had gone up by twofold in the previous six months, something said to represent "an aggression to the popular economy," and which was blamed on "those who controlled the means of production and distribution of good and who did not behave like patriots."⁴⁵

A direct reflection of this course of events, in the editorial column of the same issue, Izaltino Pereira argued for a strong mobilization on the part of workers in favor of salary increases, both in the official minimal wage and the basic salary paid in the

⁴⁴ Alcebiades Silva, "A Carestia," in *O Metalúrgico*, June 1955, p. 7.

⁴⁵ "O Preço do Pão," in *A Voz do Metalúrgico*, issue of March 1956, cover page.

metalworking sector.⁴⁶ Pereira claimed that such an action should be pursued along the lines of a broad inter-union movement in favor of an effective **freeze** (congelamento) in the prices charged for items of popular consumption, such as food staples. The article made use of a reasoning manifested in several other labor pieces in the period, which argued that, unless prices were frozen and controlled by governmental authorities, the ‘sharks’ (powerful economic groups who controlled the production and distribution of food staples) would simply transfer the wage gains of salary increases to the prices of items they produced or distributed.⁴⁷ In tandem with the agenda of metalworkers in Rio de Janeiro, the reality of the rising cost of living was similarly discussed at the national level already in the second quarter of 1955.

A good illustration of the importance this topic would assume in the period is the convocation for the first National Conference of Workers in the Metal, Electrical, and Mechanical Industries, published in A Voz do Metalurgico in December 1955. Even if only an announcement of an event still in the works, this document quintessentially demonstrates how metalworkers interpreted the broad national context during the JK Years, or at least portrays well the interpretations expressed in this labor segment’ very own publications in the most important industrial centers of the country.

The text of the call reads as follows:

No one today can deny the fact that our county needs and deserves a more assertive national policy of industrialization. It is important, as the new administration gets ready to take office, that we, workers of Brazil, make our own views clear. (...)

⁴⁶ While the minimal wage set the standard for salaries nation wide since 1940, it was common to see sectorial salary rates depending on the industry, particularly among urban workers.

⁴⁷ Izaltino Pereira, “Editorial Notes,” *Idem.*, p. 9.

As our nation becomes industrialized, those who contribute more see their share in the national economy and their own rights as citizens became dead letter. So that this situation no longer stands, we summon our National Conference to state our position in unity in defense of our rights.⁴⁸

The Conference did take place in Volta Redonda, in April the following year, with the participation of 82 delegates of nine Brazilian states, who gathered to formulate a common agenda of negotiation with the government. The President of the National Conference of Metalworkers was Benedito Cerqueira, and, in the special issue on the Conference in O Metalúrgico, we find a long list of resolutions deliberated in the event.⁴⁹

Among several, the demand deserving a special note include the appeal for strengthening metalworker's unified struggle for better pay and safer working conditions, assuring the independence of unions vis-à-vis the Ministry of Labor, promoting an ambitious program of land reform, and defending and protecting our national industry by means of governmental subsidies to nationally owned companies and the expropriation of foreign-owned companies that held monopoly position in the areas of infrastructure.⁵⁰ Similarly indicative of how workers in São Paulo were concerned about the situation of 'carestia,' already in 1955, the September issue of O Metalúrgico reported on a inter-union roundtable held earlier the same month among more than a dozen unions in the city to discuss the situation of rising prices.

⁴⁸ "Manifesto de Convocação da Conferência Nacional dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e de Material Elétrico," in *A Voz do Metalúrgico* in the issue of December 1955.

⁴⁹ See "Special Issue on the National Conference of Metalworkers of Brazil," in *O Metalúrgico*, May 1956.

⁵⁰ *Idem.*, pp. 6-8.

Remo Forli described, in the published piece, what he called as “an unbearable situation where our families are starving, our children go hungry to school, and we go to work day after day after having only beans as our daily meal.”⁵¹ In the December issue the same year, one month before Kubitschek’s inauguration, *O Metalúrgico* published an editorial piece stating that, in spite of the difficulties they faced, metalworkers of São Paulo believed that the upcoming government deserved a cautious vote of confidence. Still, even if defending that union members should support the new President, the editor nonetheless concluded by saying that the incoming president should “remember us, humble workers, who sacrifice every day to meet our commitments in favor of national development.”⁵² A related note of political reservation about the new administration was expressed in *A Voz do Metalúrgico*’s editorial column of March 1957.

In the piece Heraclides Santos, who regularly wrote about general political aspects of the country, evaluated in negative lenses the first year of Kubitschek’s term, as follows:

Initially, given the high numbers of promises made during the presidential campaign, workers enthusiastically supported the projects proposed by the current administration. One year later, though, we don’t see reasons to celebrate. Several unions continue to be harassed and the cost of living has grown to unprecedented levels.⁵³

⁵¹ “Mesa Redonda dos Sindicatos Paulistas,” in *O Metalúrgico*, September 1955, p. 3.

⁵² “Apelo ao Novo Governo,” in *O Metalúrgico*, December 1955, editorial column, p. 2.

⁵³ Heraclides dos Santos, “Atentado às Liberdades Democráticas,” in *A Voz do Metalúrgico*, March 1957, p. 3.

Demonstrating a similar lack of trust in the political projects upheld by the new administration, the editorial column of the August 1958 issue of the same publication criticized Kubitschek's most important diplomatic project: the Operation Pan-America. The goals of such a foreign policy program were actually supported in the article, which, nonetheless, expressed disbelief that such an initiative could achieve any significant result given its alleged excessive reliance on the 'good will' of the United States. The editorialist defined the project as naïve considering that "there are sufficient cases to deny us any confidence that the State Department will support our just claims." Still according to the author, the country should "once and for all pursue an autonomous path of development" [instead of] "continue trusting in the political branch of the plutocracy of Wall Street."⁵⁴

Additional pieces published in the same periodical dealing with the domestic economic policies of the period tended to manifest a similarly critical tone. This seems to have been the case particularly in the pieces (editorials and political columns) examining the policies carried out by Lucas Lopes, the deviser of the Targets Plan and one of the main figures in the Council of Development, and who served as Minister of the Economy from mid-1958 to mid-1959. These articles stressed the difficult situation faced by workers in the urban centers and tended to be largely constructed around the notion of 'carestia.' Along with the repeated recourse of describing in emphatic terms the desperate conditions workers faced, these pieces normally included the main lines of what was to be done to resolve, or at least minimize, the situation.

