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The United States, Brazil, and the Cold War, 1945–1960: End of the Special Relationship

Stanley E. Hilton

The Cold War brought significant alterations in American foreign policy alignments, as former allies became adversaries and recent enemies became partners. Germany and Japan come immediately to mind as examples of the latter, while previously friendly China transformed itself into a bitter antagonist by 1950. In a less dramatic fashion, but likewise with profoundly negative results, Washington also “lost” Brazil, the world’s fifth largest country and the eighth largest market economy in 1981, during the first postwar decade. In so doing it practically guaranteed the long-range decline of American influence in Latin America.

The virulent symptoms of an adversarial posture on Brazil’s part were not seen in sharp focus until the mid-1970s, when the two governments found themselves at odds on virtually every international issue, with Brazil often leading Latin American resistance to American policy. Recent difficulties, best symbolized by Brazil’s hotly debated 1975 nuclear accord with West Germany,¹ seemed all the more perplexing because Brazil had been the “historic” ally of the United States in Latin America at least since the turn of the century when maintenance of a special relationship with Washington became a major pillar of Brazil’s foreign policy strategy. Dedication to that relationship stemmed from Brazilian conviction that the interests of Portuguese-speaking, Luso-African Brazil were fundamentally different from those of its Spanish-speaking, potentially hostile Indo-European neighbors and that American friendship was the best means of bolstering Brazil’s position vis-à-vis Spanish America, especially arch-rival Argentina. In return for preferential economic, diplomatic, and military assistance from the United States, Brazil would serve this country as an intermediary with Spanish America and would also assume increasing responsibility for South Atlantic

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¹ Norman Gall, “Atoms for Brazil, Dangers for All,” *Foreign Policy*, 23 (Summer 1976), 155–201; Roger W. Fontaine, “The End of a Beautiful Relationship,” *ibid.*, 28 (Fall 1977), 166–74; Albert Fishlow, “Flying Down to Rio: Perspectives on U.S.-Brazilian Relations,” *Foreign Affairs*, 57 (Winter 1978–1979), 387–405.

defense—this was how Brazilian policy makers saw the alliance. At various junctures Brazil collaborated intimately with the United States, seeking to cement the special relationship. Participation in both world conflicts—during World War II Brazil was the only Latin American country to send troops to Europe—highlighted that cooperation.² It became increasingly clear by the 1970s, however, that Brazil had abandoned the strategy that had promoted national isolation within the Latin American community and adopted one of solidarity with Spanish America vis-à-vis the United States. In other words, a clear reversal of policy had occurred.

The question for the historian is why that shift took place. Was it a result of conditions in the 1970s, or do its causes have deeper roots? The answer lies in the first decade and a half of the Cold War when divergent national priorities and conflicting concepts of hemisphere defense generated a major policy clash for the first time in this century. The result was a dramatic erosion of Brazil's confidence in the special relationship, setting the stage for a fundamental re-evaluation of national policy toward the United States in the late 1950s.

The apogee of American-Brazilian cooperation came during World War II. Brazil, under the guidance of benevolent dictator Getúlio Vargas, came down solidly on the side of the anti-Axis bloc. Brazil allowed the United States to build air bases in the northeastern hump of the country and to organize an air ferrying service through that region to Africa and the Middle East, assisted in air and naval patrolling of the South Atlantic, provided strategic materials, and ultimately dispatched an expeditionary force to Europe. Washington, in return, extended loans and technical assistance for the national steel plant at Volta Redonda, gave Brazil substantial Lend-Lease aid (three-fourths of the total to Latin America), equipped and transported the expeditionary force, and ran diplomatic interference for Rio de Janeiro's successful campaign to obtain a seat on the Security Council of the new United Nations (UN).³

Brazil's record of service during the war, especially when compared with that of Argentina, which followed an obstructionist, even pro-Axis, policy after 1940, justified and indeed guaranteed, in the view of Brazilian policy makers, a postwar intensification of American aid. Such assistance seemed all the more vital in the turbulent environment of the Cold War, which, in Brazilian eyes, threatened to degenerate into a military clash at any moment.⁴

² E. Bradford Burns, *The Unwritten Alliance: Rio-Branco and Brazilian-American Relations* (New York, 1966); Stanley E. Hilton, "Brazil and the Post-Versailles World: Elite Images and Foreign Policy Strategy, 1919–1929," *Journal of Latin-American Studies*, 12 (Nov. 1980), 359–63; Frank D. McCann, Jr., *The Brazilian-American Alliance, 1937–1945* (Princeton, 1973).

³ Stanley E. Hilton, "Brazilian Diplomacy and the Washington-Rio de Janeiro 'Axis' during the World War II Era," *Hispanic American Historical Review*, 59 (May 1979), 201–31.

⁴ The expressions of alarm were legion. See, for example, João Carlos Muniz to Oswaldo Aranha, June 26, 1946, Oswaldo Aranha Papers (Centro de Pesquisa e Documentação de História Contemporânea, Fundação Getúlio Vargas, Rio de Janeiro); Aranha to Raul Fernandes, Sept. 25, 1947, *ibid.*; Fernandes to Aranha, Nov. 16, 1947, *ibid.*; Hildebrando Acioly to Aranha, Oct. 8, 1947, Hildebrando Acioly Papers (private possession, Rio de Janeiro); Alcio Souto to Eurico Dutra, Sept. 2, 1946, Coleção Presidência da República (Arquivo Nacional, Rio de Janeiro); Minister of Finance to Dutra, March 9, 1948, *ibid.*

In South America there was the challenge of keeping the Juan Perón regime in check, a problem of apparently grave implications because Argentina's intense military buildup and aggressive diplomatic and commercial drive in neighboring Spanish American countries seemed to be aimed primarily at Brazil.⁵

Brazilian leaders looked eagerly to the entente with the United States as a means of meeting these somber challenges.⁶ Their reading of international trends naturally led them to attach immediate priority to the acquisition of military hardware, and joint staff conversations late in the war had led them to believe that Washington would continue to help modernize Brazil's armed forces.⁷ But the State Department now opposed "unnecessary" defense expenditures by Latin American countries, which lacked capital for social and economic development. Washington wanted to promote the use of American equipment in Latin America but did not want outlays there to exceed the level that American planners judged adequate for internal security and hemisphere defense. New atomic weapons, moreover, cast doubt on notions of defense by conventional forces. An additional consideration to the State Department was the possibility that military aid might be used to prop up undemocratic regimes.⁸

What rankled Brazilian leaders even more than the meager quantity of secondhand material they obtained was the fact that Washington, following its

⁵ For Brazilian anxiety in this regard, see, for example, U.S. State Department memorandum, Jan. 28, 1946, vol. 10, box 28, General Records of the Department of State, RG 59 (National Archives); *Foreign Relations of the United States, 1946* (11 vols., Washington, 1969–1972), XI, 223; *Correio da Manhã* (Rio de Janeiro), May 12, June 26, 1946; Aranha to Acioly, March 21, 1947, Aranha Papers; Brazilian embassy at Buenos Aires to Ministério das Relações Exteriores, Oct. 16, 1946, March 3, July 17, 1948, Arquivo Histórico do Itamaraty (Palácio Itamaraty, Rio de Janeiro); Brazilian embassy in Montevideo to Ministério das Relações Exteriores, March 2, 1948, *ibid.*; Acioly to Dutra, Oct. 2, 1947, *ibid.*; Minister of Finance to Dutra, Dec. 16, 1948, May 13, 1949, Coleção Presidência da República.

⁶ Roberto M. Gonçalves, "Situação Política no Hemisfério Ocidental," Sept. 23, 1946, Arquivo Histórico do Itamaraty; Aranha to Fernandes, May 24, 1947, Aranha Papers; Herschel V. Johnson to Phillip Jessup, Sept. 3, 1948, box 6, Herschel V. Johnson Papers (Harry S. Truman Library, Independence, Mo.); Johnson to Arthur Vandenberg, Nov. 23, 1949, box 11, *ibid.*; *Foreign Relations of the United States, 1948* (9 vols., Washington, 1973–1976), IX, 26–28; Lysias A. Rodrigues, *Geopolítica do Brasil* (Rio de Janeiro, 1947), 138; Souto to Dutra, Sept. 2, 1946, Coleção Presidência da República; Minister of Navy to Dutra, Oct. 4, 1949, March 5, 1950, *ibid.*; Minister of War to Dutra, Nov. 22, 1950, *ibid.*

⁷ Stanley E. Hilton, "Military Influence on Brazilian Economic Policy, 1930–1945: A Different View," *Hispanic American Historical Review*, 53 (Feb. 1973), 93. "I am convinced that the future offers greater possibilities for cooperation between the military forces of Brazil and the United States," George C. Marshall wrote to the Brazilian minister of war in August 1945. George C. Marshall to Pedro de Góes Monteiro, Aug. 13, 1945, folder 27, box 34, George C. Marshall Papers (George C. Marshall Institute, Lexington, Va.). For the priority given by Brazilian policy makers to arms acquisitions in the postwar period, see Juarez Távora, *Uma Vida e Muitas Lutas: Memórias* (3 vols., Rio de Janeiro, 1973–1976), II, 206; Minister of War to Aranha, Feb. 24, 1947, Aranha Papers; Acioly to Aranha, March 13, 1947, Acioly Papers; Aroldo Castro, "As Crises Econômicas e as Forças Armadas," *A Defesa Nacional*, 36 (Jan. 1949), 163.

⁸ *Foreign Relations of the United States, 1946*, XI, 90–91, 99–100, 108–10; Matthew B. Ridgway, *Soldier: The Memoirs of Matthew B. Ridgway* (New York, 1956), 173–74. On the State Department's interest in promoting the growth of "democratic institutions" in Latin America, see Dean Rusk to Johnson, Sept. 8, 1949, box 11, Johnson Papers. The general question of postwar military aid to Latin America is discussed in David Green, *The Containment of Latin America* (Chicago, 1971), 256–61, and Stephen G. Rabe, "Inter-American Military Cooperation, 1944–1951," *World Affairs*, 137 (Fall 1974), 132–49.

long-standing quarrel with Buenos Aires over Nazi influence in Argentina, decided in 1947 to include that country in the modest military aid program on an equal footing with other Latin American countries.⁹ From the standpoint of the State Department, the world communist challenge dictated a closing of hemispheric ranks and that meant a rapprochement with Argentina. This possibility had troubled Brazilian authorities ever since Perón's electoral triumph the year before. On several occasions they had warned Washington that this regime was a threat to South American stability and urged that Brazil's current military superiority be maintained with American assistance.¹⁰ Nonplussed by continuing signs of what it regarded as American appeasement of Perón, Itamaraty (the Brazilian foreign office) in 1948 asked Ambassador Herschel Johnson flatly "where Brazil stands with the United States." Johnson cautioned that Washington could not "take sides openly" in its relations with Latin America, a reply that subsequently brought him commendation from the State Department. The department not only rejected another bid by Brazil for a general alliance that would involve substantial American military aid but declined even to make a public affirmation of special interest in Brazil's defense.¹¹

If Brazilian leaders felt deceived by Washington's passivity in the sphere of military assistance, they were stunned by its reticence in the area of economic aid. Washington's wartime receptivity to Brazil's industrial ambitions had strengthened national optimism about postwar American collaboration.¹² Shortly after taking office in 1946, President Eurico Dutra had sent a personal letter to Harry S. Truman appealing for aid to intensify Brazilian development. Reassurances of good will from the State Department and Truman himself heightened expectations in Brazil and prompted Itamaraty to ask for a five-year \$1 billion loan in March of that year. Such assistance, said Itamaraty, would be the "foundation stone" of Dutra's administration. The long-range development loan never materialized. Brazil received only \$46 million in 1946 and \$90 million the following year, a situation that generated perplexity and resentment in Brazil. In a revealing incident in mid-1947, the Brazilian ambassador "went into a tantrum" at the State Department and bitterly accused the American government of not extending the assistance that Brazil deserved.¹³

⁹ Roger R. Trask, "The Impact of the Cold War on United States-Latin American Relations, 1945-1949," *Diplomatic History*, 1 (Summer 1977), 276-77; *Foreign Relations of the United States, 1947* (8 vols., Washington, 1972-1973), VIII, 120.

¹⁰ State Department memorandums, Aug. 27, Nov. 20, and Dec. 4, 1946, box 29, Office of American Republics Affairs, Brazil, General Records of the Department of State; State Department memorandum, Dec. 10, 1946, file 810.20 Defense/12-1046, *ibid.*

¹¹ Acioly to Aranha, April 2, 1947, Aranha Papers; *Correio da Manhã*, March 27, 1947; *Foreign Relations of the United States, 1948*, IX, 350-52; *Foreign Relations of the United States, 1949* (9 vols., Washington, 1975-1978), II, 549-52.

¹² Stanley E. Hilton, "Vargas and Brazilian Economic Development, 1930-1945: A Reappraisal of His Attitude toward Industrialization and Planning," *Journal of Economic History*, 35 (Dec. 1975), 771-72; Aranha to Dutra, Aug. 11, 1943, Aranha Papers.

¹³ Dutra to Harry S. Truman, Feb. 23, 1946, box 47, OF 11, Brazil, Harry S. Truman Papers (Harry S. Truman Library); Truman to Dutra, March 23, 1946, box 87, OF 11, Brazil, *ibid.*; Carlos Martins to Ministério das Relações Exteriores, March 6 and 7, 1946, Arquivo Histórico do Itamaraty; State Department memorandum, March 6, 1946, file 711.32/3-646, General Records of

In part, Brazilian authorities themselves were to blame for the slowness in processing loan requests because they often failed to provide, usually because of administrative inefficiency, the facts and figures that lending agencies required. Then, too, Brazilian negotiators were still trying to operate within the framework of the wartime alliance; because of Brazil's size, potential, strategic location, and past services they expected executive good will in Washington to cut through bureaucratic red tape as it had when Franklin D. Roosevelt occupied the White House.¹⁴ But the international situation and political circumstances in the United States had changed since the war. American policy makers and administrators no longer worked under the pressure of Nazi machinations in South America and potential threats to the Panama Canal and shipping in the South Atlantic. Brazilian petitions for loans thus repeatedly ran afoul of technical requirements, and in 1948 Rio de Janeiro received no financial aid from the United States.¹⁵

A more important ingredient in Brazil's failure to obtain the economic cooperation it desired was Washington's conviction that its development needs could best be met by private capital. Rio de Janeiro, in order to attract foreign investors, was expected to adhere strictly to a program of economic liberalism, eschewing statism and nationalism. From the beginning, consequently, the State Department objected to Brazilian petroleum plans that called for restrictions on foreign participation. In July 1947 both Ambassador William Pawley and Secretary of the Treasury John Snyder lectured Brazilian audiences on the need for liberal laws to encourage foreign investors. When Foreign Minister Raul Fernandes discussed Brazil's development requirements with Secretary of State George Marshall in Paris the following year, he came away "with empty hands" and admonitions about the need to rely on private capital. The American members of the Joint Brazil-United States Technical Commission, set up in 1948 under the chairmanship of John Abbink to identify bottlenecks in the Brazilian economy, carried that same message to Rio de Janeiro. Truman later found the commission's final report, which emphasized the importance of private foreign capital, "very useful" for informing policy toward Brazil.¹⁶

the Department of State; Ministério das Relações Exteriores to Martins, March 20, 1946, Arquivo Histórico do Itamaraty; "Aspects of American Economic and Technical Aid to Foreign Countries since Mid-1945," *Department of State Bulletin*, XVI (May 18, 1947), 958; Stephen S. Kaplan and Norman C. Bonsor, "Did United States Aid Really Help Brazilian Development? The Perspective of a Quarter-Century," *Inter-American Economic Affairs*, XXVII (Winter 1973), 28; Aranha to Fernandes, March 18, 1947, Aranha Papers; *Correio da Manhã*, March 27, 1947; *Foreign Relations of the United States, 1947*, VIII, 449.

¹⁴ The Brazilian minister of transportation put it clearly when he admonished American officials in 1946 that the response of Washington to his government's development plans would be regarded by Brazilians "above all" as a political matter. *Foreign Relations of the United States, 1946*, XI, 493.

¹⁵ *Foreign Relations of the United States, 1947*, VIII, 449–54; Maurício Nabuco to Dutra, Nov. 29, 1948, Coleção Presidência da República; Kaplan and Bonsor, "Did United States Aid Really Help Brazilian Development?" 28.

¹⁶ *Foreign Relations of the United States, 1946*, XI, 523–24; *Correio da Manhã*, July 25, 1947; Fernandes to William Pawley, Oct. 1, 1948, José Carlos de Macedo Soares Papers (Instituto Histórico e Geográfico Brasileiro, Rio de Janeiro); *Foreign Relations of the United States, 1949*, II, 552–57; John Abbink to Truman, March 16, 1949, box 47, OF 11, Brazil, Truman Papers; Truman

What this signified, of course, was that the burden of development, as far as Washington was concerned, rested solely with Rio de Janeiro.¹⁷

United States policy makers were also preoccupied with European recovery and Asian rehabilitation, and by comparison the problems of Brazil and the rest of Latin America seemed less urgent. "The situation," Ambassador Johnson tactlessly said to the Brazilian press, "might be graphically represented as a case of smallpox in Europe competing with a common cold in Latin America." The Treasury Department, in the face of Brazilian complaints, limited itself largely to expressing the hope that European recovery would indirectly benefit Brazil, while Dean Acheson, who became secretary of state in 1949, tended to dismiss Latin America from broader policy considerations altogether. Brazil received \$105 million in Export-Import Bank loans during 1946–1949 and technical assistance from the Abbink Commission, and both Acheson and Assistant Secretary Edward Miller, Jr., publicly cited this as proof that charges of American neglect were unfounded.¹⁸

If the Marshall Plan reflected the strength of Washington's commitment to the defense of Europe, in Brazilian eyes it symbolized American disregard for Brazil's needs and aspirations. The crux of the problem was that the plan seemed to relegate Brazil to the role of colonial supplier of raw materials. While Brazilian spokesmen appreciated the nature of the challenge confronting the West and indeed encouraged a strong stand against Soviet expansionism, they argued with increasing vociferousness that Brazil's problems were also linked to hemispheric security and could best be solved through American official cooperation in Brazil's industrialization.¹⁹ Particularly distressing to Brazilian leaders was the apparent boost that Marshall Plan dollars gave to the development of French and British possessions in Africa which were Brazil's economic competitors.²⁰ Fernandes expressed the government's

to Abbink, March 30, 1949, *ibid.* For a general discussion of postwar United States economic policy toward Latin America and the debate over private investment, see Green, *Containment of Latin America*, 172–79, 185–208, 283–90, and Stephen G. Rabe, "The Elusive Conference: United States Economic Relations with Latin America, 1945–1952," *Diplomatic History*, 2 (Summer 1978), 279–94.

¹⁷ Praising the commission's "realistic approach" to Brazilian development, "Now I wonder how far Brazil will go in carrying out the recommendations," a State Department officer mused. John M. Cady to Johnson, April 4, 1949, box 3, Johnson Papers.

¹⁸ *Brazil Herald* (Rio de Janeiro), July 28, 1948; John Snyder to Martins, April 13, 1948, folder Export-Import Bank, box 12, John Snyder Papers (Harry S. Truman Library); Gaddis Smith, *Dean Acheson* (New York, 1972), 356; Kaplan and Bonsor, "Did United States Aid Really Help Brazilian Development?" 28; *Washington Post*, Sept. 21, 1949; Edward Miller, Jr., speech, Jan. 13, 1950, State Department press release, Aranha Papers.

¹⁹ For critical reaction in Brazil to the Marshall Plan and to American "neglect" of Brazil, see *O Jornal* (Rio de Janeiro), May 7, July 4, July 5, July 6, and July 16, Nov. 6, 1947, May 13, and Nov. 16, 1949; *Correio da Manhã*, Sept. 8, 1948, Jan. 25, and Oct. 21, 1949; Johnson to State Department, Feb. 2, 1949, file 711.32/2-249, General Records of the Department of State; Brazilian delegation at the United Nations to Ministério das Relações Exteriores, Nov. 13, 1947, and Dec. 12, 1948, Arquivo Histórico do Itamaraty; Ministério das Relações Exteriores memorandum, May 31, 1948, *ibid.*

²⁰ Confederação Nacional da Indústria, *Boletim de Informações*, 1 (April 15, 1948), 25–26; *O Jornal*, Nov. 7 and Nov. 12, 1948; *Diário Carioca* (Rio de Janeiro), Jan 13, 1949; Conselho Federal de Comércio Exterior, minutes, Feb. 14, 1949, box 148, Arquivo do Conselho Federal de Comércio Exterior (Arquivo Nacional, Rio de Janeiro); Conselho Federal de Comércio Exterior memoran-

disgruntlement in talks with Johnson prior to a trip with Dutra to Washington in 1949, and he subsequently broached the issue with American officials there. Reminding them of Brazil's contributions to victory in World War II, the foreign minister pointed to the Argentine threat and complained that the United States was sending "billions" to Europe and, indirectly, to Africa and other colonial areas. Remonstrating that Brazil deserved "favorable discriminatory treatment," Fernandes scorned a suggestion by a State Department officer that private capital was the solution and argued that a \$600 million government loan over a six-year period would be reasonable.²¹

When Dutra's visit failed to produce financial results—Washington that year extended to Brazil only \$14.5 million in Export-Import credits—Brazilian resentment deepened. In January 1950 Fernandes sent a memorandum to Johnson expressing the "greatest apprehension" about African competition and once again charging Washington with ignoring Brazil. Johnson pointed out to the State Department that Brazil was the most important country in Latin America, and Abbink urged a solution to the "seeming impasse" in relations with Brazil. "Deeply they believe," he wrote to Miller, "that as one of the *active* allies of the United States in both world wars, Brazil should have been a beneficiary of Marshall Plan funds equally with our European allies, and certainly before some of our enemies (Italy, Germany and Japan) received help."²² But these admonitions produced little result; indeed, rude shocks were in store for Brazilian policy makers.