⁵⁴ "A Operação Pan-Americana," in *A Voz do Metalúrgico*, August 1958, Editorial Column, p. 3

For heuristic purposes these proposed solutions to the ‘problem of carestia’ could be placed under two general categories: immediate and structural initiatives. In the first group we would place the requests for salary increases and price controls.⁵⁵ Insofar as more profound reforms, the core demand of metalworkers of Rio de Janeiro and São Paulo (as well as of the rest of the county)⁵⁶ was for the promotion of a more socially inclusive and autonomous national economy – which was to be achieved under the guidance of an interventionist and responsive central government. The reasoning behind this latter claim reflected several elements of ISEB’s propositions, as indicated in Chapter Three. Such ideological reading posited that attaining a more efficient (economically) and independent (politically) modern nation required a national government which directly owned the most important industrial units and promoted direct investments in the areas of infrastructure and land reform.

A constant theme present in these labor publications, the defense for a government that intervened more directly in the economy and for an administration that was more responsive to the social needs of workers were central elements of the project of national development workers espoused in the period. Moreover, in the editorial pieces, political columns, and general articles of the newspapers examined, we see that the project of national development therein proposed indeed resembled the notions and policies formulated by ISEB’s members.

⁵⁵ See, for instance, Heraclides dos Santos, “O Congelamento do Preços de JK,” in *A Voz do Metalúrgico*, February, 1958, p. 3.

⁵⁶ See the deliberations and minutes of the Metalworkers’ National Congresses that took place in 1957 and 1959 in Porto Alegre and Itanhaém, respectively, as will be indicated below.

Along these commonly shared ideational constructs, the Brazilian national society was taken to be divided into one majority portion that represented the effective national interests, while a minority segment represented anti-national (foreign) views, represented primarily by multinational corporations. Furthermore, state-owned companies, such as the Fábrica Nacional de Motores (as indicated in Chapter Four) represented a good course of action for the projects that the Federal administration should undertake, especially in the sectors of food production and distribution, where multinational companies were highly influential.

In the April 1959 issue of *A Voz do Metalúrgico*, when reporting on the events of the Second National Congress of Metalworkers, the editorialist criticized several projects carried out by the Council of Development, especially those related to the implementation of an automaking industry in the country. The editorial piece stated that the ways in which this industrial project was being carried out would lead to “transferring ownership of our national industry to foreign agents.”⁵⁷ The claim was reiterated in bold terms in the October issue the same year, where the cover article argued that foreign investments were not needed for development promotion. Namely the article stated that “while much has been said in defense of foreign capitals to promote our development, it is clear that we are becoming industrialized in spite of foreign capitals that are still here and not because of them, given that these companies are not relevant to improving our production levels.”⁵⁸

⁵⁷ “Desnacionalização da Indústria Automobilística,” in *A Voz do Metalúrgico*, April 1959, p. 6.

⁵⁸ “Não são fundamentais as empresas estrangeiras para o Brasil,” in *A Voz do Metalúrgico*, October 1959, cover page.

These two articles point to a very peculiar (and perhaps ironic) aspects of the conceptions on national development promotion held by, at least the leadership of, the two most important metalworkers' unions of the country. This labor segment tended to value as reproachable foreign sources of capital at a time when foreign-owned companies were creating large numbers of jobs in the industrial sector. Alternatively, the core of the demands presented by metalworkers in the period centered on combating price increases, regulating private (national and mainly foreign) interests, and promoting a State-led (but also largely owned) plan of national development. Moreover, as prices grew sharply the same year, industrial unions as a whole deepened their claim in favor of price controls regulated by the Federal administration.

Another good indication of the increasing demands for a responsive government in support of the purchasing power of working groups can be found in the documents pertaining to the Second National Conference of Labor Unions that took place in November 1959 in São Paulo, and whose results were published in the December issue of *A Voz do Metalúrgico*. One of the main deliberations taken at the meeting was to “call on all workers to demand a more stringent action on the part of the Federal government regarding the ‘problem of carestia.’⁵⁹

The Conference reiterated the notion (previously advanced in the First Congress of Metalworkers and in the Economic Letter of the CNTI, detailed below) that national development promotion could only achieve tangible results for all workers if such a goal were promoted on clear nationalistic bases. The core element of a nationalistic path of development was defined by having the Federal State (or so was the way the documents

⁵⁹ “Relatos da II Conferência Sindical Nacional,” in *A Voz do Metalúrgico*, December 1959, cover page.

referred to the Federal administration) act as the main agent of economic promotion and as the main defender of the interests of the ‘majority of the population.’⁶⁰

The National Confederation of Industrial Workers (CNTI), the formal umbrella-like organization for all industrial workers in Brazil, published its own periodical, which was called Tribuna Sindical (Union Tribune). Its first issue came out in March 1955 and the periodical was mailed for free to every affiliated union nationwide. Throughout JK Years, the Confederation was headed by unionists known as *pelegos*, or those who provided almost immediate support to the governmental labor policies in exchange for graft in the regional branches of the Labor Ministry. The main directors of the CNTI in the period were Diocleciano de Hollanda Cavalcanti and Ari Campista, long-time members of the organization. These unionists, and the organization as a whole, spent a good deal of time in balancing acts attempting to maintain the influence of the entity over unions which were becoming increasingly more autonomous from governmental influence. On several occasions in the period, the CNTI leadership had to defend its actions as they were becoming increasingly the focus of accusation of misdemeanors in the handling of workers’ pecuniary contributions which had been transferred from the Labor Ministry to the Confederation.

In Brazil, every regularly employed worker paid in the 1950s (and still does) an annual fee (called union tax) in the value of a day’s wage to the Labor Ministry in order to fund his/hers specific union, and the Ministry is responsible for transferring these funds to each union, federation, and confederation of the country. Already in its December 1955 issue, Tribuna Sindical published a long article attempting to defend the

⁶⁰ See: *Relatório da Segunda Conferência Sindical Nacional*, Dossiê DEOPS, Cod. 50-B-259, Pasta 3, available at the *Public Archive of the State of São Paulo*.

organization's leadership against the accusation of misuse of 8 million cruzeiros during the previous fiscal year. According to the piece, such a charge was a despicable lie "disseminated by dangerous communists that unfortunately still existed among the labor movement."⁶¹

Like the other newspapers examined, Tribuna Sindical regularly published articles on the topic of 'carestia,' but normally its tone was less critical of the Federal administration given that, as one of its articles stated, "no one can deny the sincere interest of the administration in attending the just demands of our working classes, who should not fall into the siren song of striking against a supportive and attentive government."⁶² There were also regular pieces on the experiences of the, so-called free, unions of Western Europe, where workers (described as having understood the need to cooperate with the business classes) were moving ahead in promoting their economic betterment. In most cases, these articles connected their international focus with the experiences of Brazilian industrial workers who should see, therefore, that their support for the government was needed in order for 'social peace' to be attained.⁶³

Another indication of how supportive of the administration Tribuna Sindical tended to be, until August 1957, the periodical was adamantly against the idea of striking.⁶⁴ It was only in its October issue the same year, after a historical major strike that stopped industrial activities in São Paulo for almost a month, that the newspaper published a celebratory note on the '400-thousand strike.' The note, nonetheless, claimed

⁶¹ "Sr. Deocleciano esclarece a Verdade sobre a CNTI," in *Tribuna Sindical*, December 1955, cover page.