First, early in May, four months after receiving Fernandes's memorandum, the State Department sent its reply through a somewhat chagrined Johnson. The American memorandum denied that encouragement of African agricultural production would affect international supplies, since increased local consumption was the goal, and argued that under the Marshall Plan purchases valued at some \$760 million had been made in Latin America. What most offended Fernandes, however, was an enclosure to the note: a list of credits granted to Brazil by the Export-Import Bank during the 1940s.²³ A second and bigger jolt came that same month in the form of news that Argentina was negotiating a loan in Washington. Truman himself, while "greatly pleased"

dums, Feb. 18, July 26, and Sept. 17, 1949, box 141, *ibid.*; Ministério das Relações Exteriores to Conselho Federal de Comércio Exterior, Aug. 11, Aug. 26, 1949, *ibid.*; Director, Departamento Administrativo do Serviço Público to Dutra, April 18, 1949, Coleção Presidência da República; *Correio da Manhã*, June 8, 1949; *A Noite* (São Paulo), Sept. 13, 1949; *O Estado de São Paulo*, Sept. 15, 1949.

²¹ *Foreign Relations of the United States, 1949*, II, 572, 574–76. In a private talk with Adolf A. Berle, Fernandes later grouched that "he had talked with everyone in Washington and no one knows Latin America exists." Beatrice Berle and Travis B. Jacobs, eds., *Navigating the Rapids, 1918–1971: From the Papers of Adolf A. Berle* (New York, 1973), 587.

²² State Department memorandum, June 27, 1949, file 832.00/6-1749, General Records of the Department of State; Ministério das Relações Exteriores to Johnson, Jan. 12, 1950, Macedo Soares Papers; Johnson to George Kennan, April 3, 1950, box 6, Johnson Papers; *Foreign Relations of the United States, 1950* (7 vols., Washington, 1976–1978), II, 757.

²³ He would reply to the American note "at leisure as the dignity of the modest but proud Brazilian foreign office requires," Fernandes wrote. Fernandes to Johnson, May 5, 1950, box 4, Johnson Papers. The U.S. note is quoted in Fernandes to Johnson, Aug. 22, 1950, Macedo Soares Papers.

with the progress in talks with Argentine officials, foresaw repercussions on relations with Brazil, but the State Department, anxious to encourage Perón to back off from his obstructionist diplomacy, wanted the loan to go through regardless.²⁴ Brazilian observers were dumbfounded by the announcement in May that the Perón regime had been awarded a \$125 million loan—almost the same amount that Brazil received during the entire Dutra administration. Influential Brazilian editorialists sarcastically condemned Washington's largesse toward the Argentine strongman, while a thoroughly disgusted Fernandes had Ambassador Maurício Nabuco in Washington warn the State Department about the damaging effects of further delay in aiding Brazil.²⁵ In these circumstances, release in Washington of a report by a Senate subcommittee that blamed producing countries for a dramatic rise in coffee prices and recommended reprisals was salt in a deepening wound. As publicists in Brazil scored the United States, Nabuco told Acheson that he was worried about relations between the two countries "for the first time in my life."²⁶

While bitterness and disillusionment were growing in Brazil, North Korean armies crossed the thirty-eighth parallel and prompted a decision by Truman to use American forces to resist the invasion. The UN Security Council condemned the aggression and called on member states to assist South Korea. In the ensuing grim weeks, as South Korean and American troops reeled under the impact of Pyongyang's offensive, Washington became increasingly eager to secure Brazil's active military and economic cooperation, in part because such collaboration would be an example that other South American countries might follow. On July 14, accordingly, the American government, as spokesman for UN forces, had the secretary-general of the UN advise Rio de Janeiro that it "urgently" needed troops.²⁷ At the same time, in an effort to assuage Brazilian ire over the postwar drift of American policy, Washington gave strong support to Brazil's candidacy for reelection to the Security Council²⁸ and had the Export-Import Bank release \$25 million for steel equipment for Volta Redonda.²⁹

²⁴ Dean Acheson, memorandums, April 24, May 1, 1950, box 65, Dean Acheson Papers (Harry S. Truman Library); *Foreign Relations of the United States, 1950*, II, 713–14. The basic technical studies for the Argentine loan, an assistant of John Snyder's confessed, had been "almost exclusively" worked out in Washington. Claude Couranc to Johnson, May 21, 1950, box 3, Johnson Papers. The Argentine government thus had been assisted to avoid what Brazilian authorities were frequently accused of—the improper presentation of technical data.

²⁵ Nabuco to Fernandes, May 12, May 19, 1950, Arquivo Histórico do Itamaraty; Johnson to Couranc, June 27, 1950, box 3, Johnson Papers; Fernandes to Nabuco, May 15, 1950, Arquivo Histórico do Itamaraty. Brazil received \$126.6 million in U.S. aid during 1946–1950.

²⁶ *O Jornal*, June 6, 1950; *Correio da Manhã*, June 11, 1950; State Department memorandum, June 19, 1950, box 65, Acheson Papers; Nabuco to Ministério das Relações Exteriores, June 19, June 21, and June 26, 1950, Arquivo Histórico do Itamaraty; Johnson to State Department, Aug. 25, 1950, file 611.32/8-2550, Department of State Archives (Department of State, Washington).

²⁷ Fernandes to Dutra, Sept. 5, 1950, Coleção Presidência da República. "With regard to Brazil, the importance they attach to our eventual participation in Korean defense is marked." Nabuco to Fernandes, Aug. 14, 1950, Arquivo Histórico do Itamaraty.

²⁸ Nabuco to Ministério das Relações Exteriores, July 25, 1950, Arquivo Histórico do Itamaraty.

²⁹ *Foreign Relations of the United States, 1950*, II, 761.

Both official and public sentiment in Brazil overwhelmingly endorsed UN action in Korea,³⁰ but Dutra was operating under severe constraints. He had only a few months left in office and could not commit his successor to any ambitious military involvement abroad. American mobilization, furthermore, immediately began creating difficulties for Brazilian manufacturers heavily dependent upon United States suppliers of fuels and various industrial raw materials.³¹ These problems dramatized the need for greater national self-sufficiency, which in turn kept the issue of Washington's reluctance to extend developmental assistance firmly in the official and public mind.³² Itamaraty, consequently, had replied noncommittally to the initial bid of the Security Council, stating simply that Brazil would discharge its obligations under the UN charter "as its means permit." Washington's appeal of July 14 met with similar caution. Convened by Dutra, the Conselho de Segurança Nacional (CSN) decided that Brazil could not furnish ground forces with national elections only weeks away, a decision that in itself was a reflection of the weakening of the special relationship. In its formal reply to the UN, therefore, Itamaraty did not mention troops, but merely reiterated that Brazil was ready to discuss how it might provide aid "compatible with the means at its disposal."³³

Fernandes, in a politely sarcastic reply in August to the State Department note he had received in May, reminded Washington that those means were not what they might be. The foreign minister rejected the argument that American aid to Africa boosted only local consumption and not exports and pointed out that Brazil's share of Marshall Plan purchases in Latin America had been "very meager." He then declared that the question of credits received by Brazil had nothing to do with that of African competition. "The Brazilian Government does not forget the benefits that Brazil has received through loans from the Export-Import Bank," he wrote tartly. "It could not forget them, nor was it necessary that they be recalled, since the interest payments and installments on fixed dates constitute a permanent reminder." Brazil had supported the Allies during the previous war, said Fernandes, while other countries—and here he meant Argentina—remained neutral. "This is a comparison," he concluded pointedly, "that is being quite forgotten."³⁴

Faced with an emergency, the State Department hastened to try to placate Rio de Janeiro, informing Nabuco that it wanted to open talks for further economic aid and proposing a bilateral technical assistance agreement under the new Point Four program. Under the stimulus of an appeal in September from the Joint Chiefs of Staff for "prompt action" to obtain Latin American

³⁰ See, for example, *Correio da Manhã*, June 28, June 29, and June 30, 1950.

³¹ Nabuco to Ministério das Relações Exteriores, July 20, 1950, Arquivo Histórico do Itamaraty.

³² *Jornal do Comércio* (Rio de Janeiro), July 2, 1950; Johnson to State Department, July 5, 1950, file 611.32/7-550, Department of State Archives.

³³ Fernandes to Dutra, Sept. 5, 1950, Coleção Presidência da República; Conselho de Segurança Nacional to Dutra, Nov. 23, 1950, *ibid.*; Nabuco to Ministério das Relações Exteriores, Aug. 2, 1950, Arquivo Histórico do Itamaraty.

³⁴ Fernandes to Johnson, Aug. 22, 1950, Macedo Soares Papers.

troops for Korea, and well aware that Brazil's "apathetic" response was probably influencing other governments, Miller also promoted a meeting the next month between Nabuco and Truman. Listening to the Brazilian envoy's complaints about difficulties in securing loans and two cruisers his government wanted, Truman assured him of his desire to maintain a "unique and special relationship" with Brazil and said he would take a "personal interest" in its loan applications and the cruisers negotiations.³⁵ Truman's blessing encouraged the State Department to move ahead, and the vastly improved military situation in Korea, where the fighting was now taking place north of the parallel, apparently made lending agencies less wary. Miller thus managed to get a provisional commitment of \$250 million for Brazil from the International Bank for Reconstruction and Development (IBRD), and the Export-Import Bank held out hope of another \$100 million, while Acheson informed Truman on October 19 that the matter of the cruisers was "now in shape." That same week the two governments agreed to set up a Joint Brazil-United States Commission for Economic Development (JBUSC).³⁶

Dramatic events in the Far East early in November made a Brazilian commitment on Korea both more difficult and more necessary to secure: the People's Republic of China, in order to prevent the complete collapse of the regime in North Korea, intervened massively and quickly pushed UN forces back down the peninsula. On November 18 Acheson urged American embassies in Latin America to redouble efforts to obtain troops. As a climate of renewed tension and anxiety blanketed the United States and intensified mobilization became urgent, deeper uncertainty reigned in financial and commercial circles. Miller was now forced publicly to warn Latin America that, in the words of one of Johnson's assistants, "shorter rations lie ahead and that it will be expected to share sacrifices." Miller implied as much in conversation with Nabuco on December 12, and the next day he remarked privately that, whereas he hoped for closer cooperation from Brazil, he anticipated "terrific headaches" in trying to satisfy Brazil's import requirements. He discovered soon after the turn of the year, furthermore, that there had been no progress on the loans to Brazil primarily because the Treasury Department opposed major new commitments in view of the crisis.³⁷

Acheson's call in December for a special meeting of hemispheric foreign ministers to discuss emergency mobilization measures reflected the new sense of urgency that shaped policy toward Latin America. The State Department

³⁵ Nabuco to Ministério das Relações Exteriores, Aug. 25, 1950, Arquivo Histórico do Itamaraty; Fernandes to Dutra, Oct. 17, 1950, Coleção Presidência da República; *Foreign Relations of the United States, 1950*, I, 649, 655–56, II, 763–71, 774–75.