⁶² "A situação da carestia," *Tribuna Sindical*, August 1956, cover page.

⁶³ See: *Tribuna Sindical*, issues of September and October 1956 and February and April 1958.

⁶⁴ See: *Tribuna Sindical*, issues of July and August 1957.

that the Confederation had supported the movement since the start and that the event had not targeted the administration but rather those greedy employers who could not see that without workers' monetary gains their goods can not be purchased.⁶⁵

A clear sign of how assertive city-based industrial unions were becoming in the latter years of the Kubitschek administration is seen in the fact that even the CNTI's publication increasingly had to denounce the 'situation of carestia' in its pages. Still, while shifting a bit its editorial line towards a more critical stance, Tribuna Sindical continued to espouse a more moderate tone than the one assumed in the publications of the metalworkers unions' newspapers herein scrutinized. It is therefore important to note that, in its October 1957 issue, the same periodical published a call for the Federal administration to "pay more attention to the fact that the important wage increases consented generously to industrial workers were rapidly depleted by the rising prices for basic consumption items, particularly in the large urban centers."⁶⁶

A similar evidence that the topic of 'carestia' (or shortage of food combined with higher cost of living) was the one that tended to harness most the sentiments of industrial workers in a very vibrant way – thus leading them to act in innovative and increasingly openly critical ways – is noticeable in the level of importance that the theme had already received in a document industrial workers handed to President Kubitschek at the Catete Palace (the presidential administrative office in Rio de Janeiro from the 1890s to 1960) in November 1956. The Economic Letter of the CNTI had been prepared to celebrate the tenth anniversary of the Confederation and was presented to the President in a formal

⁶⁵ "Grande Movimento Grevista dos Trabalhadores Paulistas," in *Tribuna Sindical*, October 1957, cover page.

⁶⁶ Idem.

visit made by the organization's directors to the presidential palace.⁶⁷ The piece had been approved by all state federations affiliated with the CNTI and expressed industrial workers' views about the socio-economic context of the country, wherein their main demands were spelled out.

In such a manifesto-like document, meant to convey the general needs, positions, and goals of a variegated labor segment, it is worthy of note the importance that the topic of 'carestia' received. The memo stated, in the opening of its substantively most important paragraph that Brazilian industrial workers found themselves under a "general sense of despair and economic insecurity deriving from the continued price increases that our families face. This situation defines our spirits which are increasingly filled with images of famine, unrest and chaos."⁶⁸ As alluded before, metalworkers believed that resolving such a bleak situation (*i.e.* 'fighting against carestia') required concrete measures such as: intervening in foreign-owned meat packing companies, establishing producers-run open markets in all neighborhoods of large urban centers (so that prices could be kept at production costs), arresting food distributors (mostly foreign companies) who did not respect price freezes to be imposed by the national government, and incorporating autonomous labor union representatives in the already existing official bodies in charge of regulating food distribution in the most important cities.⁶⁹

Since 1951, a federal agency (the Federal Commission of Prices and Food Supply, known as COFAP), structured within the Ministry of Labor and with state (COAPs) and municipal (COMAPs) branches, had been set up by the national government to regulate

⁶⁷ "Comemoração de 10 anos da CNTI com presença de JK," in *Tribuna Sindical*, November 1956, cover page.

⁶⁸ "Carta Econômica da CNTI," published in *Tribuna Sindical*, November 1956, p. 2.

⁶⁹ *A Voz do Metalúrgico*, December 1959, pp. 3-5.

the distribution of food staples in the main urban centers of the country – primarily via seasonal warehouse stock pilings.⁷⁰ COFAP was organized in a hierarchical logic, where local commissions mainly performed the role of providing statistical reports on price increases in each large city to the local, state and federal divisions of the agency. Local (city-based) commissions were composed by five representatives from food processing industries and, beginning in October 1956, by five representatives from labor unions indicated by the Labor Ministry, which also assigned the head of the commission. Increasingly, as food prices rose sharply from 1957 onwards, industrial unions became vocal in demanding that the agency played a more assertive role in controlling prices and in providing alternative forms of food distribution in the urban centers.

In addition to the salary negotiations that each union (organized by each specific sector or activity) periodically held with their respective employer's association (so that their respective sectorial basic salary could be stipulated and ratified by the Labor Ministry), the Federal government granted periodical increases in the minimal wage index. In the 1950s, raises were granted according to the geographic location of the country, which had been divided into fifty four broad national areas depending on the cost of living of the region.

The metropolitan cities of Rio de Janeiro and São Paulo represented one specific area each, wherein a Minimal Wage Commission, composed by representatives from workers and employers and headed by a representative of the Ministry of Labor, was put in place to serve in the role of examining the cost of living in the area. Moreover, each Commission was in charge of providing the statistical branch of the Labor Ministry

⁷⁰ See: Presidential Decree number 1.522 of December 26, 1951.

(Serviço de Estatística da Previdência e Trabalho, SEPT) with their conclusions regarding the regional cost of living so that the Ministry could advise the national President on the value of raise needed in that region.⁷¹ How often these raises occurred depended on the economic and political situation of the country.

In the 1950s, salary increases, their dates, and the value of the minimal wage are indicated below. Also shown in the charts are the inflation rates for the JK Years and the equivalent real (not nominal) value of the minimal wage, based on whether there was a respective equivalent loss or gain in the purchasing power in each year.⁷²

Date of Raise	Nominal Value of Minimal Wage (in the city of Rio and in cruzeiros)
January 1st, 1952	1,200.00
July 4th, 1954	2,400.00
August 1st, 1956	3.800.00
January 1st, 1959	6,000.00
October 18th, 1960	9,600.00

Year	Annual National Inflation Rate	Minimal Wage Increase or Loss
1956	21%	- 2%
1957	16%	- 10%
1958	14%	+ 14%
1959	39,2%	- 13%
1960	29,5%	+ 19,4%
1961	33%	- 14,7%

⁷¹ See: *Nova Lei do Salário Mínimo, Decreto Presidencial no. 39.604-A, of July 14 1956* In Fundo Roberto Morena, ASMOB Collection, available at *Centro de Documentação e Memória* da Unesp in São Paulo.

⁷² Both tables are based on data available at *Estatísticas Históricas do Brasil: Séries Socio-Econômicas, Demográficas e Sociais, 1950-1988*. Instituto Brasileiro de Geografia e Estatística. (Rio de Janeiro).

In addition to publishing adamantly vocal pieces against ‘carestia’ and demanding more assertive actions on the part of the Federal administration in controlling prices and in providing alternatives sources of access to basic food staples, metalworkers got engaged in multiple acts of protest and political demonstrations in the period. These engagements included devising new non-sanctioned inter-union alliances to buttress negotiations with employers and governmental officials, promoting sectorial strikes and cross-union walk-outs, and organizing large public events against ‘the situation of carestia.’ Moreover, throughout the JK Years, industrial workers manifested a new sense of confidence and a higher degree of creative mobilization, as expressed in the creation of the workers-run Inter-Union Department of Socio-Economic and Statistical Studies (DIEESE), in December 1955 in the city of São Paulo.

The establishment of the DIEESE marked the culmination of a process that had begun in March 1953, when the Inter-Union Unity Pact (PUI) had been initially formed by labor representatives of various industrial sectors amidst a general strike that stopped several industrial plants the city of São Paulo for about 3 weeks. The Inter-Union Department was funded by contributions from its nineteen founding member unions which were seeking the establishment of a technical agency dedicated to the analysis of the reality of constantly rising costs of living so that workers could carry out their salary negotiations with better negotiating tools. The inspiration behind the creation of DIEESE was that by being able to gather and produce alternative data on the situation of ‘carestia,’ labor unions would be better prepared to negotiate salary increases given the less biased (and believed-to-be scientific) data about the economy at their disposal. Until that point

in time, the date used to calculate salary losses had been provided by the Ministry of Labor, the São Paulo prefecture, and the Industrialists Associations of the city.⁷³

A founding institutional member of the DIEESE, the SindMet/SP considered the establishment of the Inter-Union Department a major achievement for the sake of industrial workers in the city, and already in the first issue of 1956, O Metalúrgico published a one-page article reporting on the creation of Department. The relevance of such an initiative is stressed in the piece which claimed that the new research entity represented an added capacity for the participating unions to know the ‘real’ inflation rates in São Paulo - something seen as empowering workers to advance their continued claims in favor of better wages.⁷⁴ The article stated that the new union-run organization had placed workers on an equal standing for upcoming wage negotiations given that DIEESE represented the end of uncomfortable situation of going to a negotiation with the supporting data being provided only by one side.⁷⁵ The piece also claimed that the work of the DIEESE would have to be respected by employers and governmental authorities, given that its investigations were conducted by the reputable Economics Professor of the prestigious University of São Paulo, José Albertino Rodrigues – who would coordinate the Technical Division of DIEESE between 1956 and 1962.

In tandem with the new momentum of inter-union collaboration that began with the creation of the DIEESE, in June 1956 twenty four labor unions in the city of São Paulo reassured their commitment to act together in all future wage negotiations and in

⁷³ For more on these developments, see: Timothy Harding, *The Political History of Organized Labor in Brazil*, *op. cit.*

⁷⁴ “Criado o Departamento Inter-Sindical de Estatística,” in *O Metalúrgico*, February 1956, p. 5

⁷⁵ *Idem.*

the ‘fight against carestia.’ The decision, which represented a tactical maneuver that indeed recreated the Inter-Union Pact (PUI) of 1953, had been made in June, in a general assembly at the SindMet/SP headquarters (in downtown São Paulo) – from where a large march had begun toward the State of São Paulo Legislative Assembly where a large ‘demonstration against carestia’ was held.⁷⁶

The revived inter-union pact defended the position that combating the ‘desperate situation of carestia’ requires expanding public credit availability to small farmers who produced food staples, improving transportation networks so that the delivery of food staples in large urban centers could be made at cheaper prices, enforcing governmental controls over the food distribution system so that prices could be reduced, primarily by reducing the influence of private speculators (described as ‘sharks’ and as ‘enemies of the popular will’) acting in the process.⁷⁷ This new list of demands clearly shows that industrial workers were becoming increasingly aware that their problems were caused by factors beyond their own workplace environs. Moreover, this same segment of the Brazilian labor force could progressively see that solutions to their difficult living conditions required structural transformations in the national economy.

By becoming conscious of such structural shortcomings, metalworkers would also become involve in broader, and increasingly more political collective mobilizations which demanded structural solutions, such as land reform and the nationalization of the activities of food processing and distribution. Within this new historical dynamic, metalworkers of the city São Paulo proved to be one of the most politically active

⁷⁶ “Refundado o Pacto de Unidade Inter-Sindical,” in *O Metalúrgico*, July 1956, cover page.

⁷⁷ Idem.

segments of industrial labor in the period examined and a central actor within the revived inter-union pact.

This was clearly shown in July 1957, when the SindMet/SP held a general assembly to discuss the alarming rates of increase in the rapidly growing cost of living. According to the figures provided by the DIEESE, living costs had gone up by forty three per cent in the previous thirteen months,⁷⁸ and, in reviewing the pages of O Metalúrgico in the following months, we see that the tone of the publication was increasingly critical of the Federal administration. In the August issue, for instance, in tandem with the trend just mentioned, the SindMet/SP warned that it wasn't yet the case for striking, but its also stated that the government should act very soon.⁷⁹

In mid-November the publication included an extensive issue largely dedicated to reporting the events pertaining to a major strike that had taken place in the previous month. This mass stoppage involved about 400 thousand industrial workers, from eight different fields of activities, but it was led by the SindMet/SP and the Textiles Workers' Union of São Paulo, who virtually halted all industrial production in the city of São Paulo for twenty eight days.

The strike had been coordinated by the new Inter-Union Pact (PUI) and the (then created) Inter-Union Alliance for Salary Increases and Against Carestia. Strikers demanded a twenty-five per-cent wage increase for all participating unions and their initial walk-out proved successful in forcing employers to accept their pecuniary claim. After having brought workers back to the assembly lines, local industrialists associations

⁷⁸ “Batalha de Reajustamento de Salários,” in *O Metalúrgico*, July 1957, cover page.