³⁶ *Foreign Relations of the United States, 1950*, II, 775–77; Acheson, memorandum, Oct. 19, 1950, box 65, Acheson Papers; Fernandes to Dutra, Oct. 17, 1950, Coleção Presidência da República.

³⁷ *Foreign Relations of the United States, 1950*, I, 675; Nabuco to Ministério das Relações Exteriores, Dec. 1, 1950, Arquivo Histórico do Itamaraty; Ministério das Relações Exteriores to Nabuco, Dec. 1, 1950, *ibid.*; Sheldon Mills to Johnson, Dec. 8, 1950, box 8, Johnson Papers; Nabuco to Ministério das Relações Exteriores, Dec. 21, 1950, Arquivo Histórico do Itamaraty; Miller to Walter Donnelly, Dec. 13, 1950, Edward G. Miller, Jr. Papers (Harry S. Truman Library); *Foreign Relations of the United States, 1951* (6 vols., Washington, 1977–1979), II, 1189.

hoped to transform Brazil, the "keystone" of its program there, into an "active ally." The decision taken at the end of the month to consult Vargas, who had scored a smashing victory in his reelection bid, about the agenda of the forthcoming conference was an effort to impress upon him the unique role that Brazil played in Washington's plans.³⁸ Rio de Janeiro, however, now viewed with deep skepticism Washington's appeal for special cooperation. Brazil would not repeat the "errors" of the last conflict and would insist on strict and immediate reciprocity this time, vowed João Neves da Fontoura, the new foreign minister. His reply to a note from Johnson on the agenda was thus a candid warning: Brazil would cooperate—although nothing was said about sending military units to Korea—but only if the United States guaranteed the necessary credits, machinery, and raw materials to spur Brazil's industrialization and develop its petroleum and coal resources. Bilateral negotiations in this regard should take place in February, said Fontoura, prior to the conference scheduled for Washington late in March.³⁹

For Miller, Fontoura's message gave "new importance and urgency" to the problem of aid. "It is imperative for the future of our relations with Brazil," he admonished Acheson, "that we give a positive response to the proposals of President Vargas." Miller himself embarked for Brazil in February to conduct the negotiations. On his mind was the pressure in Washington for a full divison from Brazil; so he underscored for authorities there the gravity of the Korean situation, the consequent necessity of all-out mobilization by the United States, and the need for Brazilian strategic materials and troops. Brazil had helped on an emergency basis during World War II, Fontoura reminded him, but had not reaped the postwar benefits. "If [Washington] had elaborated a recovery plan for Latin America similar to the Marshall Plan for Europe," Fontoura said, "Brazil's present situation would be different and our cooperation in the present emergency could probably be greater." Miller could only renew the promise that the IBRD would put up \$250 million for development projects approved by the future JBUSC, but Vargas insisted that this sum be considered only a starting point. The American emissary left Brazil with assurances that it would endeavor to increase exports of strategic minerals, but he obtained no promise on troops.⁴⁰

³⁸ "Announcement by Secretary Acheson, Dec. 16, 1950," *Department of State Bulletin*, XXIV (Jan. 1, 1951), 8; State Department memorandum, Dec. 18, 1950, file 611.32/12-1850, Department of State Archives; Johnson to João Neves da Fontoura [Dec. 29, 1950], Getúlio Vargas Papers (Centro de Pesquisa e Documentação de História Contemporânea).

³⁹ Fontoura to Aranha, Jan. 9, Jan. 15, 1951, Aranha Papers; Fontoura to Getúlio Vargas, Jan. 11, 1951, Vargas Papers; Fontoura to Johnson [Jan. 13, 1951], *ibid.* An English translation of the latter is in *Foreign Relations of the United States, 1951*, II, 1184–88.

⁴⁰ *Foreign Relations of the United States, 1951*, II, 1190, 991–97, 1191–92; Ministério das Relações Exteriores memorandum, Feb. 19, 1951, Arquivo Histórico do Itamaraty; Fontoura to Vargas, Feb. 19, Feb. 21, and Feb. 24, 1951, Vargas Papers. For arguments by Brazilian economic and political strategists that the government should proceed cautiously until basic economic requirements had been satisfied, see Conselho Nacional de Economia, minutes, Feb. 22, 1951, box 220, Arquivo do Conselho Nacional de Economia (Arquivo Nacional, Rio de Janeiro); Ministério das Relações Exteriores memorandum, Feb. 19, 1951, Arquivo Histórico do Itamaraty; Fontoura to Vargas, Feb. 19, Feb. 21, and Feb. 24, 1951, Vargas Papers.

The divergence in approaches to hemispheric security was laid glaringly bare at the foreign ministers' gathering. At the inaugural session on March 26, Fontoura called for a new deal for Latin America as the best means of equipping the hemisphere to meet the Soviet challenge,⁴¹ setting the tone of the debates and surprising American officials, who had counted on Brazil to channel discussion in the direction of immediate economic and military contributions to the war effort. Marshall, now secretary of defense, recently had urged Acheson to make a "determined effort" to secure troops from Latin America, and the State Department had set as its priority target "a large size Brazilian contribution." But now Fontoura, who was elected president of the economic committee, was transforming the conference into a forum for advocacy of long-range economic development instead of rapid mobilization. Of all the problems confronting the government at the conference, said a State Department memorandum of March 31, "the first, and so important that it could conceivably affect the successful outcome of the meeting, is the difference in philosophy between Brazil and the United States."⁴²

In parallel bilateral negotiations, Fontoura and his counselors held their ground. When W. Averell Harriman, Truman's special assistant, repeated that military defense requirements must have priority and that "in two years" Washington could go back to thinking about Latin American economic development, Fontoura insisted on concurrent Brazilian industrialization, stressing the need especially for aid in setting up petroleum refineries. Acheson pressed him about military cooperation, offering American training, equipment, and transportation for a Brazilian infantry division, but Fontoura, after reproaching the American government for having sold cruisers to Argentina at the same time it had transferred two to Brazil, said simply that he would refer the matter to Vargas while preliminary military talks were held in Washington. In retrospect, Acheson would realize that Fontoura had been merely "more circuitous and Fabian" than their Mexican colleague, who had flatly rejected a similar request. But at the time Fontoura's remarks were encouraging, and Acheson made certain that Truman's reply to a letter from Vargas brought by Fontoura contained a renewed appeal for ground forces.⁴³

⁴¹ Fontoura to Vargas, March 16, 1951, Vargas Papers; Fontoura to Ministério das Relações Exteriores, March 28, 1951, Arquivo Histórico do Itamaraty. João Neves da Fontoura had been asked to reply at the opening session to a speech by Harry S. Truman, that Dean Acheson had urged the president to give in the hope of inspiring Latin American governments to go along with Washington's mobilization program. Fontoura later told a congressional committee in Brazil that he had been "terribly distressed" while preparing his speech because he would have to take public issue with American policy, something that no Brazilian foreign minister had ever done at an inter-American gathering. Acheson to Truman, Jan. 16, 1951, OF 87-A, Truman Papers; Ministério das Relações Exteriores, *Exposição do Ministro João Neves da Fontoura aos membros das Comissões de Relações Exteriores do Senado Federal e de Diplomacia e Tratados da Câmara dos Deputados e aos Líderes dos Partidos Nacionais com assento no Parlamento, em 29 de maio de 1951* (Rio de Janeiro, 1951), 33.

⁴² *Foreign Relations of the United States, 1951*, II, 1005, 1009, 964; Fontoura to Ministério das Relações Exteriores, April 4, 1951, Arquivo Histórico do Itamaraty.

⁴³ Fontoura to Lourival Fontes, March 28, 1951, Vargas Papers; Brazilian Delegation to Washington Conference, memorandums, March 31, April 3, 1951, Arquivo Histórico do Itamaraty; Fontoura to Ministério das Relações Exteriores (for Vargas), April 1, April 3, 1951, *ibid.*; Dean Acheson, *Present at the Creation: My Years in the State Department* (New York, 1969), 497.

Nabuco warned his government that American policy makers were growing restless over Brazil's passivity; so Vargas reassured Johnson in July of his desire to cooperate, although there clearly was no enthusiasm in Rio de Janeiro for a Korean venture. Gen. Pedro Góes Monteiro, armed forces chief of staff, had cautioned the CSN in May that "in no way whatsoever" could troops be sent abroad without lengthy preparation and new equipment, and Vargas himself nourished deep grudges which he vented in private notes to the head of his staff, the radically nationalistic Lourival Fontes. "We fought in the last war," he recalled bitterly, "and were entirely forgotten and rejected in the division of the spoils." All that Vargas was willing to do was dispatch Monteiro to Washington for conversations; he instructed the general simply to insist that Brazil could not collaborate effectively until it received wide-ranging economic assistance. The purpose of Monteiro's trip was thus, as Fontes candidly put it, to buy time.⁴⁴

The situation was really irreconcilable when Monteiro reached Washington late in July. Sensing the possibility that Brazil might stall, the State Department had already admonished Brazilian authorities twice on the need for speedy results from his mission. Brazil's vacillation was frustrating, Miller complained, since that country was the "key to the question in South America." Monteiro saw quickly that full military cooperation was "vital" to the Americans, but his orders were to emphasize the "basic economic factors" that impeded such cooperation. "The situation here," he wrote after his first meeting with Acheson, "is quite different from that of 10 years ago, with regard to the degree of confidence and [mutual] sympathy between Brazil and the United States." Monteiro's delaying tactics rapidly led the State Department to question Brazil's sincerity. In an apologetic letter to Gen. Matthew Ridgway, commander of the UN forces in Korea, a previously optimistic Miller explained that Monteiro was spending most of his time "rehashing the familiar complaints against the United States." The Brazilian emissary remained in Washington for three months, and the only concession that he made was to hold out the possibility of an understanding on the *preparation* of an expeditionary force, but Rio de Janeiro did not even bother to reply to a draft agreement in that sense. This episode ended serious bilateral discussion about Brazilian military participation. As Miller wryly remarked days after the general's departure, Monteiro had been "the sacrificial offering in lieu of the late-lamented mission to Korea."⁴⁵

As the last year of the Truman administration opened, the long-standing special relationship clearly had suffered dramatic erosion. A Brazilian expedi-

⁴⁴ Nabuco to Ministério das Relações Exteriores, July 1, 1951, Arquivo Histórico do Itamaraty; *Foreign Relations of the United States, 1951*, II, 1203-04; Lourival Coutinho, *O General Góes Depõe* (Rio de Janeiro, 1956), 517-18; Vargas to Fontes [July 1951], in Lourival Fontes and Glauco Carneiro, *A Face Final de Vargas* (Rio de Janeiro, 1966), 74; Ministério das Relações Exteriores memorandum [July 1951], Vargas Papers.

⁴⁵ *Foreign Relations of the United States, 1951*, II, 1197-98, 1200, 1205-06, 1211, 1229; Nabuco (for Monteiro) to Ministério das Relações Exteriores, July 27, 1951, Arquivo Histórico do Itamaraty; Monteiro to Vargas, July 30, 1951, Vargas Papers; Monteiro to Aranha, Aug. 3, 1951, Aranha Papers; Acheson memorandum, Oct. 15, 1951, box 66, Acheson Papers.

tionary force was now a dead issue. Although Rio de Janeiro did agree to negotiate a bilateral assistance pact under Washington's new Mutual Security Act, it signed one in March 1952 only after the American government committed itself to a three-year purchasing program for critical products. Fontoura, furthermore, hastened to assure Vargas that the Brazilian thesis about giving an economic dimension to military relations had been vigorously upheld and that Brazil had assumed no new politico-military obligations.⁴⁶ Yet even this pact provoked such strong opposition in the Brazilian congress that ratification seemed increasingly doubtful as the year wore on.

Mutual enthusiasm over the JBUSC was waning. Accurately described by Miller as a crucial instrument of policy toward Brazil, it had been organized in July 1951 and had immediately set to work defining investment programs. A trip to Washington by the Brazilian finance minister in September brought reassurances from the IBRD and Export-Import Bank. It was on this official, or semiofficial, assistance that Brazil counted rather than on private foreign capital. As hopes of obtaining the former rekindled, opposition to the latter deepened, especially in view of serious deficits in Brazil's balance of payments. Under pressure from increasingly vociferous nationalist groups, Vargas asked congress in December to create a state-directed petroleum agency (Petrobrás) and restrict foreign participation in the oil industry. In January 1952 he established a ceiling of 10 percent on profit remittances abroad.⁴⁷ Now suspicious, the Export-Import Bank and IBRD began taking a harder look at Brazil's financial predicament, displaying greater reluctance to extend new loans. The result was that by mid-1952, according to Merwin Bohan, chief of the American section of the JBUSC, the Vargas government had "lost all faith" in it.⁴⁸ Concern for the sagging alliance lay behind the decision by Acheson and Miller to visit Brazil in July, but nothing concrete came of the trip and Brazilian skepticism mounted. Indeed, throughout the year Brazilian policy makers decried Washington's "neglect" and warned that Brazilian development was the key to Latin American defense.⁴⁹

With Dwight D. Eisenhower's victory at the polls in November, the fate of the former alliance lay in Republican hands. Fontoura visited Washington that month and gained favorable impressions from meetings with the president-elect, the incoming secretary of state John Foster Dulles, and future presidential assistant Nelson Rockefeller. Dwight D. Eisenhower stressed the need for unity vis-à-vis the Soviet Union, and both he and Rockefeller promised

⁴⁶ *Foreign Relations of the United States, 1951*, II, 1022–32; Fontoura to Vargas, March 25, 1952, Coleção Presidência da República; "Military Assistance Agreements," *Department of State Bulletin*, XXVI (March 24, 1952), 450.

⁴⁷ Miller to A. Oakley Brooks, May 16, 1951, box 1, Miller Papers; Horacio Lafer to Vargas, Feb. 6, 1952, in Getúlio Vargas, *O Governo Trabalhista do Brasil* (4 vols., Rio de Janeiro, 1952–1969), III, 98; John D. Wirth, *The Politics of Brazilian Development, 1930–1954* (Stanford, 1970), 184–96; Peter Seaborn Smith, *Oil and Politics in Modern Brazil* (Toronto, 1976), 79–82.

⁴⁸ Merwin Bohan to Thomas Mann, Jan. 29, 1953, box 7, Merwin Bohan Papers (Harry S. Truman Library).

⁴⁹ Miller to Acheson, April 22, 1952, box 67, Acheson Papers; Fontoura to Vargas, June 19, 1952, Vargas Papers; Walter Moreira Salles to Fontes, Oct. 10, 1952, *ibid.*; Acheson, *Present at the Creation*, 666–68; Getúlio Vargas, *Mensagem ao Congresso . . . 1952* (Rio de Janeiro, 1952), 26, 29; Fontoura, quoted in *New York Times*, April 24, 1952.

assistance. This was welcome news, because Brazil's balance of payments deficit had more than doubled that year and foreign exchange reserves had reached their lowest level of the postwar period.⁵⁰

Once again disillusionment was not long in coming. At the end of 1952 the State Department committed itself to securing for Brazil a \$300 million loan to clear up commercial arrears, provided the Vargas government established a free-exchange market to facilitate profit remittances. In February 1953 Rio de Janeiro fulfilled its part of the bargain, but when it approached Washington about the loan, the Eisenhower administration balked. Secretary of the Treasury George Humphrey, complaining about the "inherited mess," was particularly insistent on cutting the amount by two-thirds. The Central Intelligence Agency cautioned that giving Brazil the entire \$300 million would deprive Washington of political leverage on other issues, and President Eisenhower was convinced that the loan could at least be halved.⁵¹ When Nabuco's replacement called on Dulles to warn him that relations had reached a "danger" point and urge that the political aspects of the loan be considered, Dulles said that Washington judged \$100 million sufficient. Vargas was so incensed that he ordered talks broken off, while Miller reminded Dulles that Argentina had received such assistance and that relations with Brazil had reached a "critical" juncture. Humphrey, after days of what Eisenhower called "heated" debate, finally conceded that the administration was "hooked." It was surely no coincidence that a week after the formal loan contract was signed in April, the Brazilian congress finally ratified the military pact, leaving Johnson to hope that "no material harm" had been done by the unexpected delay.⁵²

The fact that the loan had been obtained only after intense diplomatic pressure reinforced the now pervasive doubts in Brazilian policy-making circles about the special relationship, which was further weakened by Washington's diminishing interest in the JBUSC. By January 1953 the commission had defined "a billion dollar plus program," 60 percent of which was to be financed with Brazilian tax resources; yet it had been able to obtain only \$119 million from the Export-Import Bank and IBRD. Bohan admonished the State Department that the JBUSC was "not primarily an economic undertaking but rather a bilateral political program of the first importance," but the new administration clearly was not interested in public financing of Brazilian development, especially as the Korean conflict was winding down. In February Humphrey spoke caustically of the Export-Import Bank's lack of "backbone" in previous years, while Dulles urged the president to make clear to Brazil that

⁵⁰ Fontoura to Vargas, Nov. 10, Nov. 21, 1952, Vargas Papers; Thomas E. Skidmore, *Politics in Brazil, 1930-1964: An Experiment in Democracy* (New York, 1967), 115-16; Pedro Malan et al., *Política Econômica Externa e Industrialização no Brasil, 1939-1952* (Rio de Janeiro, 1977), 165, 192.

⁵¹ Dwight D. Eisenhower, *Mandate for Change, 1953-1956* (Garden City, 1963), 135-36; John F. Dulles, telephone conversations, Feb. 19, Feb. 20, 1953, box 1, Telephone Memoranda, John F. Dulles Papers (Dwight D. Eisenhower Library, Abilene, Kansas).

⁵² Salles to Ministério das Relações Exteriores, Feb. 20, 1953, Vargas Papers; Dulles, telephone conversations, Feb. 20, 1953, box 1, Telephone Memoranda, Dulles Papers; Eisenhower, *Mandate for Change*, 136; "Brazilian Loan Agreement," *Department of State Bulletin*, XXVIII (May 25, 1953), 754; Johnson to Edward Jamison, May 7, 1953, box 6, Johnson Papers.

private foreign capital was the proper solution to its problems. In conversation with the Brazilian minister of war in March, President Eisenhower was purposefully vague on the issue of economic aid. During the same month Washington proposed extinction of the JBUSC, and in April it was announced that the president's brother Milton Eisenhower would visit several Latin American countries, including Brazil, to discuss American policy.⁵³

Vargas was anxious not to see the JBUSC disbanded before dollar financing was obtained, at least up to the \$300 million promised by the Truman administration. Fontoura pressed Johnson about this in April, and Vargas sent his savvy daughter and son-in-law to the United States for talks with Republican officials, who denied any commitment to finance JBUSC projects up to any specified amount. Eugene Black, president of the IBRD, even cautioned Brazilian authorities in May against "another round of exaggerated expectations" about financial assistance once the JBUSC was extinguished. The announcement in June that Washington in fact had decided to dissolve the commission caused an outpouring of resentment in Brazil. Fontoura labeled the decision "a slap in the face," while the press excoriated Washington for not fulfilling what Brazilians perceived as firm commitments.⁵⁴

"The Brazilians were furious and made no effort to hide their anger," Milton Eisenhower discovered on his arrival in July. The letter that he brought for Vargas from the White House spoke of a desire to strengthen relations, but President Eisenhower naturally was thinking of private investment. He had recently remarked to the cabinet that private capital and self-help were what Latin America needed; that was the gospel his brother sought to spread in Brazil. "The kind of technical advice you received is as good as money," Milton Eisenhower told incredulous Brazilian officials. Vargas's reply to Dwight D. Eisenhower's letter was a politely worded reproof calling for a "rapid and comprehensive" solution to their bilateral problems, but there was no hope of obtaining the kind and degree of aid that Brazilian policy makers wanted. Milton Eisenhower, on his return to the United States, informed his brother of Brazil's resentment and cautioned that Brazilian cooperation was "vital." At the same time he warned against "singling her out" in relations with Latin America. After reading a lengthy report in which Milton Eisenhower stressed self-help and private initiative, the president said that it "ought to be studied by every man, woman, and child in all North and South America." The report, after deletions that the president wanted "in order to save the feelings of our South American friends," was in fact published. In the Brazilian embassy the reaction was one of dismay. The "superficial" document was

⁵³ Bohan to Mann, Jan. 29, 1953, box 7, Bohan Papers; Dulles, telephone conversation, Feb. 20, 1953, box 1, Telephone Memoranda, Dulles Papers; Dulles to Dwight D. Eisenhower, March 4, 1953, folder Brazil (12), box 4, Ann Whitman Files, Dwight D. Eisenhower Papers (Eisenhower Library); Carlos Brandão to Fontoura, March 21, 1953, Vargas Papers; Milton S. Eisenhower, *The Wine is Bitter: The United States and Latin America* (Garden City, 1963), 7.