⁷⁹ “Metalúrgicos Decidem: 45 Por Cento de Aumento,” in *O Metalúrgico*, August 1957, cover page.

nonetheless appealed to the Federal Labor Court (Tribunal Superior do Trabalho), which reduced the raise to eighteen per cent to all labor segments.⁸⁰ Commenting on the events of October, O Metalúrgico stressed that, despite the final blow they had received from governmental authorities, workers should be proud of their level of unprecedented mobilization organization, and that the strike represented a new moment in the unity of industrial workers in the city. Additionally the periodical went on for more than two pages to explain that industrial workers of São Paulo had been forced to come to such a radical maneuver given the intransigent position held by employers, who had pushed moderate and responsible workers into a situation of despair.⁸¹

Another event that similarly reflected how industrial workers were becoming increasingly mobilized and assertive during the JK Years was the first National Congress of Metalworkers that took place in Porto Alegre in November 1957. The Congress deliberated that the following themes should be included in all salary negotiations metalworkers were conducting: periodical revision of wages, inclusion of workers in all committees of the COFAP, restriction of subsidized credit to foreign-owned companies, a wide program of land reform aimed at increasing food production, and the strengthening of ties with metalworkers in other developing nations.⁸² By the same token the Second National Congress of Metalworkers, which took place in Itanhaém (in the state of São Paulo) in 1959, reiterated a similar list of demands, namely the strengthening of their

⁸⁰ For more, see Paulo Fontes, *op. cit.* and Renato Colistete, Renato Colistete, *Labour Relations and Industrial Performance in Brazil: Greater São Paulo, 1945-1960*. (New York: Palgrave, 2001).

⁸¹ “Vitória da Unidade dos Trabalhadores,” in *O Metalúrgico*, November-December 1957, pp. 1-5.

⁸² “Resoluções do Primeiro Congresso Nacional dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e de Material Elétrico do Brasil,” in *O Metalúrgico*, January 1958, pp. 4-6.

mobilization in favor of price controls and periodical wage revisions, elimination of the influence of private speculators involved in the process of food distribution, and the creation of a nationalistic program of industrialization, particularly in the automaking sector, so that domestically owned companies would be able to compete on equal grounds with foreign-owned ones.⁸³

Metalworkers were thus repeatedly uttering the notion that national development promotion had to take place on ‘autonomous grounds’ primarily aimed at achieving higher ‘economic independence,’ instead of more economic entanglements (interdependence) with the world economy. Along these lines, the argument in favor of nationally (state) owned industries was recurrent both in the publications of the SindMet/SP and the SindMet/RJ. This was particularly the case after 1957, when their editorials began expressing adamant denunciations of the ‘desperate situation of carestia’ pervading both urban contexts. These pieces demanded a more rigorous involvement of governmental authorities in controlling prices and in increasing production of consumer goods by means of state-run companies.

In its January/February 1959 issue, for instance, O Metalúrgico described how what were expected to be frozen prices had in fact gone successively up from the previous month of November to the first five weeks of the following year. The cover article claimed that such a situation revealed in actual numbers the disconcerting lack of interest and political competence of the COMAP of the city of São Paulo to defend the

⁸³ ‘Resoluções do Segundo Congresso Nacional dos Trabalhadores na Indústrias, Metalúrgicas, Mecânicas e de Material Elétrico do Brasil,’ published in *O Metalúrgico*, May 1959, pp. 4 and 5. See also: “Publicações do Segundo Congresso Nacional dos Metalúrgicos,” in Fundo Roberto Morena: Archivo Storico del Movimento Operario Brasileiro, available at the *Centro de Documentação e Memória* da UNESP in São Paulo.

rights and interests of workers. Moreover, it argued that the administration should act more promptly and responsively, or its alleged commitment to workers would be ‘questioned in the streets.’⁸⁴

Related criticisms began being addressed even against Kubitschek himself, who increasingly was perceived as someone who could do more about the situation were he indeed concerned about the suffering of the poor working people.⁸⁵ Notwithstanding these pieces, in the following months the situation of price increases persisted, and in the March, April, and May issues of *O Metalúrgico* increasingly critical articles were published with the regular display of charts indicating how prices were going up rapidly in multiple basic consumption items (e.g. meat and past had gone up by about 20 per cent in only about 5 months).

Several inter-union meetings had begun taking place in the first half of 1959, under the leadership of PUI President Salvador Lossaco.⁸⁶ These gatherings were primarily intended at better organizing the ‘fight against carestia’ and were regularly held at the headquarter of the SindMet/SP.⁸⁷ At one of these meetings (in March 1959), the idea of ‘marching upon Catete’ (the Presidential Palace in Rio) in large numbers to show Kubitschek the miserable living conditions of workers of the country came to the fore.

The idea of a large demonstration targeting the country’s President occupied unionists of São Paulo and Rio de Janeiro during most of the following month, until the

⁸⁴ *O Metalúrgico*, January-February, 1959, pp. 2-4.

⁸⁵ “Todos Poderes Contra o Presidente,” in *O Metalúrgico*, January/February, 1959, p. 3.

⁸⁶ In contrast to what should be expected based on the traditional historiography, Lossaco was a unionist of the Union of Workers in the Banking Sector who, in spite of not working on a state-run company, became involved in highly political labor mobilizations in the period, even serving at the National Chamber, as a representative of the state of São Paulo from late 1959 to 1964 on ticket of the Brazilian Workers Party (PTB).

⁸⁷ See *O Metalúrgico*, issues of March, April, and May, 1959.

Minister of Labor, Fernando Nóbrega, began negotiations with a committee of workers led by Benedito Cerqueira and Aldo Lombardi, presidents of the metalworkers' unions of Rio de Janeiro and São Paulo, respectively.⁸⁸ By mid-April, the month when the rally was planned to take place, Nóbrega warned union leaders that the march would not be allowed and that all measures would be taken to prevent the event from happening – such as blocking the streets leading to the Catete Palace in Rio.

Based on the President's refusal to meet in the public eye, unionists decided to send a small negotiating committee to meet with Kubitschek to hand him a letter describing the 'desperate situation of carestia' that workers faced on a daily basis, and to demand efficient price controls on the part of administration officials.⁸⁹ Furthermore, union leaders decided to follow a multi-targeted approach as they began organizing local 'demonstrations against carestia,' and made their case known by sending a series of 'manifestos against carestia' to the local media, State Legislatures, and the National Congress in Rio. In all these documents workers reiterated their claim for democratizing and strengthening the role and capability of the COFAP and its local agencies, and ratified their request for the creation of neighborhood-based distribution centers so that

⁸⁸ In addition to the notes published in the unions newspapers here examined, the general press of São Paulo and, especially of Rio de Janeiro published innumerable articles on the negotiations that took place between unionists and representatives of the Ministry Labor in attempting to aver the political costs that such a public gathering would entail for the administration. For an idea of the pieces published in the printed media in the period, see: *A Notícia* of April 4, 1959; *O Dia* of April 5, 1959; *Diário de Notícias* of March 25, 1959; and *Última Hora* of March 24, 1959, available at the *Public Archive of the State of Rio de Janeiro*, Fundo DPS, Série: Dossiês, Notação 30070.

⁸⁹ See: *Diário de Notícias* of March 15, 1959; *O Dia* of March 17, 1959; and *Gazeta de Notícias* of March 20, 1959, available at the *Public Archive of the State of Rio de Janeiro*, Fundo DPS, Série: Dossiês, Notação 30074.

food staples could be provided directly from the countryside without the despicable involvement of speculators.⁹⁰

Large ‘demonstrations against carestia’ would occur during the months of September and October the same year in various cities across the country. These included holding several public marches and one event that deserves a special mention: a three-day vigil at the Sé Square, in the heart of downtown São Paulo.⁹¹ The vigil was organized by the movement called as “Journey against Carestia,” which had brought together the leaders of the Inter-Union Unity Pact (which by then included more than 118 unions in the city), several students associations of different local universities, and various neighborhoods associations.⁹²

Increasingly mobilized and ever more vocal in their demands, metalworkers of São Paulo and Rio de Janeiro gradually served in a clearer fashion in the role of harnessing the sentiments and demands of industrial labor in the latter part of the JK Years. *O Metalúrgico* continuously functioned as a herald to the industrial labor movement in São Paulo, and in its pages we learn about the more than 300 hundred strikes that took place in the city in 1959 and of the details about the local ‘fight against carestia.’⁹³

In the case of Rio de Janeiro, as inflation rates grew even faster in 1959 a new local inter-union pact, led by SindMet/RJ’s President Benedito Cerqueira, was

⁹⁰ Idem.

⁹¹ See *Ultima Hora*, of August 26 and September 2, 1959; *O Dia*, September 3, 1959; and *Jornal do Brasil*, September 9, 1959, available at the *Public Archive of the State of Rio de Janeiro*, Fundo DPS, Série: Dossiês, Notação 30069.

⁹² “Protesto Geral dos Trabalhadores de São Paulo,” in *O Metalúrgico*, September 1959, cover page. See also “Manifesto ao Povo de São Paulo,” Dossiê DEOPS, Cod. OS-0145, available at the Public Archive of the State of São Paulo.

⁹³ See: *O Metalúrgico*, June, July, August, 1960.

established: the Permanent Commission of Labor Union Organization (CPOS), an alliance that would play a central role in the labor activities taking place in Rio de Janeiro in the first years of the 1960s.⁹⁴ Moreover, in February 1960, two months before the new capital city of Brasília was to be inaugurated, A Voz do Metalúrgico published in its editorial page the political reality of the country by evaluating the Federal administration and examining the prospects of the upcoming Presidential election.⁹⁵

The newspaper claimed that the new national leader had to do more to defend the real interest of workers considering that during the JK Years, “in spite of the high economic growth achieved, the living condition of workers continued to be miserable.”⁹⁶ The article similarly argued that “the union movement advocates vehemently the development of our country but demands that this be done in autonomous grounds and in benefit of our population and against the interests of foreign investors.” As a closing assessment of the administration, the editorialist concludes that “Mr. Juscelino’s Targets Plan has in reality placed our country in a dead-end since our economy has grown but our people remain poor and facing growing difficulties.”⁹⁷

⁹⁴ Fundo Roberto Morena: Archivo Storico del Movimento Operario Brasileiro, Cod. OS-0145, available at the *Public Archive of the State of São Paulo*.

⁹⁵ This political selection divided, once again, the national political spectrum into one candidate supported by the Party of the Social Democracy (PSD) and the Brazilian Workers Party (PTB) and another candidate supported by the National Democratic Union (UDN).

⁹⁶ “As Próximas Eleições,” in *A Voz do Metalúrgico*, February 1960, editorial page.

⁹⁷ *Idem*.

Concluding Remarks

By the mid-twentieth century labor dynamics in Brazil were more complex than it has generally been described in the traditional historiography on the period. Particularly regarding the case of industrial labor, throughout the JK Years there was a remarkable process wherein this growing segment of Brazilian workers progressively manifested more autonomous levels of mobilization. In tandem with the expansion of the industrial sector in the southeastern portion of the country (wherein the cities of São Paulo and Rio de Janeiro are located), industrial labor became increasingly more active, vocal, and engaged in the important socio-economic transformations taking place at time.

One of the labor segments mostly affected by the ambitious industrial goals of the period, namely that of metalworkers, not only struggled to defend its own most immediate interests and needs, but prolifically acted to articulate and advance its own views on national development. These workers were mobilized in increasingly stronger, better funded, and more responsive (to their own constituents) unions. The movement was progressively performed by ever more autonomous and creatively devised inter-unions pacts and alliances, which were not provided for in the labor legislations of the period. We should, therefore, no longer take Brazilian workers of the Populist Republic as appeased and co-opted by the appeals made by a populist political logic. Similarly, it would be also erroneous to assume that unions were detached from labor masses, as it has been argued for far too long in the traditional historiography on the period.

As the decade progressed, large numbers of workers would come together in larger numbers to press the national political leadership to become more attentive to their needs. With the aim of defending their own interests, metalworkers held periodical

meetings and conferences to debate the case of wage decreases, published articles demanding more frequent and better enforced price freezes, and engaged in inter-unions strikes and large civic demonstrations against the high costs of living. In so doing, industrial workers became increasingly aware that solutions to the persistent 'problem of carestia' required broader and more fundamental political and economic reforms than periodical salary raises would be able to provide. Within these rich historical experiences, labor demands and conceptions on national development acquired a wider scope.

In the end of the period, industrial workers would increasingly espouse political positions in tune with those being articulated by nationalistic intellectuals gathered at the Institute of Advanced Brazilian Studies. The search for structural solutions to the 'problem of carestia,' in the case of the former social group, and for the 'condition of underdevelopment,' in the case of the latter, was at the center of their ideational formulations. Furthermore, as the 1950s was coming to a close, metalworkers would increasingly become skeptical that their positions would become official developmental policies. Consequently, the latter part of the JK Years, as well as the immediate subsequent period in Brazil would be marked by growing political polarization, rather than by ideological consensus and social compromise.