⁵⁴ Fontoura to Vargas, April 16, 1953, Vargas Papers; Vargas to Dwight D. Eisenhower, April 17, 1953, *ibid.*; Alzira Vargas do Amaral Peixoto to Vargas, April 27, 1953, *ibid.*; Eugene Black to Salles, May 14, 1953, box 7, Bohan Papers; Fontoura, quoted in M. Poppe de Figueiredo, *Brasil: Um Gigante que Despertou* (Rio de Janeiro, [1972]), 211; Dulles, Vargas, 312; *O Estado de São Paulo*, June 7, 1953.

merely an attempt to "rationalize" Washington's neglect of Latin America, Ambassador João Carlos Muniz privately lamented to Finance Minister Oswaldo Aranha. It could have been written, he thought, without the necessity of a trip to the region. "At a moment when communist propaganda holds out the possibility of intense and rapid industrialization for under-developed areas," he said, "the Eisenhower mission promises only the antiquated instrument, no longer applicable to present conditions, of private investment."⁵⁵

The end of the Korean War further weakened Brazil's bargaining position, reinforcing Washington's emphasis on private foreign investment as the key to Latin American development and strengthening the American tendency to focus on political measures as the proper hemispheric response to the communist challenge. Latin American governments preferred to discuss economic cooperation, as Dulles acknowledged at a cabinet meeting early in 1954, referring to the forthcoming inter-American conference at Caracas, but the crucial thing was to get immediate anticommunist measures "rather than delaying until a situation develops similar to that in China in the late 1940s when American aid was too late."⁵⁶

Washington continued to make minor gestures of support for a special understanding with Brazil but declined to extend the kind of massive, long-range developmental assistance and preferential military aid that Brazilian leaders wanted. In 1954, after the Brazilian congress passed a petroleum law even more nationalistic than the one proposed by Vargas, Brazil obtained less than \$3 million from the Export-Import Bank.⁵⁷ The outcry in that country about American disregard for the special relationship was vociferous. Editorialists, publicists, economic planners, military spokesmen, diplomats, government officials—all formed a chorus of protest and resentment. At the end of 1953 there were press reports in Brazil to the effect that Itamaraty intended to reorient the country's foreign policy in a neutralist direction. Although the foreign minister denied these reports to the American embassy, the latter noted somewhat anxiously that the new *chef de cabinet* was "an outspoken advocate of change in foreign policy . . . , believing that Brazil should pursue a policy, not necessarily in opposition to, but parallel to, and distinct from, that of the United States."⁵⁸

Brazil's refusal to contribute troops to the UN effort in Korea had been a dramatic sign that something had happened to that relationship. Less dramatic

⁵⁵ Eisenhower, *Wine is Bitter*, 152; Dwight D. Eisenhower to Vargas, June 22, 1953, Vargas Papers; Cabinet minutes, July 3, 1953, box 2, Cabinet Series, Eisenhower Papers; Vargas to Dwight D. Eisenhower, July 31, 1953, folder Brazil (11), box 4, Whitman Files, Eisenhower Papers; Milton Eisenhower to Dwight D. Eisenhower, Oct. 9, 1953, *ibid*.

⁵⁶ Cabinet minutes, Feb. 26, 1954, box 3, Cabinet Series, Eisenhower Papers.

⁵⁷ Kaplan and Bonsor, "Did United States Aid Really Help Brazilian Development?" 28. In 1953 Brazil had received from the Export-Import Bank, in addition to the commercial arrears loan, another \$200 million, but one-third of this amount had been granted to a manganese-mining corporation, of which Bethlehem Steel was a stockholder, to enable it to increase production for export to the United States. "New Manganese Project Undertaken in Brazil," *Department of State Bulletin*, XXVII (Jan. 26, 1953), 140.

⁵⁸ Aranha to Vargas [July 1953], Vargas Papers; *Correio da Manhã*, Nov. 27, 1953; Renato Guillobel to chief, U.S. Naval Mission, Aug. 4, 1954, in Renato Guillobel, *Memórias* (Rio de Janeiro, 1973), 541-42.

in form, but of greater long-range consequence, was another signal: Brazil's energetic campaign to broaden its international economic options. In part, an interest in other markets resulted from the financial squeeze, but the pervasive discontent with the American partnership was a major goad in the drive to achieve greater autonomy. In March 1952, for example, Fontoura pointed to an upsurge of European interest in Brazil and urged Vargas to seek "maximum diversification" of markets and suppliers, especially in view of the difficulties in relations with Washington. Observing the remarkable progress in trade and investment relations with West Germany over the next two years, Fontoura's successor remarked that encouragement of European capital was necessary because development aid from other sources had been "clearly inadequate."⁵⁹

Of unique significance were signs of an incipient reevaluation of Brazil's attitude toward Spanish America. Efforts to intensify relations with neighboring countries, especially Bolivia and Paraguay, were part of a long-standing strategy of counterbalancing Argentine influence,⁶⁰ but there were clear indications that Brazilian policy makers, in their dissatisfaction with Washington, began to question the effects of the dubious special relationship on Brazil's position in South America.⁶¹ The Washington Conference, of course, was unusual in that Brazil publicly aligned itself with other Latin American countries against the United States. The encouraging reaction from Spanish American delegations may have furthered Brazil's doubts.⁶² More important as a stimulus, however, was the realization that everywhere in Latin America the list of grievances against the United States was rapidly growing and that some of the suspicion and animosity rubbed off on Brazil because of its historic solidarity with Washington.⁶³

The caretaker government of Vice-President João Café Filho (1954–1955), who assumed the presidency when Vargas committed suicide in August 1954, brought no changes in relations between Brazil and the United States. Shortly after taking office, Café Filho dispatched his finance minister to discuss what he told Dwight D. Eisenhower were problems of "fundamental importance to our future relations." The president replied that he was "deeply sympathetic" toward Brazil's aspirations,⁶⁴ but negotiations brought no solution to the basic policy divergence. In the Treasury Department there was little sympathy for

⁵⁹ Fontoura to Vargas, March 10, 1952, *Coleção Presidência da República*; "Comércio com a Alemanha," *Conjuntura Econômica*, XI (May 1957), 35; Vicente Rão to Vargas, July 13, 1954, *Coleção Presidência da República*.

⁶⁰ Hilton, "Brazil and the Post-Versailles World," 357–58.

⁶¹ Conselho Nacional de Economia minutes, July 24, July 26, 1951, and Sept. 12, 1952, boxes 220, 222, Arquivo do Conselho Nacional de Economia.

⁶² Francisco San Tiago Dantas to Vargas, April 27, 1951, *Vargas Papers*; *Jornal do Comércio*, Jan. 2, 1952.

⁶³ Orlando Leite Ribeiro to Vargas, June 15, 1954, *Vargas Papers*; João Café Filho, *Do Sindicato ao Catete: Memórias Políticas e Confissões Humanas* (2 vols., Rio de Janeiro, 1966), I, 272–73. Getúlio Vargas, during the last year of his presidency, began sounding the theme of Latin American solidarity for development purposes. Vargas, *O Governo Trabalhista*, IV, 40–42; Vargas, *Mensagem ao Congresso Nacional . . . 1954*, 8.

⁶⁴ João Café Filho to Dwight D. Eisenhower, Sept. [?] 1954, and Dwight D. Eisenhower to Café Filho, Oct. 8, 1954, folder OF 164 Brazil (1), box 854, White House Central File, Eisenhower Papers.

Brazil's position. Secretary Humphrey, an advocate of an ill-defined "tough hard-hitting" attitude toward Latin America, remarked privately at this time that he was "utterly convinced that a soft policy and a policy of winning Latin America by spending money on them is not the way to go about it." Specifically, he criticized Brazil's hopes to manufacture, with Export-Import Bank assistance, tin plate so as to reduce dependence on two American firms. While Café Filho's minister of war bitterly complained about American neglect, American aid to other underdeveloped areas, and American pressure against Petrobrás and other forms of statism in Brazil, Dwight D. Eisenhower said that the United States "would be friendly—understanding and helpful but that our world commitments were heavy." During a cabinet meeting in December, the president, referring to Latin American grievances, justified aid to Asia instead, arguing that the United States was also defending Latin America's interests in the Far East.⁶⁵

Elderly statesman Fernandes, once again heading Itamaraty, made his final appeal for a special relationship in January 1955. In a letter to Muniz, intended for transmission to Rockefeller, Fernandes complained that Washington was not distinguishing Brazil from the rest of Latin America and was handling Brazilian requests for aid as though they were "banking operations" instead of a political and security matter. Funds, he recalled, had been made available for Europe and the dominant motive had not been financial gain, but Western security. Rockefeller passed the letter along to Dulles, and a hasty meeting was arranged between Muniz and State Department experts, but the upshot was a lecture on the need for balanced budgets, controlled inflation, and a liberalization of petroleum laws to permit the participation of foreign capital. Assistant Secretary Henry F. Holland, according to a State Department memorandum on the encounter, told Muniz that those "were all matters which only Brazil could solve, and that upon their solution depended any permanent economic progress [i.e., American aid]." A few weeks later Muniz spoke at the National War College and politely vented the backlog of grievances. Point Four, he said, had been a "mild palliative" compared with the Marshall Plan, while the JBUSC had been an "anti-climax." Washington had to remember Brazil's contributions during World War II, he remonstrated, and it must realize that economic development was the best defense against communism.⁶⁶ As Café Filho's brief administration closed, the theme of American neglect dominated Brazilian commentaries on relations with the United States.⁶⁷

What seems most to have preoccupied Republican policy makers, as they contemplated the electoral victory of Juscelino Kubitschek and his left-leaning running mate João Goulart, was communist activities in Brazil. To gauge Kubitschek's attitude, the State Department invited him to Washington before

⁶⁵ Henrique Teixeira Lott to Café Filho, Nov. 16, 1954, folder 13/1, João Café Filho Papers (Centro de Pesquisa e Documentação de História Contemporânea); Cabinet minutes, Dec. 3, 1954, box 4, Cabinet Series, Eisenhower Papers.

⁶⁶ Fernandes to Muniz, Jan. 6, 1955, folder 4, Café Filho Papers; Muniz to Fernandes, Feb. 3, 1955, *ibid.*; Muniz to Sherman Adams, May 13, 1955, folder OF 164, Brazil (1), box 854, White House Central Files, Eisenhower Papers.

⁶⁷ See, for example, *Correio da Manhã*, Sept. 29, 1955.

his inauguration. Vice-President Richard Nixon voiced the administration's interest: it was important to do "everything possible to set off on the right foot with the new Brazilian Government and to give Kubitschek the opportunity of committing himself to an anti-communist program."⁶⁸ Brazilian leaders also worried about communist machinations, but they disagreed as to the solution. What deeply puzzled them was Washington's use of economic aid to meet the challenge in Europe and Asia, but insistence on "politico-police methods" in Latin America.⁶⁹ The disagreement surfaced once more during Kubitschek's visit in January 1956. Dulles and his aides spoke exhaustively on the need for a greater anticommunist effort and offered technical assistance for that end, while Kubitschek wanted to discuss financing for a five-year development plan. Though expressing a willingness to "listen" to Brazilian proposals, American officials admonished him that any concrete projects should be included in an economic restoration package.⁷⁰ Brazil should put its financial house in order by liberalizing investment legislation and eliminating budgetary deficits.