Conclusion

In the present work I reconstructed the complex historical dynamics involving the ideational reflection and governmental policies pertaining to national development promotion occurring in the 1950s in Brazil. The investigation centered on the experiences taking place under the administration of Juscelino Kubitschek, when a specific program of economic reforms was implemented, to showcase the different conceptions of national development that existed at the time. Contrary to the traditional historiography on the period, my study indicates that no consensual position on what national development meant was available in the period, nor was there a political pact (or social compromise) supporting the Brazilian political regime then in operation.

To be sure, the 1950s can legitimately be seen as the developmentist decade in Brazil, given that rich political and intellectual debates, as well as ambitious projects of fast economic growth promotion, were manifest in the period. Moreover, the very ideology of national-developmentism was then formulated, having received increasing levels of support from growing segments of the urban middle sectors of the Brazilian society. Similarly, the pro-development drive that became increasingly noticeable in Brazil in the 1950s was not restricted to events and initiatives taking place in the domestic realm. Instead, innovative diplomatic projects and policies were also part of the period. Notwithstanding this historical context, however, the heuristic label of the developmental decade should no longer imply that national development was a univocal project in the minds (and hearts) of most socio-economic, political, and intellectual Brazilian sectors.

Particularly during the JK Years, the broad socio-political and ideological scenarios in Brazil consisted of multiple positions on national development. Namely whereas the Federal administration sought out to implement an ambitious program of economic reforms, known as the Targets Plan which aimed at increasing the productivity of the Brazilian economy and at deepening the links between domestic production lines and the rapidly expanding international capitalist market (and which would favor domestic and international industrial business groups); nationalistic intellectuals were increasingly arguing that promoting national development required decreasing the interconnections between the Brazilian economy and foreign economic interest; while industrial workers were engaging in actual and ideational activities demanding a more responsive and socially inclusive political behavior on the part of the Federal structures of government.

Despite this broad range of different views on how to lead the country into a path of effective national development, the main inspiration behind the economic growth pursued in the Targets Plan was that the Federal administration should focus its attention on creating the infrastructural, financial, and legal conditions needed to attract and support investment capital. This task was considered as essential to improve the competitiveness and production output of the Brazilian economy. Conversely, the intellectuals coalesced at the Institute of Advanced Brazilian Studies (ISEB) espoused a definition of national independent development which implied the promotion of industrialization by means of an interventionist government and the creation of a more positive national self-image. In tandem with these historical events, industrial workers in

large urban Brazilian centers in the second half of the 1950s were active proponents of development as a socially inclusive and politically responsive national reality.

More than absolute rates of growth in the industry, or even more job opportunities, for them national development had to be translated into concrete betterment of their daily lives in order for it to be meaningful. Likewise, ISEB intellectuals defined national development as promoting more autonomous economic and cultural conditions not as integrating the country into the logic of the international economy as promoted by the conductors of the Targets Plan. Moreover, industrial workers were not appeased nor were they subaltern actors in the national political and socio-economic dynamics of the period. The Federal government was not monolithic in its workings nor was there an exclusivist national political logic in operation at the time. And no ‘populist pact’ existed during the so-called Populist Republic.

There was, to be precise, substantial enthusiasm for the basic inspirations guiding the projects of economic transformation implemented in the JK Years, as indicated in the traditional historiography. This diffuse support, nonetheless, did not derive from the existence of a pact but rather from the fact that national development promotion had become the center of the expectations of a large amount of important socio-political actors – such as governmental bureaucrats, politicians, intellectuals, business groups, and even industrial workers. Likewise, the ideology of national-developmentism did not play the catalytic role of maintaining together an unstable populist regime; nor the alleged political stability of the period derived from the magnetic qualities emanating from a charismatic populist leader – as Kubitschek has normally been depicted.

Moreover, if the collapse of the democratic regime in March 1964 came out of a profound process of economic destabilization and political polarization during the Goulart administration (1961-1964), the origins of these dynamics have to be found in the allegedly harmonious JK Years. In concrete terms, it was because national development meant different things to different social segments of the Brazilian society, that no unified support could have been provided to the political regime when things began getting more socially and politically divisive early in the 1960s. If industrial workers were indeed to become politically active under Goulart, this process had begun in the JK Years. Likewise, this historical process did not derive from workers excessive (said to-be unstable) ideological positions. Instead, the creative and assertive labor mobilization of the period only represented their own search for a model of development which was more in tune to their own views and which was more capable to respond to their own needs and demands. Furthermore, the demise of the so-called Populist Republic did not derive from what is known as a 'democratic overload,' or the fact that popular sectors' demands for social improvements were excessively high vis-à-vis the weak political institutions therein existent.

Instead, the collapse of populism in Brazil resulted from the lack of effective broad social (or even ideational) incorporation amidst a process of implementing a homogenizing political agenda which only purportedly represented all social interests therein existent. Still, even if flawed, the political regime proved to be resilient and to function within reasonable democratic standards. The opposition remained active despite Kubitschek's constant appeals for national unity and the organized labor was able to flourish to unprecedented levels.

It is similarly important to state that throughout the 1950s national development was conceived and pursued in Brazil on the basis of a logic that assumed that the nation was a self-contained, evident, and homogenous entity, wherein everyone should naturally support such a plan as the only rational thing to do. Still, in spite of the absence of an ideational consensus, the goal of national development stirred attention from large and growing segments of the Brazil society in the period, including those situated in marginal spheres of economic and political power. In contrast to the argument posited in the comparative bibliography on development promotion in the post-World War II context, the areas in which the Targets Plan reached better rates of result were not those that remained insulated from political input originated in the broader national society, but rather those receiving constant input from directly affected social groups.

Thus, in direct contrast with the argument present in the bibliography on political stability on fast-industrializing societies, what provoked the final destabilization of the populist (*i.e.* democratic) political system in operation in Brazil in mid-century was not the fact that popular demands were rising at an exceedingly fast rate. The destabilization of the political regime was instead caused by the fact that the wider social conceptions and expectations related to national development were flattened into a top-down plan centered exclusively on fostering fast rates of absolute economic growth. My work thus sheds a new light on the customary interpretations about the phenomenon of Populism, particularly in the context of Latin America, as well as over the prevailing reflections on the topic of development promotion in the second half of the twentieth century. As in most historical dynamics, the experiences involved in the process of fast-paced State-led development promotion in the 1950s in Brazil were influenced by a wide range of

mobilized social segments, all of which were advancing their own views, conceptions, political positions, and projects on national development.

Further examinations are certainly needed so that an even more apt characterization than the one herein posited can be reached. I am nonetheless confident that my analysis herein presented contributed towards a more profound understanding of how political and ideational negotiations on the topic of national development actually impact socio-cultural, economic, and political realities undergoing fast-paced broad national transformations – such as those occurring in Brazil during its developmental decade.

Appendix I

The Targets Plan consisted of a list of specific economic investment goals to be achieved within the five-year period of the Kubitschek administration. There were 30 specific objectives distributed into five main areas of the economy, as follows:

I - Energy Production: received about 43 % of all funds invested during the Plan implementation, and included the following targets:

1) **Electricity:** increase the production from 3,500,000kW in 1956 to 5,000,000kW in 1960, and 9,000,000kW in 1965. In December 1960 the production had reached 4,770,000kW, representing 87% of the target, and within the next year this production reached 5,205,000kW.

2) **Nuclear energy:** included training technical personnel to implement a national program of nuclear energy, produce nuclear fuel in Brazil, and install a nuclear energetic facility. Insofar as its results, these were hard to measure but one nuclear reactor was installed at the University of São Paulo, some educational fellowships were given to Brazilian researchers to study abroad, and the Nuclear Energy Council began production of atomic fuel material at a State-owned facility.

3) **Mineral Coal:** increase production to 3,000,000 tons in 1960. This goal was partially achieved as the production picked at 2,199,000 tons. This was still considered a success as the consumption of coal decreased given the conversion to diesel-run engines used in the railroad system.

4) **Oil (production):** to produce 100 thousand barrels a day in 1960. The goal was only partially met (75%) as production reached 75 thousand barrels a day on that same year. In 1961 production picked at 95 thousand barrels/day.

5) **Oil (refining):** originally planned to reach 175 thousand barrels/day, the target was revised to 300 thousand barrels/day in 1960. The results exceeded the target as 309 thousand barrels were refined daily by the end of that year.

II - Transportation: received about 30% of all investments in the period and was divided into the following targets:

6) **Railroads (renovation):** consisted of the acquisition of 400 diesel-run locomotives, 1.086 passenger wagons, and 10.943 cargo wagons, goal that was only partially met (about 74%).

7) **Railroads (construction):** the goal was to build 1,500 Kms of new tracks, and only 50% of these were constructed until 1960; representing an expansion of only 3,5% of new tracks into the national railroad network system.

8) **Roads (paving):** the initial aim was to pave 3,000 Km, but the goal was expanded to close to 6,000 Km in 1959. The goal was surpassed in 200 Km, and by late 1960, the paved roads network had doubled.

9) **Roads (construction):** the initial goal was to open 10,000 km of new unpaved roads. This target was later revised to 12,000 and then again to 13,000 km. By the end of 1960, close to 15,000 Km of new roads had been built, representing one of the highest rates of completion of all targets of the Plan.

10) **Portuary network:** the target was to double the naval transportation system by investing in reforming old and building new harbors, but only about half of this target was completed.

11) **Merchant Fleet:** aimed at acquiring new vessels to the State-owned merchant company in order to increase the fleet in about 30%. The rate of completion was of close to 80%.

12) **Air Transportation:** planned the subsidized acquisition of 45 new airplanes; 13 were added.

III - Food Production and Distribution: received only about 3% of the funds and its targets included:

13) **Wheat production:** planned to reach a domestic production of 1,500,000 tons of wheat by the 1960 mid-year harvest. This was the target that presented the more dismal result considering that the actual production that year was of 370,000 tons, less than what had been produced in 1955.

14) **Warehouses:** the target of reaching a storage capacity of 800 thousand tons was reached in about 70% by the end of 1960.

15) **Meat warehouses:** the aim of achieving a storage capacity of 100 thousand tons was only partially met, in about 18% of the target.

16) **Industrial Slaughterhouses:** the original aim was to be able to slaughter about 4000 cows and 1500 pigs daily in government-run facilities. These numbers were revised to about 2,750 cows and 1,100 pigs in 1958, and only 80% of the target was reached.

17) **Mechanization of Agricultural Production:** the goal was to have about 78 thousand tractors working in the fields by the end of 1960, number surpassed in about 7%.

18) **Fertilizers:** the target of having 290 thousand tons of fertilizer been used in the agricultural production by the end of 1960 was surpassed in about 40%.

IV - Basic Industries: received about 21% of all investments, was centered in increasing production of various industrial products, as follows:

19) **Steel:** the initial goal was to increase steel production to about 2 million tons in 1960 from about 1.3 million in 1955. The target was surpassed as production reached 2,279,000 tons in 1960.

20) **Aluminum:** goal was to increase domestic production to 20 thousand tons in 1960, a figure that was only partially reached (about 16 thousand tons).

21) **Mineral Processing:** there was a significant expansion in the refining process of copper, lead, and tin; all about the assigned targets.

22) **Concrete:** met in about 90%, the target was to increase production to about 5 million tons/year.

23) **Alkali:** production picked at 212,000 tons in 1960 (94% of the target).

24) **Cellulose and Paper:** initial goal was to produce 200,000 tons of cellulose and 450,000 tons of paper in 1960. Both targets were met.

25) **Rubber:** the targets were of producing 40,000 tons of synthetic rubber and 25,000 tons of natural rubber by 1960. The goal for the first item was met in 1961, but production of natural rubber did not improve from the 1955 figure.

26) **Mineral Exports:** in 1960 the country exported 8,000,000 tons of minerals, about 62% of the assigned target.

27) **Automobile Industry:** initial target was to produce 130 thousand vehicles in Brazil in 1960. Actual production reached 230 thousand on that same year, above the new target of 170,000 units that had been set in 1958.

28) **Naval Construction:** initial target was to increase the production of ships in about 30%, which was achieved in 1960.

29) **Electrical equipments:** there were no specific targets to be met, but the results were very positive as the amount of electrical equipments produced in Brazil doubled between 1955 and 1960.

V - Education and technical qualification of labor: received only about 3% of all investments and consisted of only one vaguely specified target:

30) **Training technical personnel:** the goal was to improve the training of labor that was expected to be working in the upcoming industrial plants. As no specific numbers to be reached were set, it is impossible to define a rate of achievement for this target. What is clear, however, is that, despite been a promise made still during Kubitschek presidential campaign, this area was not a priority for the administration and very small results could be shown in this area.

Finally, it is important to mention that the project of constructing a new city out of nothing and transferring the capital from Rio de Janeiro to **Brasília** became a target in itself, called the Synthesis-Target. The new capital was built in approximately four years at a cost estimated in what corresponded to about 3 per cent of the GDP at the time.

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