Subsequent contacts and discussions simply brought a reaffirmation of the policy conflict. Nixon visited Brazil for Kubitschek's inauguration and returned to the theme of an anticommunist crusade. Kubitschek agreed and said that Brazil required \$1.2 billion in capital equipment to spur the development necessary to impede radicalism; economic aid, Nixon replied, depended upon Congress, and the latter was influenced by a client country's financial and political stability and by its attitude toward communism. In a public speech, Kubitschek reminded Nixon that "liberty is merely a word for those who live in extreme poverty," and that was the message he sent to Washington with his vice-president a few weeks later. In a letter to Dwight D. Eisenhower that Goulart delivered, Kubitschek insisted that a "consistent governmental effort"—American official aid—was needed in infrastructural areas that lacked attractiveness for private investors. But Brazilian appeals continued to find little resonance in Washington. Dulles informed Dwight D. Eisenhower that he had adopted a wait-and-see attitude "pending further clarification" of Kubitschek's orientation; so no commitment was made to Goulart other than a promise to study loan requests. President Eisenhower, in his reply to Kubitschek, carefully ignored his reference to official aid, emphasizing instead the necessity of doing "everything possible to reassure private initiative as to the great possibilities which exist in Brazil."⁷¹ Even ardent Brazilian cham-

⁶⁸ State Department memorandum, Dec. 15, 1955, folder OF 164, Brazil (2), box 854, White House Central Files, Eisenhower Papers; Dulles to Dwight D. Eisenhower, Jan. 4, 1956, folder Brazil (10), box 4, Whitman Files, *ibid.*

⁶⁹ Ministério das Relações Exteriores memorandum [Dec. 1955–Jan. 1956], Macedo Soares Papers.

⁷⁰ Ministério das Relações Exteriores memorandum [Jan. 1956], *ibid.*

⁷¹ Ministério das Relações Exteriores memorandum, Feb. 2, 1956, *ibid.*; Juscelino Kubitschek, speech, Feb. 3, 1956, in Juscelino Kubitschek, *Discursos-1956* (Rio de Janeiro, 1958), 21; Kubitschek to Dwight D. Eisenhower, April 28, 1956, OF Brazil (2), box 854, White House Central Files, Eisenhower Papers; Dwight D. Eisenhower to Kubitschek, May 8, 1956, *ibid.*; Dulles to Dwight D. Eisenhower, April 30, 1956, folder Brazil (9), box 4, Whitman Files, *ibid.*; João Baptista Pinheiro, memorandum, June 7, 1956, Macedo Soares Papers.

pions of the special relationship were now led, in confidential debates, to acknowledge the essential futility of that strategy.⁷²

Brazil's luck in the military sphere was no better. Military strategists in Rio de Janeiro were uneasy with their passive coastal defense capabilities and wanted to organize an antisubmarine "hunter-killer" group involving an aircraft carrier, destroyers, and airplanes. They had asked for the cession of four submarines and escort vessels in May 1954, but it was almost two years before Washington agreed to *loan* them two aged submarines. Then in March 1956, Rio de Janeiro asked to buy a carrier, but the Pentagon declined because of the unfavorable repercussions the sale would have on relations with Argentina. This decision led Brazil to purchase a carrier in Great Britain. A request by Washington later that year for permission to set up a missile-tracking station on the island of Fernando de Noronha seemed to create a new opportunity, and Rio de Janeiro initially insisted on a quid pro quo in the form of additional hardware. The "resentment" in military circles over Washington's niggardliness in the matter of arms transfers, cautioned Ambassador Ellis Briggs, was a factor of great importance in Brazil's "incredibly fuzzy and frustrating" response to the American bid.⁷³ Washington refused to negotiate on that basis, however, appealing instead to Brazil's sense of obligation to Western defense. Kubitschek relented, despite the noisy opposition of the Brazilian left, but he insisted on a clause in the agreement, signed in January 1957, that implicitly committed the United States to greater aid. Itamaraty pressed the issue, complaining to the State Department that to date all that Washington had done for Brazil under the 1952 mutual assistance pact had been to help maintain "a nucleus of antiquated and useless ships." In February Kubitschek sent a personal reminder to Eisenhower. Talks nonetheless dragged on, and at the end of the year Briggs, who was uneasy about the drift in American-Brazilian relations and had previously admonished the State Department that Brazil deserved a "special position" in Washington's Latin American policy, chided his superiors about the fact that the Brazilians had made "little perceptible progress" in the arms negotiations. At the end of 1958 the Brazilian embassy in Washington would still be remonstrating that Brazil's requirements had not been met.⁷⁴

By 1958 American-Brazilian relations had stumbled to a crossroads, one that was not clearly perceived in Washington. Brazilian authorities had continued to voice sharp criticism of apparent American disinterest in the special relationship and were starting to call for a new realism in dealing with the United States.⁷⁵ Even the conservative press, which had long championed the

⁷² Antonio Camillo de Oliveira, lecture, Escola Superior de Guerra, June 8, 1956, Escola Superior de Guerra print C-48-56 (copy), Aranha Papers.

⁷³ Muniz to Dulles, March 19, 1956, Macedo Soares Papers; Macedo Soares to Ellis Briggs, Sept. 9, 1956, *ibid.*

⁷⁴ Briggs to State Department, Dec. 19, Dec. 28, 1956, Department of State Archives; Ministério das Relações Exteriores to State Department, Jan. 14, 1957, Macedo Soares Papers; Kubitschek to Dwight D. Eisenhower, Feb. 11, 1957, folder Brazil (8), box 4, Whitman Files, Eisenhower Papers; Ernani Amaral Peixoto to State Department, Nov. 6, 1958, Macedo Soares Papers.

⁷⁵ João Barreto Leite Filho, lecture, Escola Superior de Guerra, May 27, 1956, Escola Superior de Guerra print C-37-56 (copy), Aranha Papers; Vieira de Mello, speech, July 11, 1956, mimeograph,

alliance, was now expressing disenchantment.⁷⁶ On the American side, Briggs, who had become a proponent of preferential treatment of Brazil, warned at the end of December 1957 that there might be "some reorientation of Brazilian diplomacy toward a neutralist position." But his view of the Kubitschek administration was essentially a negative one, and in the State Department there seems to have been a tendency to attribute Brazilian grievances to Kubitschek's careless administrative methods, factional political quarrels, and the "adverse psychological climate resulting from communist-stimulated ultra-nationalism." Nixon's ill-fated trip to South America that year generated some doubts, but the vice-president himself reported to the cabinet on his return that he thought "the political complaint against the United States for harboring refugee dictators was more important than various economic complaints." Perhaps President Eisenhower also failed to grasp just how deeply the demand for massive development assistance was running in Brazil and elsewhere in Latin America. The region had serious economic problems, he agreed in conversation with one diplomat at the time, but there was a "lack of comprehension" on its part of the scale on which Washington was already aiding it.⁷⁷

Of critical importance for subsequent relations was the increasingly firm conviction in Brazilian policy-making circles that national strategy toward the United States and Spanish America had been counterproductive and that the only way Brazil could acquire the requisite bargaining strength vis-à-vis Washington would be to ally itself with its Spanish-speaking neighbors. During his first two years in office Kubitschek had repeatedly emphasized his interest in greater cooperation with Spanish America and had launched a vigorous diplomatic effort in adjoining countries. Itamaraty had concluded a variety of cultural, economic, and communications agreements with them. This success reinforced doubts about the wisdom of the historic policy of semi-isolation from Spanish America. By late 1957 influential newspapers, such as the *O Estado de São Paulo*, began endorsing the idea of a "Latin American union" led by Brazil, while within the Escola Superior de Guerra (Brazil's War College) analysts pointed to the failure of the special relationship and cited such a union as a promising alternative.⁷⁸ Briggs was never farther off the mark than

Macedo Soares Papers; Armando Morães, lecture, Escola Superior de Guerra, Aug. 22, 1956, Escola Superior de Guerra print C-76-56, Aranha Papers; Aranha to Macedo Soares, Oct. 21, 1957, Macedo Soares Papers; José Sette Câmara Filho, lecture, Escola Superior de Guerra [May 1958], Escola Superior de Guerra print C1-41-58, Aranha Papers; Muniz, lecture, Escola Superior de Guerra, [May 1958], Escola Superior de Guerra print C-50-58, Aranha Papers.

⁷⁶ *O Estado de São Paulo*, Jan. 19, 1957; *O Globo* (Rio de Janeiro), May 20, May 22, 1958; *Diário de São Paulo*, June 22, June 29, 1958. The leftist, nationalist press was saying the same thing. Compare *Última Hora* (Rio de Janeiro), Jan. 13, April 28, and May 26, 1958.

⁷⁷ State Department to Dwight D. Eisenhower, Oct. 15, 1957, folder OF 164, Brazil (3), box 854, White House Central Files, Eisenhower Papers; Cabinet minutes, May 16, 1958, box 11, Cabinet Series, *ibid.*; Dwight D. Eisenhower, cited in State Department memorandum, June 23, 1958, folder Argentina (5), box 1, Whitman Files, *ibid.*

⁷⁸ Kubitschek, *Discursos-1956*, 219; Juscelino Kubitschek, *Discursos-1957* (Rio de Janeiro, 1958), 54; Juscelino Kubitschek, *Mensagem ao Congresso Nacional . . . 1958* (Rio de Janeiro, 1958), 60-61; Ministério das Relações Exteriores, *Relatório . . . 1956* (Rio de Janeiro, 1956); Ministério das Relações Exteriores, *Relatório . . . 1957* (Rio de Janeiro, 1957); *O Estado de São Paulo*, Aug. 29, Dec. 7, 1957; Decio Moura, lecture, Escola Superior de Guerra, Oct. 31, 1957,

when he discounted as "hocus-pocus" Brazil's increasing emphasis on a commonality of interests with Spanish America. Such talk was "fine for after-banquet oratory and UN doings with Arabs," he wrote skeptically, "but [it is] lacking other substance." A confidential lecture at the Escola Superior de Guerra by the head of Itamaraty's Political Division in May 1958 showed how wrong the American envoy was. Latin American integration would occur with or without Brazil, he asserted; so Rio de Janeiro should head the movement and thereby place itself in a position to "negotiate more effectively" with the United States.⁷⁹

That conclusion apparently had become dominant in Brazilian policy-making spheres by mid-1958, when Nixon's unhappy experiences in South America provided Kubitschek with a dramatic opportunity to launch the new strategy. The first step in what became known as Operation Pan America (OPA) was a letter to Dwight D. Eisenhower on May 28 calling for a change in American policy toward Latin America as a whole. Significantly, it was Ambassador Augusto Schmidt, an inveterate critic of the United States, who helped Kubitschek draft the letter.⁸⁰ Kubitschek subsequently went on the radio to mobilize domestic support for his gambit, had Itamaraty appeal to Spanish American diplomatic missions for solidarity, and began corresponding with neighboring chief executives.⁸¹

Washington's unenthusiastic response to the Brazilian demarche suggests that its significance in terms of Brazilian-American relations was lost on the State Department, which also failed to appreciate fully the disillusionment that motivated Brazil's action. Dulles recommended to President Eisenhower that Assistant Secretary Roy Rubottom carry a noncommittal reply to Kubitschek in order to determine better what he had in mind; the president agreed. The letter sent to Kubitschek expressed support for "corrective measures" to bolster hemispheric solidarity, but, reflecting Washington's primary concern, it emphasized specifically the need for "implementing more fully" the anti-communist resolution adopted at the Caracas Conference in 1954. Rubottom's meeting with Kubitschek in June revealed the same divergence of emphasis. Kubitschek attributed Latin American discontent and the appeal of communism to social misery stemming from economic backwardness, while Rubottom judged the communist challenge to be essentially a police matter. A formal memorandum that Briggs later delivered to Itamaraty paid lip service to economic development as a means of checking extremism, but warned that

Macedo Soares Papers; José Sette Câmara Filho, lecture, Escola Superior de Guerra [May 1958], Escola Superior de Guerra print C1-45-58, *ibid.*; Muniz, lecture, Escola Superior de Guerra [May 1958], Escola Superior de Guerra print C-50-58, *ibid.*

⁷⁹ Luis Bastian Pinto, lecture, Escola Superior de Guerra [May 1958], Escola Superior de Guerra print C1-51-58, Macedo Soares Papers. The president of the Conselho Nacional de Economia made the same point. José Garrido Torres, "Porque um Mercado Regional Latino-Americano?" *Revista Brasileira de Política Internacional*, 1 (June 1958), 114-18.

⁸⁰ Juscelino Kubitschek, *Por Que Construí Brasília* (Rio de Janeiro, 1976), 14-42. For Augusto F. Schmidt's earlier criticism of U.S. policy, see his articles in *O Jornal*, Oct. 17, 1948, and *Correio de Manhã*, Sept. 8, 1948, Jan. 15, Jan. 25, Jan. 26, Oct. 21, 1949, and June 29, 1950. On Richard M. Nixon's trip, see Richard M. Nixon, *Six Crises* (New York, 1962), 183-234.

⁸¹ Kubitschek, *Por Que Construí Brasília*, 157-59, 195.

Latin American governments should “more energetically” combat by other means “the external forces” that were subverting hemispheric solidarity. This was precisely the line of argument that Dulles used when he visited Brazil in July. “There was a clear dividing line,” Kubitschek recalled of successive talks with Dulles, “between what Brazil sought and the doctrine espoused by the United States.” Dulles, “a tenacious, intransigent debater almost incapable of compromise,” insisted on channeling conversation toward the communist threat and even proposed a bilateral anticommunist agreement, whereas Kubitschek pounded on a familiar theme of economic development as the path to hemispheric security.⁸²

Briggs argued in early 1959 that “to keep our enemies from polluting the reservoir of traditional Brazilian good will should remain cardinal American policy.” At the same time, he thought that the United States served Latin America as “a housebroken scapegoat” and that Washington should judge Brazil’s requests for economic aid in accordance with its efforts to “maintain a favorable private investment climate.” Washington did agree to the creation of an Inter-American Development Bank, but it disagreed radically with the Kubitschek government over the size of capitalization.⁸³ American reticence encouraged Kubitschek, Schmidt, and other Brazilian officials to keep before the public eye the issues of American neglect and Latin American unity, and Briggs’s successor, John Moors Cabot, was correct in calling Washington’s attention late that year to Brazil’s conviction that it was not receiving aid from the United States “commensurate with its needs and due.”⁸⁴

Brazilian resentment deepened with the realization that what was really sparking Washington’s interest in Latin America was the renewed communist menace in the form of Fidel Castro’s Cuba. It was only that challenge that provoked a presidential visit to the region in 1960. Before Dwight D. Eisenhower’s departure for Latin America, Kubitschek urged him to take a stand there in favor of economic development as the key to democracy—by this he meant, of course, greater official assistance. Once again, however, Eisenhower emphasized to his audience in Latin America the wisdom of relying on private foreign capital. Surprised at the reluctance of Kubitschek and his Spanish-American counterparts to adopt an anti-Castro stance, Eisenhower on his return admonished the new Brazilian foreign minister that the “Cuban problem was a problem affecting all of the Americas and was not just a United States problem.” Kubitschek reminded Eisenhower privately in July of what

⁸² Dulles, phone conversation with Dwight D. Eisenhower, June 6, 1958, box 12, Telephone Memoranda, Dulles Papers; Dwight D. Eisenhower to Kubitschek, June 5, 1958, folder Brazil (8), box 4, Whitman Files, Eisenhower Papers; Kubitschek, *Por Que Construí Brasília*, 153, 155–57, 160–61; Briggs to Macedo Soares, June 20, 1958, Macedo Soares Papers. On Dulles’s trip, see also Eleanor Lansing Dulles, *John Foster Dulles: The Last Year* (New York, 1963), 152.

⁸³ Briggs to State Department, Jan. 19, 1959, file 611.32/1-1959, Department of State Archives; Don Paarlberg to Ann Whitman, March 5, 1959, folder Staff Notes March 1–15, 1959 (2), box 39, Diary Series, Eisenhower Papers.

⁸⁴ Juscelino Kubitschek, *Mensagem ao Congresso Nacional, remetida pelo Presidente da República na abertura da sessão legislativa de 1959* (Rio de Janeiro, 1959), 11; *O Estado de São Paulo*, July 22, 1959; Augusto F. Schmidt, cited in *O Estado de São Paulo*, May 1, 1959, and *Jornal do Brasil*, Nov. 5, 1959.

he saw as the real challenge. Underscoring the need for a new program of "public financing," Kubitschek reiterated anew the complaints about American lack of interest and warned that Western security was weakened by economic backwardness in Latin America.⁸⁵ As his administration closed, Kubitschek was convinced that the State Department had sabotaged OPA.⁸⁶

The real significance of OPA appears not to have been appreciated in Washington. The American ambassador in Rio de Janeiro, uneasy but apparently not certain of what had occurred, worried in late 1960 that if Brazil opted to head an independent bloc of Latin American states "it could mean the beginning of the breakdown of the inter-American system." He also thought that American-Brazilian relations "are now, or will shortly be, at a crossroads."⁸⁷ That assessment was tardy, but correct insofar as that system had included a special relationship between Brazil and the United States. Disenchanted Brazilian policy makers realized precisely what had happened. Muniz, in an article published in late 1959, explained that a bilateral approach to the "great industrialized centers" had proven fruitless; so Brazil had opted for a continent-wide bargaining front. For another diplomat lecturing privately at the Escola Superior de Guerra the following year, OPA had been "Brazil's first entirely independent attitude," toward the United States. It was Ambassador Henrique Rodrigues Valle, in a similar lecture, who best defined what had taken place. Kubitschek's demarche represented "an almost complete turnabout" in Brazil's foreign policy. "More than that," he continued, "[Brazil] is playing a role opposite to that which it had become accustomed to, and, from an interpreter of the United States in Latin America, it has become the advocate of the Latin Americans vis-à-vis the northern power."⁸⁸

Seen against the background of Brazil's experiences with the special relationship in the 1950's, the ensuing Quadros-Goulart period (1961–1964), in which Brazilian leaders enthusiastically announced their "independent foreign policy" and loudly proclaimed solidarity with the Third World,⁸⁹ was but an exaggerated execution of Kubitschek's new strategy. Indeed, the dedication with which all post-Kubitschek governments, even the energetically anticommunist military regimes of the latter 1960s and 1970s, pursued an intensification of relations with Spanish America and—once national industrialization had reached significant proportions and external dependency had been suffi-

⁸⁵ U.S. embassy at Rio de Janeiro to State Department, Dec. 14, 1959, Department of State Archives; Dwight D. Eisenhower, *Waging Peace, 1956–1961* (New York, 1965), 525–32; Kubitschek to Dwight D. Eisenhower, Jan. 13, 1960, folder Brazil (3), box 4, Whitman Files, Eisenhower Papers; State Department memorandum, March 18, 1960, *ibid.*; Kubitschek to Dwight D. Eisenhower, July 19, 1960, *ibid.*

⁸⁶ Kubitschek, *Por Que Construí Brasília*, 197, 207–08.

⁸⁷ U.S. embassy at Rio de Janeiro to State Department, Sept. 1, 1960, Department of State Archives.

⁸⁸ João Carlos Muniz, "Significado da Operação Pan-Americana," *Revista Brasileira de Política Internacional*, 2 (Sept. 1959), 11; Adolpho Menezes, lecture, Escola Superior de Guerra [1960], Escola Superior de Guerra print C-42-60 (Biblioteca do Exército, Rio de Janeiro); Henrique Rodrigues Valle, lecture, Escola Superior de Guerra [Aug. 1, 1960], Escola Superior de Guerra print C-46-60, *ibid.*

⁸⁹ Wayne A. Selcher, *The Afro-Asian Dimension of Brazilian Foreign Policy, 1956–1972* (Gainesville, 1974).

ciently diversified—demonstrated increasing political autonomy from Washington suggests that the policy shifts instituted after the 1964 “revolution” were mere tactical maneuvers designed to reassure foreign sources of loans and investments so as to prime the national economic pump left stalled by the inflationary policies of Kubitschek, Jânio Quadros, and Goulart.

Nevertheless, it seems clear that the deteriorative impact of the first decade or so of the Cold War on American-Brazilian relations was decisive for the subsequent course of those relations. It was during that period, highlighted by the Korean crisis, that the theme of American neglect became a dominant ingredient in the thinking of the Brazilian foreign policy elite. By the end of that conflict, the conviction that Washington was not interested in a truly special relationship with Brazil, except in international emergencies when it suited American purpose, pervaded Brazilian policy-making circles, generating increasingly stronger doubts about the wisdom or even convenience of persisting in the effort to forge such a relationship. The subsequent reversal of Brazil’s strategy toward the United States and Spanish America—of which the first major public manifestation was Kubitschek’s OPA—was the consequence of that disillusionment.

Both postwar administrations, Democratic and Republican, bear responsibility for that shift. American policy makers gave priority to European and Asian issues and were inclined to pay attention to Latin American countries only insofar as they rocked the hemispheric boat or became targets of communist intrigue. There were no powerful bureaucratic or organizational interests lobbying on behalf of the special relationship with Brazil, and, rather than possibly incur further Spanish American animosity by decisively favoring the South American giant, administration spokesmen preferred to resist Brazil’s pleas for massive and preferential treatment. By its reluctance to pursue imaginatively an effective key-country approach to relations with Latin America, Washington alienated Brazil, formerly an eager ally in hemispheric matters. It also contributed powerfully to the long-range decline of American influence in the region by propelling Brazil along the path of solidarity with its historical antagonists, the Spanish Americans.